

Jiangsu NandaSoft Technology Company Limited
(a joint stock limited company incorporated in the People's Republic of China)

Articles of Association

(Revised on 13th July 2022)

This is an English translation of the official Articles of Association of Jiangsu NandaSoft Technology Company Limited in Chinese language. In case of conflict between the two versions, the Chinese version shall prevail.

CHAPTER 1 GENERAL

Article 1

Mandatory
Provisions
Article 1

The Company is a joint stock limited company incorporated in accordance with the Company Law (“**Company Law**”) of the People’s Republic of China (“**PRC**”), the Securities Law of the PRC, Special Provisions of the State Council Concerning the Flotation and Listing Abroad of Stocks by Limited Stock Companies (“**Special Provisions**”) and other related laws and administrative regulations of the State.

The Company was incorporated by way of promotion on 30 December 1999 under the approval of the People’s Government of Jiangsu Province of the PRC (approval document: Suzhenfu [1999] No. 165) and registered at Jiangsu Administration for Industry and Commerce on 30 December 1999. The Company has obtained the business licence for enterprise legal person with registered number 3200001104704. The promoters of the Company are as follows:

Nanjing University

Legal representative: Jiang Shu Sheng

Legal address: No.22 Hankou Road, Nanjing, PRC

Jiangsu Zongyi Company Limited

Legal representative: Zan Sheng Da

Legal address: Huangjin Village, Xingdong Town, Tongzhou, PRC

Jiangsu Provincial Management Centre for Education Equipment and Self-Supporting School (formerly known as Jiangsu Educational Instrument Corporation)

Legal representative: Chen Zheng Rong

Legal address: No.207 Shanghai Road, Nanjing, PRC

The Worker Union of Jiangsu Provincial Management Center for Education Equipment and Self-Supporting School (formerly known as The Worker Union of Jiangsu Educational Instrument Corporation)

Legal representative: Zhou Ming Hai

Legal address: No.207 Shanghai Road, Nanjing, PRC

Jiangsu Provincial IT Industrial Investment Company Limited Legal representative: Wang Dao Wu

Legal address: 2/F., Block 03, Pukou Gaoxin District, Nanjing, PRC

Jiangsu Co-Creation Education Development Company Limited Legal representative: Chen Zheng Rong
Legal address: No.207 Shanghai Road, Nanjing, PRC

Jiangsu High-Tech Industry Investment Company Limited (formerly known as Jiangsu Property Business Company Limited)
Legal representative: Zan Sheng Da
Legal address: No.1418, No. 455 Zhujiang Road, Nanjing, PRC

Article 2

The Company's registered Chinese name: 江蘇南大蘇富特科技股份有限
公司
The Company's registered English name: Jiangsu NandaSoft Technology
Company Limited.

Mandatory Provisions
Article 2

Article 3

The Company's domicile: Block 1, No. 19 South Qingjiang Road, GuLou
district, Nanjing, China
Telephone number: +86 (025) 68528888
Fax number: +86 (025) 68519990
Postal code: 210036

Mandatory Provisions
Article 3

Article 4

The Company's legal representative is the chairman of the board of
directors of the Company ("**Board**").

Mandatory Provisions
Article 4

Article 5

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

Mandatory Provisions
Article 5

Article 6

The Articles of Association shall become effective from the date of
incorporation of the Company.

Mandatory Provisions
Article 6

From the effective date of the Articles of Association, the Articles
of Association shall constitute a legally binding document regulating the
Company's organization and act, as well as the rights and obligations between
the Company and each shareholder and among the shareholders.

Article 7

The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager/president, deputy general manager (s)/vice president (s) and other senior management officers, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Mandatory
Provisions
Article 7

In accordance with the Articles of Association, a shareholder may sue the Company, the Company may sue a shareholder, a shareholder may sue the other shareholder (s), and a shareholder may sue the director (s), supervisor (s), general manager/president, deputy general manager (s)/vice president (s) and other senior management officer (s) of the Company.

The term "sue" referred to in the preceding paragraph includes commencing proceedings in court and referring the dispute to an arbitral body for arbitration.

Article 8

The Company may invest in other limited liability companies and joint stock limited companies, to which the Company shall be liable to the extent of the amount of the capital contribution. However, as their investor, the Company shall not undertake joint liability for the liabilities of such invested enterprises.

Mandatory
Provisions
Article 8

Article 9

The Company is an independent legal entity. All acts of the Company shall comply with the laws and regulations of the PRC and the place of listing of overseas listed foreign shares, and protect the shareholders' legal interests. All capital of the Company is divided into shares with the same par value per share. The liabilities of shareholders are limited to the amount of shares held by them, and the Company is liable for its liabilities to the extent of its entire assets.

Subject to compliance with the laws and administrative regulations of the PRC, the Company has the power to raise or borrow money, which power includes without limitation issuing corporate bond, charging or pledging the ownership or right of use or other rights as permitted by the PRC laws and administrative regulations in respect of the whole or part of the Company's assets, and providing various forms of guarantee for the debts of any third party (including but not limited to the Company's subsidiaries or associated companies) under any circumstances; however, the Company shall not prejudice or abolish the rights of holders of shares of any class when exercising the above rights.

CHAPTER 2 OBJECTS AND SCOPE OF BUSINESS

Article 10

The objects of the Company are to develop computer software and high-tech products with proprietary intellectual properties and to promote the industrialization of high-tech technology achievement. The Company, supported by Nanjing University's edges in research, technology and manpower, insists self-innovation and is determined to become a well-known high-tech enterprise in and outside the PRC with its unique characteristics, collectivization and implementation of internationalized strategy. Meanwhile, through its proper and highly-efficient management, the Company will fully utilize the operational edges of marketization, promote the all-round development of the Company, and endeavor to bring satisfactory returns to all shareholders' investment interest and create favourable social benefits.

Mandatory
Provisions
Article 9

Article 11

The scope of business of the Company shall be based on the items approved by the company registration authority.

Mandatory
Provisions
Article 10

The main scope of business of the Company includes: the research and development, production, manufacture, sale and maintenance of computer hardware, network communication facilities (excluding satellite land reception facilities), multi-media, electronic products, equipment and meters, and information industry related products; computer system integration, technology services, technology transfer, training and consultation; and sale of office automation facilities (the scope of business shall be subject to the scope approved by the Administration for Industry and Commerce) .

In accordance with the domestic and international market trends, the needs for business development in China, its own growth capability and the needs for its business performance, the Company may at appropriate time adjust its investment policies and business scope and mode, and set up branches and offices (whether wholly-owned or not) in and outside China, including Hong Kong, Macau and Taiwan, subject to approval by the relevant governmental authority.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 12

The Company shall have ordinary shares at all times. It may have other kinds of shares according to needs, upon approval of the company examination and approval authorities that are authorized by the State Council.

Mandatory Provisions
Article 11

Article 13

All the shares issued by the Company shall have a par value which shall be RMB0.10 for each share. For the purpose of the above paragraph, the term “RMB” shall refer to the legal currency of the PRC.

Mandatory Provisions
Article 12

Article 14

Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

Mandatory Provisions
Article 13

For the purpose of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong, Macau or Taiwan who subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, who subscribe for shares issued by the Company.

Article 15

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares.

Mandatory Provisions
Article 14
Hong Kong Listing Rules
Appendix 3
Paragraph 9

The foreign currency referred to in the preceding paragraph shall be the legal currency of other countries or regions (other than Renminbi) which is recognized by the foreign exchange administration authority of the State and can be used for payment of the Company’s shares.

Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Overseas listed foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares. H shares are shares which have been admitted for listing on The Stock

Exchange of Hong Kong Limited (“**Stock Exchange**”), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars. H shares can also be listed on a stock exchange in the United States of America in the form of American depositary receipts. With the approval of the State Council or the examination and approval authority authorized by the State Council, domestic shares can be converted to H shares.

Shares issued by the Company which are neither listed on a domestic stock exchange in the PRC nor an overseas stock exchange shall be referred to as unlisted shares. Domestic shares shall be categorized as unlisted shares.

With the approval of the State Council or the examination and approval authority authorized by the State Council, unlisted shares may be listed and traded on an overseas stock exchange. The listing and trading of shares on an overseas stock exchange shall comply with and observe the regulatory procedures, regulations and requirements as prescribed by the relevant overseas stock exchange. The listing and trading of unlisted shares on overseas stock exchange(s) is not subject to the approval or sanction at a general meeting or a class meeting. Upon the same having been listed and having become tradable on an overseas stock exchange, the original unlisted shares shall belong to the same class of shares as the overseas listed foreign shares then in issue.

Article 16

With the approval of the company examination and approval authority authorized by the State Council, the total number of issuable ordinary shares of the Company upon its incorporation is 70,000,000 ordinary shares, and with the approval of China Securities Regulatory Commission (“**CSRC**”), such 70,000,000 shares shall be sub-divided into 700,000,000 shares and the number of issuable shares shall be increased to 969,100,000 shares. The number of shares issued to the promoters upon the Company’s incorporation was 70,000,000 shares (sub-divided into 700,000,000 shares), all of which have been subscribed by the promoters as follows:

Mandatory
Provisions
Article 15

Nanjing University has subscribed for 20,000,000 shares (sub-divided into 200,000,000 shares), representing 28.57% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Jiangsu Zongyi Company Limited has subscribed for 16,000,000 shares (sub-divided into 160,000,000 shares), representing 22.86% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

The Worker Union of Jiangsu Provincial Management Centre for Education Equipment and Self-Supporting School has subscribed for 11,000,000 shares (sub-divided into 110,000,000 shares), representing 15.72% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Jiangsu Co-Creation Education Development Company Limited has subscribed for 9,000,000 shares (sub-divided into 90,000,000 shares), representing 12.86% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Jiangsu Provincial Management Centre for Education Equipment and Self-Supporting School has subscribed for 6,000,000 shares (sub-divided into 60,000,000 shares), representing 8.57% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Jiangsu Provincial IT Industrial Investment Company Limited has subscribed for 4,000,000 shares (sub-divided into 40,000,000 shares), representing 5.71% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Jiangsu High-Tech Industry Investment Company Limited has subscribed for 4,000,000 shares (sub-divided into 40,000,000 shares), representing 5.71% of the total number of issuable ordinary shares of the Company at the time of its incorporation.

Article 17

The ordinary shares issued in the first capital increase after incorporation of the Company were overseas listed foreign shares of not less than 234,000,000 shares or not more than 269,100,000 shares (when over allotment option is exercised), and the total number of ordinary shares of the Company was not less than 934,000,000 shares or not more than 969,100,000 shares (when over allotment option is exercised), of which the promoters held a total of 700,000,000 shares, accounting for 75% or not more than 72.23% (when over allotment option is exercised) of the Company's total issuable ordinary shares. With respect to overseas listed foreign shares, holders of H shares held not less than 234,000,000 shares or not more than 269,100,000 shares (when over allotment option is exercised), accounting for not less than 25% or not more than 27.78% (when over allotment option is exercised) of the Company's total issuable ordinary shares.

Mandatory Provisions
Article 16
Hong Kong Listing Rules
Appendix 3
paragraph 9

Article 18

Regarding the Company's plans for issuance of overseas listed foreign shares and domestic shares, which have been approved by the securities regulatory authority of the State Council, the Board may make implementation arrangements of separate issuance.

Mandatory Provisions Article 17

The Company's plans for separate issuance of overseas listed foreign shares and domestic shares pursuant to the preceding paragraph may be respectively implemented within fifteen (15) months from the date of approval by CSRC.

Article 19

Where the Company issues overseas listed foreign shares and domestic shares respectively within the total number of shares as stated in the issuance plans, the respective shares shall be subscribed for in full in one go. If the respective shares cannot be subscribed for in full in one go due to special circumstances, the shares may be issued in several times subject to the approval of CSRC.

Mandatory Provisions Article 18

Article 20

The Company's registered capital is RMB41,100,000.

Mandatory Provisions Article 19

Article 21

The Company may, based on its operation and development requirements and in accordance with the relevant provisions of the Articles of Association, approve an increase in capital.

Mandatory Provisions Article 20

The Company may increase its capital in the following manners:

- (1) by offering new shares for subscription by unspecified investors;
- (2) by placing new shares to its existing shareholders;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by any other means which is permitted by laws and administrative regulations.

The issuance of new shares for the purpose of increasing the Company's capital shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations of the State.

Article 22

Unless otherwise provided by laws and administrative regulations, shares of the Company shall be freely transferable and shall not be subject to any lien.

Mandatory Provisions
Article 21

Domestic shares and overseas listed foreign shares of the Company shall be respectively purchased and sold, gifted, inherited and pledged in accordance with the PRC laws and the Articles of Association. The transfer and assignment of shares of the Company shall be registered in the share registrar entrusted by the Company, and the share transfer procedures shall be conducted in accordance with the relevant regulations.

Hong Kong Listing Rules
Appendix 3
Paragraph 1
(2)

Article 23

Once the Company's shares are transferred, the transferee of the shares shall become the holder of such shares with his name entered in the register of shareholders.

Article 24

All issuances and transfers of overseas listed foreign shares shall be registered in the register of holders of overseas listed foreign shares kept in Hong Kong in accordance with Article 41.

Article 25

Any holder of overseas listed foreign shares may transfer all or part of his shares by using any written transfer document (s) usually used in Hong Kong (including, amongst the others, the standard instrument of transfer prepared by the Stock Exchange) . The transfer document (s) shall be signed by hand or in printed form by the transferor and transferee.

Article 26

The Company must ensure that the share certificates of all of its overseas listed foreign shares contain the following provisions, and instruct and cause the share registrar of the Company to refuse to register any person as holder of any shares of the Company subscribed, purchased or transferred unless and until that person has produced to the said share registrar a share certificate in respect of

the said shares, which contains the following provisions or provisions carrying the same meaning and has been approved by the Board, as well as an instrument of transfer which has been duly signed:

- (1) The purchaser agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations as well as the Articles of Association;
- (2) The purchaser agrees with the Company as well as each shareholder, director, supervisor and management officer of the Company, and the Company on behalf of itself and each director, supervisor and management officer of the Company, agrees with each shareholder, to refer all disputes and claims arising from the Articles of Association or any rights or obligations conferred or stipulated by the Company Law and other relevant laws and administrative regulations to arbitration in accordance with the Articles of Association, and by referring to arbitration, to be deemed to have authorized the arbitration to be exposed to public hearing and the result of the arbitration to be publicly announced;
- (3) The purchaser, the Company and each shareholder of the Company agree that shares of the Company can be transferred freely by the holders;
- (4) The purchaser authorizes the Company to represent him to comply with his duties owed to shareholders as provided for in the Articles of Association.

Article 27

In respect of the exercise of right to cease to have the dividend warrant delivered by post, if such dividend warrant has been left uncleared for cash, such right shall only be exercised after such dividend warrant has been so left uncleared for cash on two consecutive occasions. However, such right may also be exercised after the first occasion on which such dividend warrant fails to reach the recipient and is returned undelivered.

Hong Kong
Listing Rules
Appendix 3
Paragraph 13
(1)

The Company may sell the shares of untraceable shareholders and keep the sale proceeds, if:

Hong Kong
Listing Rules
Appendix 3
Paragraph 13
(2)

- (1) within a period of 12 years, dividends have been distributed in respect of the relevant shares for at least 3 times and have not been claimed by the relevant shareholder (s) during such period; and
- (2) upon the expiry of 12 years, the Company has obtained the approval from the securities regulatory authority of the State Council to make a public announcement of its intention to sell the relevant shares, and a notice has been served on the aforesaid authority and the relevant securities regulatory authority(ies) overseas.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 28

In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

Mandatory
Provisions
Article 22

Article 29

The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

Mandatory
Provisions
Article 23
Hong Kong
Listing Rules
Appendix 3
Paragraph 7
(1)

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement in the newspaper within thirty (30) days from the date of such resolution. A creditor shall, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the announcement, be entitled to request the Company to repay its debt or provide a corresponding guarantee for such debt.

The registered share capital of the Company following the reduction of capital shall not fall below the statutory minimum requirement.

Article 30

The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the relevant regulatory authority of the State, repurchase its issued shares under the following circumstances: (1) cancellation of shares for the purpose of reducing the Company's capital; (2) merging with another company that holds shares in the Company; (3) granting

shares to employees of the Company as incentives; (4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in general meeting on the merger or division of the Company; (5) other circumstances as permitted by laws and administrative regulations.

Article 31

The Company may, with the approval of the relevant regulatory authority of the State for repurchasing its shares, conduct the repurchase in one of the following manners:

Mandatory Provisions Article 25

- (1) to make an offer of repurchase to all of its shareholders on a pro rata basis;
- (2) to repurchase through public trading on a stock exchange;
- (3) to repurchase by way of an agreement not made on a stock exchange.

Article 32

Where the Company repurchases its shares by way of an agreement not made on a stock exchange, it shall seek prior approval of the shareholders at general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive any of its rights thereunder with prior approval of shareholders at general meeting obtained in the same manner as described in the preceding sentence.

Mandatory Provisions Article 26

A contract in respect of repurchase of shares as referred to in the preceding paragraph includes, but not limited to, an agreement to undertake to repurchase and to acquire the right to repurchase shares.

The Company shall not assign a contract for repurchasing its shares or any of its right thereunder.

Article 33

After repurchasing shares in accordance with the laws, the Company shall, within the period prescribed by laws and administrative regulations, cancel or transfer the repurchased shares in accordance with the requirements under Article 30, apply to the original company registration authority for registration of the change of its registered capital and make relevant announcement. The Company's registered capital shall be reduced by the aggregate par value of the cancelled shares.

Mandatory Provisions Article 27

Article 34

Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its issued shares:

Mandatory
Provisions
Article 28

- (1) where the Company repurchases its shares at par value, payment shall be made out of the book balance of the distributable profits of the Company and/or proceeds of new shares issued for the purpose of repurchasing old shares;
- (2) where the Company repurchases its shares at a premium, payment of the portion up to the par value shall be made out of the book balance of distributable profits of the Company and/or proceeds of new shares issued for the purpose of repurchasing old shares. Payment of the portion in excess of the par value shall be made as follows:
 1. if the shares repurchased are issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
 2. if the shares repurchased are issued at a premium, payment shall be made out of the book balance of distributable profits of the Company and/or proceeds of new shares issued for the purpose of repurchasing old shares, provided that the amount paid out of the proceeds of issuance of new shares shall not exceed the aggregate of premiums received by the Company when the shares repurchased were issued nor the amount shown on the Company's capital provident funds account at the time of repurchase of shares (including the premiums upon the issuance of new shares);
- (3) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:
 1. acquisition of rights to repurchase shares of the Company;
 2. variation of any contract for repurchasing shares of the Company;
 3. release of the Company's obligations under any contract for repurchasing its shares;

- (4) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be debited into the Company's capital provident funds account.

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

Article 35

The Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who acquires or is acquiring shares of the Company. The aforesaid acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

Mandatory
Provisions
Article 29

The Company or its subsidiaries shall not, by any means at any time, provide financial assistance to the aforesaid obligor for the purpose of reducing or discharging the obligations assumed by that obligor.

This provision does not apply to the circumstances stated in Article 37.

Article 36

The financial assistance referred to in this Chapter includes (without limitation the following means:

Mandatory
Provisions
Article 30

- (1) gift;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation arising from the Company's own fault), release or waiver of any rights;
- (3) provision of loan or execution of any agreement under which the obligations of the Company are to be performed before performance by other party (ies), or a change in the parties to, or the assignment of rights arising under, such loan or agreement; (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

- (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The term “assuming an obligation” referred to in this Chapter includes the assumption of obligation (s) following a change in the obligor’s financial position due to execution of a contract or making of an arrangement (whether such contract or arrangement can be mandatorily enforced or not, and whether such obligation (s) is/are assumed by the obligor on his own account or jointly with any other persons), or by any other means.

Article 37

The following acts shall not be deemed to be acts as prohibited in Article 35:

Mandatory
Provisions
Article 31

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company’s assets by way of dividend;
- (3) the distribution of dividends in the form of shares;
- (4) the reduction of registered capital, repurchase of shares or reorganization of the shareholding structure of the Company in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced, or if the net assets of the Company are thereby reduced, the financial assistance is paid out of the distributable profits of the Company);
- (6) the provision of money by the Company for employee share option scheme (s) (provided that the net assets of the Company are not thereby reduced, or if the net assets of the Company are thereby reduced, the financial assistance is paid out of the distributable profits of the Company).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 38

Share certificates of the Company shall be in registered form.

Mandatory
Provisions
Article 32

The following major items shall be specified on the share certificate of the Company:

- (1) the Company's name;
- (2) the date of registration of the Company;
- (3) the class of shares and the number of shares represented by the share certificate;
- (4) the serial number of the share certificate;
- (5) other items as required to be specified by the stock exchange (s) on which shares of the Company are listed.

The items which shall be specified on the share certificate of the Company shall, in addition to those provided in the Company Law and the Special Regulations, include other items as required to be specified by the stock exchange (s) on which shares of the Company are listed.

Share certificates of the Company may be transferred, gifted, inherited and pledged in accordance with the relevant laws, administrative regulations and the provisions of the Articles of Association.

Article 39

The share certificates shall be signed by the chairman of the Board. Where the stock exchange on which shares of the Company are listed requires the share certificates to be signed by other senior management officer (s), the share certificates shall also be signed by such other senior management officer (s). The share certificates shall take effect upon affixing the Company's seal (or the Company's securities seal) thereon. The Company's seal or the Company's securities seal shall only be affixed on the share certificates with the authorization of the Board. The signatures of the director (s) or other relevant senior management officer (s) on the share certificates may also be in printed form.

Mandatory
Provisions
Article 33

Zheng Jian Hai
Han [1995]
No.1
Article 1

Hong Kong
Listing Rules
Appendix 3
Paragraph 2
(1)

Article 40

The Company shall keep a register of shareholders, which shall contain the following particulars:

Mandatory
Provisions
Article 34

- (1) the name, address (domicile), occupation and status of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of shares held by each shareholder;
- (5) the date on which a person is registered as a shareholder;
- (6) the date on which a person ceases to be a shareholder.

The register of shareholders shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 41

The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain a register of holders of overseas listed foreign shares outside the PRC and appoint overseas registrar to manage such register. The original register of holders of H shares shall be maintained in Hong Kong.

Mandatory
Provisions
Article 35

Zheng Jian Hai
Han [1995]
No.1
Article 2

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's place of domicile. The appointed overseas registrar shall ensure consistency between the original and the duplicate of the register of holders of overseas listed foreign shares at all times.

Hong Kong
Listing Rules
Appendix
11 Part C
Paragraph 1
(b)

If there is any inconsistency between the original and the duplicate of the register of holders of overseas listed foreign shares, the original version shall prevail.

Article 42

The Company shall maintain a complete register of shareholders.

Mandatory
Provisions
Article 36

The register of shareholders shall comprise the following parts:

- (1) the register of shareholders maintained at the Company's place of domicile (other than those described in items (2) and (3) of this Article);
- (2) the register of holders of overseas listed foreign shares of the Company maintained at the place of the overseas stock exchange on which shares are listed;
- (3) the register of shareholders maintained at such other place as the Board may decide pursuant to the need for listing of the Company's shares.

Article 43

The parts of the register of shareholders shall not overlap. No transfer of shares registered in any part of the register of shareholders shall, during the subsistence of that registration, be registered in any other part of the register of shareholders.

Mandatory
Provisions
Article 37

Alteration or rectification of any part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is maintained.

Article 44

All transfers of overseas listed foreign shares shall be effected by an instrument of transfer in usual or common form or in the standard form prepared by the Stock Exchange, or any other written instrument the form of which is approved by the Board. The instrument of transfer may be signed by hand without seal. If the shareholder is a recognized clearing house as defined in the Securities and Futures (Clearing Houses) Ordinance (Cap 420 of the laws of Hong Kong) or its nominee, the share transfer form may be signed by hand or in machinery-printed form. All instruments of transfer shall be deposited at the legal address of the Company or such other place as the Board may designate from time to time.

Hong Kong
Listing Rules
Appendix 3
Paragraph 1
(1)

All fully paid-up overseas listed foreign shares which are listed in Hong Kong may be transferred freely in accordance with the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reason, unless the following conditions are fulfilled:

- (1) A fee of HK\$2.5 per instrument of transfer or of such higher amount as the Board may from time to time require, provided that such amount shall not be more than the amount stipulated in the Rules Governing the Listing of Securities on the GEM of Stock Exchange (“**GEM Listing Rules**”) from time to time, has been paid to the Company for registration of transfer and other documents relating to or which will affect the right of ownership of the shares;
- (2) the instrument of transfer involves only the overseas listed foreign shares listed on the GEM of the Stock Exchange (“**GEM**”);
- (3) the stamp duty payable in respect of the instrument of transfer has been paid;
- (4) the relevant share certificates and the evidence reasonably required by the Board for proof of the transferor’s right to transfer the shares have been provided;
- (5) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);
- (6) the Company does not have any lien over the relevant shares.

If the Company refuses to register the share transfer, it shall give a notice of refusal to register such share transfer to the transferor and the transferee within two (2) months from the day on which a formal application in respect of such transfer is lodged.

The Company’s shares held by the promoters shall not be transferred within three (3) years from the date of incorporation of the Company. The directors, supervisors, general manager, deputy general managers and other senior management officers of the Company shall inform the Company of their respective shareholdings in the Company. During the term of their respective office, they shall not dispose of more than 25% of their respective shareholdings in the Company in each year, and they may not dispose of any shares of the Company held by them within one (1) year from the date of listing and trading of the Company’s shares and within half a year from their cessation of holding of office.

Article 45

Where the laws, administrative regulations, department rules, regulatory documents and the relevant stock exchanges or regulatory authorities of the place where the shares of the Company are listed stipulate the period of closure of the register of members of the Company prior to the date of a general meeting or the benchmark date for determination of dividend distributions by the Company, such provisions shall prevail.

Mandatory Provisions Article 38

Reply on the Adjustment of the Notice Period

Article 46

Where the Company intends to convene a general meeting, distribute dividends, liquidate or engage in other activities that involve determination of shareholdings, the Board shall decide on a date as the shareholdings determination date for determination of shareholdings. Shareholders whose names appear in the register of shareholders at the end of the shareholdings determination date are shareholders of the Company.

Mandatory Provisions Article 39

Article 47

Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register of shareholders.

Mandatory Provisions Article 40

Article 48

Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificate (s) (“**original certificate(s)**”) is/are lost, apply to the Company for a replacement share certificate in respect of such shares (the “**relevant shares**”).

Mandatory Provisions Article 41 Hong Kong Listing Rules Appendix 3 Paragraph 7 (1)

If a holder of domestic shares loses his share certificate (s) and applies for its/their replacement, it shall be dealt with in accordance with Article 144 of the Company Law.

If a holder of overseas listed foreign shares loses his share certificate (s) and applies for its/their replacement, it may be dealt with in accordance with the laws, the rules of the stock exchange or other relevant requirements of the place where the original register of holders of overseas listed foreign shares is maintained.

The issuance of replacement share certificate (s) to a holder of H shares who loses his share certificate (s) and applies for its/their replacement shall comply with the following requirements:

- (1) The applicant shall submit an application to in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The contents of the notarial certificate or statutory declaration shall include the grounds upon which the application is made, the circumstances and evidence of the loss of the share certificate (s), and a declaration that no other person is entitled to request to be registered as a shareholder in respect of the relevant shares.
- (2) No statement has been received by the Company from a person other than the applicant to request to be registered as a shareholder in respect of the relevant shares before the Company decides to issue replacement share certificate (s).
- (3) The Company shall, if it decides to issue replacement share certificate(s) to the applicant, make an announcement of its intention to issue such replacement share certificate (s) in such newspapers designated by the Board. The period of the announcement shall be ninety (90) days, and the announcement shall be made at least once every thirty (30) days during such period.
- (4) The Company shall have, prior to the publication of the announcement of its intention to issue replacement share certificate(s), delivered to the stock exchange on which its shares are listed a copy of the announcement proposed to be published. The Company may publish the announcement upon receiving a confirmation from the said stock exchange that the announcement has been displayed at the said stock exchange. The announcement shall be displayed at the said stock exchange for a period of ninety (90) days.

In case an application to issue replacement share certificate (s) has been made without the consent of the registered shareholder (s) in respect of the relevant shares, the Company shall send by post to such registered shareholder (s) a copy of the announcement proposed to be published.

- (5) If, upon expiration n of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to the issuance of replacement share certificate (s), the Company may issue replacement share certificate (s) to the applicant in accordance with his application.

- (6) Where the Company issues replacement share certificate (s) in accordance with this Article, it shall forthwith cancel the original certificate and enter the cancellation and replacement in the register of shareholders accordingly.
- (7) All expenses incurred in relation to the cancellation of original certificate (s) and the issuance of replacement share certificate (s) by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee has been provided by the applicant for such expenses.

Article 49

Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who acquires the aforementioned new share certificate or a shareholder who is thereafter registered as the owner of the relevant shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

Mandatory Provisions
Article 42

Article 50

The Company shall not be liable to compensate any person who suffers any loss or damage by reason of the cancellation of the original certificate (s) or the issuance of the replacement share certificate(s), unless the claimant proves that the Company has acted fraudulently.

Mandatory Provisions
Article 43

CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 51

A shareholder of the Company is a person who lawfully holds share (s) in the Company and whose name is entered in the register of shareholders.

Mandatory Provisions
Article 44

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Hong Kong Listing Rules
Appendix 3
Paragraph 9

In respect of joint holders, if one of the joint holders is dead, only the other surviving joint holder (s) shall be deemed by the Company to be the person (s) who has/have ownership of the relevant shares, subject to the Board's power to request the provision of a certificate of death which the Board considers appropriate for the purpose of amending the register of shareholders. In respect of joint holders of any shares, only the joint holder ranking first in the register of shareholders shall have the right to collect share certificate (s) of the relevant

shares, receive notices of the Company, and attend and vote at general meetings of the Company. Any notice which has been served on the aforesaid joint holder shall be deemed to have been served on all the joint holders of the relevant shares.

Article 52

The ordinary shareholders of the Company shall be entitled to the following rights:

Mandatory
Provisions
Article 45

- (1) to receive dividends and other forms of profit distributions in proportion to their shareholding interest held;
- (2) to attend or appoint a proxy to attend general meetings and to exercise voting right thereat;
- (3) to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries in respect thereof;
- (4) to transfer shares in accordance with the laws, administrative regulations and provisions of the Articles of Association;
- (5) to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 2. to inspect and make copy of, subject to payment of a reasonable charge:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of each of the Company's directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers, including:
 - (a) present name and alias and any former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;

- (d) full-time and all other part-time occupations and duties;
 - (e) identification document and its number;
 - (f) financial reports.
- (iii) the state of the Company's share capital;
 - (iv) reports showing the aggregate par value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last accounting year, and the total cost paid by the Company in respect thereof;
 - (v) minutes of general meetings.
- (6) in the event of dissolution or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the shareholding interest held;
 - (7) other rights conferred by laws, administrative regulations and the Articles of Association.

The Company may not exercise any power to freeze or infringe in any other way the rights conferred on any share (s) held by any person who has an interest directly or indirectly merely for the reason that the said person has not disclosed his interest to the Company.

Hong Kong
Listing Rules
Appendix 3
Paragraph 12

Article 53

The ordinary shareholders of the Company shall assume the following obligations:

Mandatory
Provisions
Article 46

- (1) to abide by the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital thereafter other than those conditions which the subscribers of the relevant shares agreed at the time of subscription to be bound.

Article 54

In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder (as defined hereunder) shall not, when exercising his right to vote as a shareholder, exercise his right to vote in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

Mandatory
Provisions
Article 47

- (1) to relieve a director or supervisor of his duty to act honestly in the best interest of the Company;
- (2) to approve the deprivation by a director or supervisor (for the benefit of his own or other person (s)), by any means, of the Company's assets, including (without limitation) any opportunities which are beneficial to the Company;
- (3) to approve the deprivation by a director or supervisor (for the benefit of his own or other person(s)) of the individual rights of other shareholders, including (without limitation) any right to distribution and right to vote save for a restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

Article 55

The term "controlling shareholder" referred to in the preceding article means a person who satisfies any one of the following conditions:

Mandatory
Provisions
Article 48

- (1) a person who, acting alone or in concert with others, has the power to elect more than half of the directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% or more of the issued shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

Each of the Company and the controlling shareholders shall respectively be subject to independent auditing and assumes its own responsibilities and risks. The internal organs of the controlling entity are not in a superior and subordinate relationship with the corresponding departments of the Company and the former shall not affect the independency of the Company by means such as issuance of documents. The number of the senior management officers (chairman and vice chairman of the Board and executive directors) of the controlling entity who may act as the chairman or vice chairman of the Board or executive director shall not exceed two (2) . No senior management officers of the controlling entity shall act as the Company's general manager/president, deputy general manager/vice president, chief financial adviser, chief marketing officer or secretary of the Board.

CHAPTER 8 GENERAL MEETINGS

Article 56

General meeting is the organ of authority of the Company. Functions and powers shall be exercised in general meeting in accordance with law.

Mandatory Provisions
Article 49

Article 57

The following functions and powers may be exercised in a general meeting:

Mandatory Provisions
Article 50

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and change directors, and to decide on matters relating to the remuneration of directors;
- (3) to elect and change the supervisors who are representatives of shareholders, and to decide on matters relating to the remuneration of such supervisors;
- (4) to consider and approve reports of the Board;
- (5) to consider and approve reports of the supervisory committee of the Company ("**Supervisory Committee**");
- (6) to consider and approve the Company's annual financial budgets and final accounting plans;
- (7) to consider and approve the Company's profit distribution proposals and proposals for making up losses;

- (8) to resolve on any increase or reduction of the Company's registered capital;
- (9) to resolve on matters such as merger, division, dissolution and liquidation of the Company;
- (10) to resolve on the issuance of bonds by the Company;
- (11) to resolve on the appointment, dismissal or cessation of appointment of accounting firms by the Company;
- (12) to amend the Articles of Association;
- (13) to consider the proposals put forward by shareholders holding 3% or more of the Company's shares carrying a right to vote;
- (14) other matters to be resolved at general meeting as required by laws, administrative regulations and the Articles of Association;
- (15) to authorize the Board to handle or to delegate to the Board such matters as the general meeting so authorizes and delegates.

Article 58

Unless prior approval is obtained in general meeting, the Company shall not enter into any contract with any person other than the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers, to entrust such person with the management of the whole or important business of the Company.

Mandatory Provisions Article 51

Article 59

General meetings may be called as annual general meetings or extraordinary general meetings. General meetings shall be convened by the Board. An annual general meeting shall be held once every year within six months after the end of the previous accounting year.

Mandatory Provisions Article 52

The Board shall convene an extraordinary general meeting within two (2) months after the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

- (2) the losses which are not made up equal to one third of the Company's total share capital;
- (3) shareholders holding not less than 10% of the Company's issued shares carrying a right to vote request in writing to convene an extraordinary general meeting;
- (4) the Board considers it necessary or the Supervisory Committee proposes to convene such a meeting;
- (5) any two or more independent directors propose to convene such a meeting.

Article 60

Where the Company convenes an annual general meeting, it shall issue a written notice twenty (20) working days prior to the date of the meeting informing all shareholders of the date and place of the meeting and the matters to be considered at the meeting; and where the Company convenes an extraordinary general meeting, it shall issue a written notice to all shareholders ten (10) working days or fifteen (15) days (whichever is longer) prior to the date of the meeting.

Mandatory Provisions Article 53

Reply on the Adjustment of the Notice Period

Article 61

Where the Company convenes an annual general meeting, shareholders holding 3% or more of the total shares of the Company carrying a right to vote shall have the right to propose new motions in writing ten (10) days prior to the date of the meeting, and the Company shall include matters falling within the functions and powers of general meeting as mentioned in such proposed motions in the agenda of the meeting.

Mandatory Provisions Article 54

Article 62

No matters which are not stated in the notice as referred to in Articles 60 and 61 of the Articles of Association shall be resolved in general meeting.

Mandatory Provisions Article 55

Reply on the Adjustment of the Notice Period

Article 63

The notice of general meeting shall meet the following requirements:

Mandatory
Provisions
Article 56

- (1) issued in writing;
- (2) specifying the place, date and time of the meeting;
- (3) stating the matters to be discussed at the meeting;
- (4) providing such information and explanation as may be necessary for the shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, the Company shall provide the specific terms of and the contracts (if any) involved in the proposed transaction, and a formal explanation on the cause and effect of such proposed transaction;
- (5) if any director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer has a material interest in the matters to be discussed, the nature and extent of that interest shall be disclosed; if the effect of the matters to be discussed on that director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer in his capacity as a shareholder is different from that on the other shareholders of the same class, such difference shall be explained;
- (6) containing the full text of any special resolution proposed to be passed at the meeting;
- (7) containing a conspicuous statement that a shareholder who is entitled to attend and vote at the meeting is entitled to appoint one (1) or more proxy(ies) to attend and vote at the meeting on his behalf and that such proxy need not be a shareholder;
- (8) specifying the time and place for lodging proxy forms for the meeting.

Article 64

Notice of general meeting shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meeting) by personal delivery or prepaid mail to the address of the shareholder as shown in the register of shareholders. In respect of holders of domestic shares, notice of general meeting may also be issued by way of announcement.

Mandatory Provisions
Article 57
Hong Kong Listing Rules
Appendix 3
Paragraphs 7
(1) and (3)

The term “announcement” referred to in the preceding paragraph shall be published in one (1) or more national newspaper (s) as designated by China Securities Regulatory Commission. Once the announcement is published, the holders of domestic shares shall be deemed to have received the notice of the relevant meeting. The Chinese and English versions of such announcement shall also be published in accordance with Article 196 of the Articles of Association.

Reply on the Adjustment of the Notice Period

Article 65

The accidental omission of giving notice of meeting to a person who is entitled to receive such notice, or the accidental non-receipt of such notice by such person, shall not invalidate the meeting and the resolutions passed at the meeting.

Mandatory Provisions
Article 58

Article 66

Any shareholder who is entitled to attend and vote at general meeting shall have the right to appoint one (1) or several person (s) (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed may, pursuant to the instructions of the shareholder, exercise the following rights:

Mandatory Provisions
Article 59

- (1) the right of speech which the shareholder is entitled to at the meeting;
- (2) the right to demand a poll whether acting alone or jointly with others;
- (3) the right to exercise a right to vote on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such right to vote on a poll.

If a recognized clearing house within the meaning of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee is a shareholder of the Company, the said clearing house or its nominee may, by resolutions of its directors or other governing body or by a power of attorney,

authorize such person (s) as it thinks fit (whether or not there are more than two (2) such authorized persons) to act as its representative (s) to attend any general meeting of the Company or any meeting of any class of shareholders of the Company, provided that, if more than one person is so authorized, the authorization document shall specify the number and class of shares in the Company which each such authorized person represents. The persons so authorized pursuant to this provision shall be entitled to exercise the same power on behalf of the said recognized clearing house or its nominee, which is exercisable by the said recognized clearing house or its nominee as an independent shareholder of the Company.

Article 67

Shareholders shall appoint a proxy by a written instrument under the hand of the appointer or his attorney duly authorized in writing. If the appointer is a corporation, the instrument of proxy shall be affixed with the common seal or signed by a director of or an attorney duly authorized in writing by the corporate appointer. The instrument of proxy shall specify the number of shares which the proxy represents. If more than one (1) person are appointed as proxies of a shareholder, the instrument of proxy shall specify the number of shares which each proxy represents.

Mandatory
Provisions
Article 60

Article 68

The instrument of proxy shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the date of the meeting in respect of which the proxy (ies) are appointed to vote as per the instrument of proxy, or before the designated time of voting. Where the instrument of proxy is signed by a person authorized by the appointer, the power of attorney authorizing such signing or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents, together with the instrument of proxy, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

Mandatory
Provisions
Article 61

Where the appointer is a corporation, the legal representative of the appointer or other person (s) authorized by resolutions of the board of directors or other decision-making organ of the appointer may represent the appointer to attend general meetings of the Company.

Article 69

Any instrument appointing a proxy issued to a shareholder by the Board shall be in such form to allow the shareholder to freely instruct the proxy to vote in favour of or against each resolution, and to give instructions in respect of each matter to be resolved at the meeting. The instrument of proxy shall specify that in the absence of instructions by the shareholder, the proxy may vote as he thinks fit.

Mandatory
Provisions
Article 62

Article 70

The Company is entitled to request a proxy who attends the general meeting on behalf of an individual shareholder to produce his identification document as well as the instrument of proxy signed by the appointer or its legal representative or authorized representative.

If a corporate shareholder appoints its legal representative to attend a meeting on its behalf, the Company has the right to request such legal representative to produce his identification document and a notarized copy of the resolutions of or power of attorney issued by the board of directors or other authoritative body of such corporate shareholder in respect of the appointment of such legal representative.

Article 71

Where the appointer is dead, becomes incapacitated to act, or has withdrawn the appointment of proxy or the authorization to sign the instrument of proxy, or transferred the relevant shares prior to voting, a vote given in accordance with the instrument of proxy shall remain valid provided that no written notice of such aforesaid event has been received by the Company prior to the commencement of the relevant meeting.

Mandatory
Provisions
Article 63

Article 72

There shall be two (2) types of shareholders' resolutions, namely ordinary resolutions and special resolutions.

Mandatory
Provisions
Article 64

Ordinary resolutions at general meeting shall be passed by votes representing not less than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting.

Special resolutions at general meeting shall be passed by votes representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

A shareholder (including proxy) attending the meeting shall expressly vote in favour of or against each matter which has to be resolved by voting; if such shareholder or proxy abstains from voting in respect of a matter, such abstention shall not be counted as a vote carrying voting right when the Company calculates the voting result of that matter.

Article 73

A shareholder (including proxy), when voting at general meeting, may exercise his right to vote in accordance with the number of shares carrying a right to vote as represented by him, and each share shall have one vote.

Mandatory
Provisions
Article 65

Article 74

Shareholders' resolution shall be decided on a show of hands unless a poll is demanded as provided by the GEM Listing Rules or any other applicable laws, rules or regulations, or by the following persons before or after voting on a show of hands:

Mandatory
Provisions
Article 66

- (1) the chairman of the meeting;
- (2) at least two (2) shareholders or proxies who are entitled to vote; or
- (3) one (1) or more shareholders (including proxies) holding in aggregate 10% or more of the total voting rights represented by all shareholders at the meeting.

Unless a poll is so demanded, the chairman of the meeting shall declare that a resolution has been passed pursuant to the voting result on a show of hands, if it has been so passed, and such declaration shall be recorded in the minutes of the meeting as conclusive evidence of the fact that the resolution has been passed without proof of the number or proportion of the votes recorded in favour or against such resolution at the meeting.

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

Article 75

A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may continue to proceed to discuss other matters, while the results of the poll shall still be deemed to be resolutions of the meeting.

Mandatory
Provisions
Article 67

Where any shareholder is, under the GEM Listing Rules, required to abstain from voting on a particular resolution or restricted to vote only in favour of or against any particular resolution, any votes cast on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 76

On a poll taken at a meeting, a shareholder (including proxy) who is entitled to two or more votes need not cast all his votes in the same way.

Mandatory Provisions Article 68

Article 77

Where there is equal number of votes for and against a resolution, whether the votes are taken by a show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.

Mandatory Provisions Article 69

Article 78

The following matters shall be resolved by an ordinary resolution at general meeting:

Mandatory Provisions Article 70

- (1) work reports of the Board and the Supervisory Committee;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the dismissal, remuneration and payment methods of members of the Board and the Supervisory Committee;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) matters other than those which are required by the laws, administrative regulations or the Articles of Association to be passed by special resolution.

Hong Kong Listing Rules Appendix 3 Paragraph 4 (3)

Article 79

The following matters shall be resolved by a special resolution at general meeting:

Mandatory Provisions
Article 71

- (1) increase or reduction of the share capital of the Company and issuance of shares of any class, stock warrants or other similar securities by the Company;
- (2) issuance of corporate bonds;
- (3) the division, merger, dissolution and liquidation of corporate forms of the Company;
- (4) amendments to the Articles of Association;
- (5) other matters considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and require approval by a special resolution.

Article 80

Shareholders who request the convening of an extraordinary general meeting or a class shareholders' meeting shall comply with the following procedures:

Mandatory Provisions
Article 72

- (1) Two (2) or more shareholders holding in aggregate 10% or more of shares carrying a right to vote at the proposed meeting may sign a written requisition which may consist of one or more documents in like form and of like content, requesting the Board to convene an extraordinary general meeting or a class shareholders' meeting and stating the objects of the meeting. The Board shall convene the extraordinary general meeting or class meeting as soon as possible after receipt of such written requisition. The amount of shares carrying a right to vote as referred to in this provision shall be calculated as at the date of deposit of the written requisition.
- (2) If the Board fails to issue a notice of meeting within thirty (30) days from the date of receipt of the aforesaid written requisition, the shareholders who raise the requisition may themselves convene the meeting within four (4) months from the date of receipt of the requisition by the Board. The procedures of convening the meeting shall be the same as those of convening a general meeting by the Board as far as possible.

The reasonable expenses incurred by the shareholders in convening a meeting themselves by reason of the failure by the Board to convene a meeting as requested by the aforesaid requisition shall be borne by the Company and deducted from the sums owed by the Company to the defaulting directors.

Article 81

General meetings shall be convened by the Board and presided by the chairman of the Board. If the chairman of the Board cannot or fails to fulfill his duty thereat, the vice chairman of the Board shall preside as chairman at the meeting; if the vice chairman of the Board cannot or fails to fulfill his duty thereat, a director shall be elected by not less than half of the directors to preside at the meeting.

Mandatory
Provisions
Article 73

Where the Board is unable or fails to perform its duties in convening a general meeting, the Supervisory Committee shall immediately convene and preside at such meeting; if the Supervisory Committee fails to convene and preside at such meeting, shareholders individually or jointly holding not less than 10% of the Company's shares for a period of not less than ninety (90) consecutive days may convene and preside at such meeting by themselves.

Article 82

The chairman of meeting shall determine whether or not a resolution of general meeting has been passed, which shall be final and conclusive, and shall be announced at the meeting and recorded in the minutes of the meeting.

Mandatory
Provisions
Article 74

Article 83

In the event that the chairman of meeting has any doubt about the voting results of resolutions which have been put to vote, he may have the votes counted. In the event that the chairman of the meeting does not have the votes counted, any shareholder present in person or by proxy who objects to the voting results announced by the chairman of meeting may demand that the votes be counted immediately after the declaration of voting results, and the chairman of meeting shall have the votes counted immediately.

Mandatory
Provisions
Article 75

Article 84

In the event that votes are counted at general meeting, the counting results shall be recorded in the minutes of meeting.

Mandatory
Provisions
Article 76

Article 85

The decisions in respect of all matters discussed at general meeting shall be recorded in the minutes of meeting which shall be signed by the chairman of meeting and directors present at the meeting.

Mandatory Provisions Article 76

The minutes of meeting together with the attendance records signed by the attending shareholders and instruments of proxy shall be kept at the domicile of the Company.

Article 86

Copies of minutes of general meeting shall be available for inspection during the office hours of the Company by any shareholder free of charge. If any shareholder demands from the Company a copy of minutes of general meeting, the Company shall send such a copy to him within seven (7) days after receipt of reasonable charges.

Mandatory Provisions Article 77

**CHAPTER 9 SPECIAL PROCEDURES FOR VOTING
BY CLASS SHAREHOLDERS**

Article 87

Shareholders holding different classes of shares shall be class shareholders.

Mandatory Provisions Article 78

Class shareholders shall be entitled to rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.

Article 88

Any proposed variation or abrogation of the rights of class shareholders by the Company shall only proceed upon approval by way of a special resolution passed at general meeting and a resolution passed at a separate meeting convened by the affected class shareholders in accordance with Articles 90 to 94.

Article 89

The following circumstances shall be deemed to be a variation or abrogation of the rights of shareholders of a particular class:

Mandatory
Provisions
Article 80

- (1) increase or decrease of the number of shares of that particular class, or increase or decrease of the number of shares of other class (es) carrying the same or more rights to vote, rights to distribution or other privileges as compared with those attached to shares of that particular class;
- (2) conversion of all or part of the shares of that particular class into shares of other class (es), or conversion or grant of a right of conversion of all or part of the shares of other class (es) into shares of that particular class;
- (3) cancellation or reduction of the rights to accrued dividends or cumulative dividends attached to and acquired by shares of that particular class;
- (4) reduction or cancellation of the preferential rights to dividends or distribution of assets in liquidation attached to shares of that particular class;
- (5) increase, cancellation or reduction of the rights to conversion of shares, options, vote, transfer, placement in priority and acquisition of securities of the Company attached to shares of that particular class;
- (6) cancellation or reduction of the rights to receive payable sums by the Company in a particular currency attached to shares of that particular class;
- (7) creation of a new class of shares having the same or more rights to vote, distribution or other privileges as compared with those attached to shares of that particular class;
- (8) restriction of transfer of ownership of shares of that particular class or increase of such restriction;
- (9) issuance of rights to subscribe for shares of that particular class or other class (es) or rights to convert shares;

- (10) increase of the rights and privileges attached to shares of other class (es) ;
- (11) proposed restructuring of the Company, which will result in different classes of shareholders assuming disproportionate obligations during there structuring;
- (12) variation or abolition of the provisions other than those contained in this chapter.

Article 90

The affected class shareholders, whether or not having the right to vote at general meeting, shall have the right to vote at class shareholders’ meeting on matters referred to in Article 89 (2)-(8) and (11)-(12), provided that interested shareholders shall not have the right to vote at class shareholders’ meeting.

Mandatory Provisions Article 81

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

- (1) in the case of repurchase of its own shares by the Company by making an offer of repurchase to all shareholders on a pro rata basis or through public trading on a stock exchange in accordance with Article 31 of the Articles of Association, “interested shareholders” shall mean the controlling shareholders as defined in Article 55 of the Articles of Association;
- (2) in the case of repurchase of its own shares by the Company by way of an agreement not made on a stock exchange in accordance with Article 31 of the Articles of Association, “interested shareholders” shall mean the shareholders to which the said agreement relates;
- (3) in the case of proposed restructuring of the Company, “interested shareholders” shall mean the shareholders who assume obligations of a less proportion than those assumed by the other shareholders of the same class, or the shareholders who have interests different from those of the other shareholders of the same class.

Article 91

A resolution of class shareholders’ meeting shall be passed by shareholders present in the class shareholders’ meeting representing not less than two-thirds of voting rights in accordance with Article90.

Mandatory Provisions Article 82

Article 92

Where the Company convenes a class shareholders' meeting, it shall dispatch a written notice with reference to the requirements on the notice period for extraordinary general meeting as stipulated in Article 60 of the Articles of Association, specifying the matters to be considered at the meeting and the date and place of the meeting, to all registered shareholders of the relevant class.

Mandatory Provisions Article 83

Reply on the Adjustment of the Notice Period

Special provisions provided by the rules of the place where the shares of the Company are listed shall prevail.

Article 93

Notice of class shareholders' meeting only need to be served on shareholders who are entitled to vote thereat.

Mandatory Provisions Article 84

The procedures for convening a class shareholders' meeting shall be the same as those for convening a general meeting as much as possible, and the provisions in the Articles of Association relating to the procedures for convening a general meeting shall apply to class shareholders' meeting.

Article 94

Save for shareholders of other classes, holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

Mandatory Provisions Article 85

The special procedures for voting by class shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon approval by special resolution in general meeting, domestic shares and overseas listed foreign shares once every twelve (12) months, either separately or concurrently, and the respective number of domestic shares and overseas listed foreign shares proposed to be issued does not exceed 20% of the number of issued outstanding shares of each respective class;
- (2) the Company's plans to issue domestic shares and overseas listed foreign shares at the time of incorporation have been carried out within fifteen (15) months from the date of approval by the Securities Committee of the State Council.
- (3) where, with the approval of the State Council or the examination and approval authority authorized by the State Council, the shareholder(s) of the Company have their unlisted shares listed and traded on overseas stock exchange(s).

Zheng Jian Hai
Han [1995]
No.1
Article 3 Hong
Kong Listing
Rules

Appendix 11
Part C (1)
Paragraphs f
(i) and (ii)

CHAPTER 10 BOARD OF DIRECTORS

Article 95

The Board shall comprise at least seven (7) directors, two (2) of whom shall act as the chairman and the vice chairman respectively. At least half of the directors shall be external directors (directors who are not an employee or senior officer of the Company) . There shall at least be three (3) independent non-executive directors (directors who are not an employee or senior of the Company and who are independent of the shareholders of the Company), and at least one of whom shall possess the relevant professional qualifications or accounting or relevant financial management expertise as required by the GEM Listing Rules.

Mandatory
Provisions
Article 86

The Company shall provide the necessary information for the external directors and the independent non-executive directors to perform their duties.

Article 96

Directors shall be elected at general meeting. The term of office of a director shall be three (3) years. Upon expiry of the term of office, a director shall be eligible to offer himself for re-election and reappointment.

Mandatory
Provisions
Article 87
Zheng Jian Hai
Han [1995]
No.1
Article 4

Notice issued to the Company in respect of nomination of any person for election as a director or the intention of the relevant person to be elected as a director shall be of a minimum length of seven (7) days, and the period for lodging such notice shall commence on a date no earlier than the day following the date of dispatch of the notice of the general meeting convened for the purpose of such election and end on a date no later than seven (7) days prior to the date of such general meeting.

The chairman and vice chairman of the Board shall be elected and removed by more than one-half of all members of the Board. The term of office of the chairman and vice chairman of the Board shall be three (3) years, upon the expiry of which the chairman and vice chairman of the Board may offer themselves for re-election and re-appointment.

Subject to compliance with the relevant laws and administrative regulations, any director may be removed by ordinary resolution at general meeting before the expiration of his term of office (but such director's right to claim damages under any contract shall not be affected).

Hong Kong
Listing Rules
Appendix 3
Paragraphs
4 (3) and (5)
Zheng Jian Hai
Han [1995]
No.1 Article4

Directors shall not be required to hold shares of the Company.

Article 97

The Board shall be responsible to general meeting and exercises the following powers:

- (1) to convene general meeting and report its work to general meeting;
- (2) to implement resolutions of general meeting;
- (3) to decide the Company's business plans and investment proposals;
- (4) to formulate the Company's annual financial budgets and final accounting plans;
- (5) to formulate the Company's profit distribution plans and plans for off setting losses;
- (6) to formulate the Company's proposals for increase or decrease of its registered capital and issuance of securities of the Company;
- (7) to formulate plans for merger, division and dissolution of the Company;

- (8) to determine the set up of the Company's internal management structure;
- (9) to appoint or dismiss the general manager/president of the Company and to appoint or dismiss the deputy general manager/vice president and other senior management officers (including the chief financial officer) of the Company in accordance with the nomination by the general manager/president, and to decide their remuneration; to appoint or replace the members of the Board and the Supervisory Committee of the Company's wholly-owned subsidiaries, and to appoint, replace or recommend the shareholders' representatives, directors and supervisors of subsidiaries which the Company controls or invests in;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals for amending the Articles of Association;
- (12) subject to compliance with the relevant laws and regulations and the Articles of Association, to exercise the Company's rights to obtain financing and borrowings and to determine the pledging, leasing, contracting or transfer of the Company's important assets, and to authorize the chairman of the Board to exercise the rights mentioned herein within the necessary scope;
- (13) to exercise other powers as required by the Articles of Association or conferred by general meeting.

Where the Board resolves on the matters stated in the preceding paragraph, except for the matters specified in subparagraphs (6), (7) and (11), which shall be approved and resolved by not less than two-thirds of the directors, the remaining matters may be approved and resolved by a simple majority of the directors. Connected transactions of the Company shall only become effective upon endorsement by independent directors.

Opinion
Number 6

Article 98

In cases where the expected value of the fixed assets proposed to be disposed of by the Board, when aggregated with the value obtained from the disposal of fixed assets within four (4) months before the said proposed disposal, exceeds 33% of the fixed assets value shown on the latest balance sheet considered by general meeting, the Board shall not dispose of or consent to dispose of such fixed assets before obtaining approval by general meeting.

Mandatory
Provisions
Article 89

The term “dispose of” in relation to fixed assets referred to in this Article includes transferring certain interests in assets, but does not include provision of guarantees by way of fixed assets.

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

Where the Company purchases and disposes of substantial assets within 1 year or where the amount of guarantee provided by the Company exceeds 30% of the total assets value of the Company, such transactions shall be resolved at general meeting and approved by not less than two thirds of the voting rights represented by the shareholders present at the meeting.

Opinion
Number 4

Article 99

The chairman of the Board shall exercise the following duties and powers:

Mandatory
Provisions
Article 90

- (1) to preside at general meeting and to convene and preside at Board meeting;
- (2) to inspect the implementation progress of resolutions of the Board;
- (3) to sign the certificates of securities issued by the Company;
- (4) to exercise other powers conferred by the Board.

Where the chairman of the Board is unable or fails to perform his duties, the vice chairman of the Board shall perform such duties; where the vice chairman of the board is unable or fails to perform such duties, a director jointly elected by not less than half of the directors shall perform such duties.

Article 100

Meetings of the Board shall be held at least twice every year and convened by the chairman of the Board. Notice of meeting shall be given to all directors fifteen (15) days before the meeting is convened. In case of emergency, a special Board meeting may be held if it is so proposed by two (2) or more directors, shareholders representing not less than 10% of the voting rights, or the Supervisory Committee. The chairman of the Board shall convene and preside at a Board meeting within ten (10) days after receiving such proposal. The reasonable expenses incurred by the directors in attending Board meetings shall be borne by the Company. Such expenses include the traffic expenses for travelling from the place where the director is located to the place of meeting (if the director is located at place different from the place of meeting, the accommodation and food expenses during the meeting, the rental of the place of meeting and the traffic expenses within the place of meeting.

Mandatory
Provisions
Article 91

Opinion
Number 6

Article 101

Notice of Board meeting and special Board meeting shall be given in the following manner:

Mandatory
Provisions
Article 92

- (1) If the Board has specified the time and place of regular Board meetings in advance, no notice of meeting is required.
- (2) If the Board has not specified the time and place of Board meeting in advance, the chairman of the Board shall, at least seven (7) days beforehand, inform the directors and supervisors the time and place of the Board meeting by way of telegraph, telex, fax, courier, registered mail or through a designated person.
- (3) If there is a need to hold a Board meeting in case of emergency, the chairman of the Board shall ask the secretary to the Board to, not less than three (3) days and not more than seven (7) days prior to convening a special Board meeting, inform all directors and supervisors the time, place and manner of the special Board meeting by way of telegraph, telex, fax, courier, registered mail or through a designated person.
- (4) The notice shall be written in Chinese, which may be accompanied with an English version if necessary, and shall include the agenda of the meeting. Any director may waive the right to receive notice of Board meeting.

Article 102

Notice of meeting shall be deemed to have been given to any director who has attended the meeting and who has not raised objection to non-receipt of notice before or at the commencement of the meeting.

Article 103

Board meetings or special Board meetings may be held by way of telephone conference or similar communication equipment so long as the directors participating in the meeting can clearly hear and communicate with each other. All directors participating in the meeting in such manner shall be deemed to be present in person at the meeting.

Article 104

Board meetings shall only be held not less than half of the directors (including any director who is appointed to be present pursuant to Article 105 of the Articles of Association) are present.

Each director shall have one vote. Resolutions of the Board shall be passed by more than half of the directors, unless otherwise provided by the Articles of Association.

In the case of an equality of votes, the chairman of the Board is entitled to one additional vote.

When not less than a quarter of directors or two or more external directors consider the materials in respect of the matters discussed are not sufficient or the argument and evidence contained therein is not clear, they may propose jointly to defer the Board meeting or the discussion of part of the matters considered at the Board meeting, and the Board shall adopt such proposal.

A director shall not vote on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the GEM Listing Rules) has a material interest nor shall he be counted in the quorum present at the same Board meeting.

Article 105

Directors shall attend Board meetings in person. Where a director is unable to attend a meeting for any reason, he may, by a written power of attorney, appoint another director to attend the meeting on his behalf, but he shall remain solely responsible for the legal liabilities. The power of attorney shall specify the scope of authority of the appointed director.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority conferred by the appointing director. Where a director does not attend a Board meeting and has not appointed a representative to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Mandatory
Provisions
Article 93
Hong Kong
Listing Rules
Appendix 3
Paragraph 4
(1)
Mandatory
Provisions
Article 94

Article 106

In respect of the matters required to be resolved at a special Board meeting, if the Board has delivered in written form the content of the proposed resolutions to all directors, and the number of directors who signify their consent has reached the number required for making a decision pursuant to Article 104, the proposed resolutions shall become effective resolutions of the Board without holding a Board meeting.

Article 107

The Board shall make minutes of the resolutions passed at Board meetings. The minutes of meeting shall be signed by the directors present at the meeting and the person (s) who recorded the minutes. Opinions of the independent directors shall be specified in the resolutions of the Board. The directors shall be liable for the resolutions of the Board. If any resolution of the Board violates the laws, administrative regulations or the Articles of Association, and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution shall be liable to compensate the Company. However, if it can be proved that a director has expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from liability. A director who has abstained from voting, or who has failed to attend the meeting and to appoint a representative to act on his behalf, shall not be exempted from liability. A director who has expressly raised his objection in the course of discussion but failed to cast an objection vote in voting shall not be exempted from liability as well.

Mandatory
Provisions
Article 95

Opinion
Number 3

CHAPTER 11 SECRETARY TO THE BOARD

Article 108

The Company shall have a secretary to the Board (“**Board Secretary**”). A Board Secretary is a senior management officer of the Company.

Mandatory
Provisions
Article 96

Article 109

The Board Secretary shall be a natural person who possesses the requisite professional knowledge and experience, and shall be appointed by the Board. The primary responsibilities of the Board Secretary shall be as follows:

Mandatory
Provisions
Article 97

- (1) to ensure that the Company has complete organizational documents and records;

- (2) to ensure that the Company prepares and files all reports and documents required by the relevant authorities in accordance with the laws;
- (3) to ensure that the Company has properly set up the register of shareholders, and that persons who are entitled to access the relevant records and documents of the Company are furnished with such records and documents in a timely manner.

Article 110

A director or other senior management officer of the Company may concurrently hold the office of Board Secretary. Accountant (s) of the accountants' firm employed by the Company shall not concurrently hold the office of Board Secretary.

Mandatory
Provisions
Article 98

Where the office of Board Secretary is held concurrently by a director, and an act is required to be done by a director and the Board Secretary separately, the person who concurrently holds the office of director and Board Secretary shall not perform the act in dual capacity.

CHAPTER 12 GENERAL MANAGER/PRESIDENT OF THE COMPANY

Article 111

The Company shall have one general manager/president, who shall be appointed and dismissed by the Board. The Company shall have several deputy general managers/vice presidents to assist the general manager/president. The Board may decide to have a Board member to act as the general manager/president concurrently.

Mandatory
Provisions
Article 100

Article 112

The general manager/president of the Company shall be accountable to the Board, and shall exercise the following powers:

- (1) to lead the production, operation and management of the Company, and to organize the implementation of the Board resolutions;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the set up of the Company's internal management structure;

- (4) to make proposals on the Company's basic management system;
- (5) to formulate the basic rules and regulations of Company;
- (6) to propose the appointment or dismissal of the Company's deputy general manager (s)/vice president (s) and other senior management officer (s) (including the chief financial officer);
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) to determine the reward and punishment, promotion and demotion, increase or decrease of salary, recruitment, employment, dismissal and termination of employment of the staff of the Company;
- (9) to handle important businesses with external parties on behalf of the Company under the authorization of the Board;
- (10) to exercise other powers conferred by the Articles of Association and the Board.

Article 113

The general manager/president of the Company shall attend Board meetings. The general manager/president who is not a director does not have any voting right at Board meetings.

Mandatory Provisions Article 101

Article 114

When exercising his powers, the general manager/president and the deputy general manager (s)/vice president (s) shall not alter the resolutions of general meeting and of the Board or act beyond his scope of authority.

Article 115

The general manager/president and the deputy general manager (s)/vice president (s) of the Company shall, when exercising his powers, shall act honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association.

Mandatory Provisions Article 102

CHAPTER 13 SUPERVISORY COMMITTEE

Article 116

The Company shall have a Supervisory Committee which shall be the standing supervisory body of the Company and responsible for supervising the Board and its members, as well as the senior management officers such as the general manager/president and the deputy general manager (s)/vice president (s), so as to prevent any violation of the legal interests of the shareholders, the Company and its employees by abusing of their powers.

Mandatory Provisions Article 103

Article 117

The Supervisory Committee shall be composed of not less than three persons, one of whom shall act as the chairman of the Supervisory Committee. The term of office of a supervisor shall be three years, upon the expiry of which the supervisor may offer himself for re-election and re-appointment.

Mandatory Provisions Article 104

Hong Kong Listing Rules Appendix 11 Part C Paragraph 1d (i)

The appointment and removal of the chairman of the Supervisory Committee shall be approved by way of voting by not less than two-thirds of the members of the Supervisory Committee.

The term of office of the chairman of the Supervisory Committee shall be three (3) years, upon the expiry of which the chairman of the Supervisory Committee may offer himself re-election and re-appointment.

Zheng Jian Hai Han [1995] No.5

Article 118

The Supervisory Committee shall comprise two representatives of shareholders, two representatives of the Company's employees and two independent supervisors. The representatives of shareholders who act as supervisors shall be elected and removed at general meeting. The representatives of the Company's employees who act as supervisors shall be elected and removed by the Company's employees. Independent supervisors shall be elected and removed at general meeting.

Mandatory Provisions Article 105

The number of external supervisors of the Supervisor Committee (supervisors who do not hold an office in the Company internally) shall be not less than half of the number of members of the Supervisory Committee, and there shall be at least two independent supervisors (supervisors who are independent from the shareholders do not hold an office in the Company internally) as external supervisors. External supervisors shall be entitled to report independently to general meeting the integrity and diligence of the management personnel of the Company in their performance.

Opinion Number 7

Article 119

The directors, general manager/president, deputy general manager (s)/vice president (s) and chief financial officer of the Company shall not hold the office of supervisors concurrently.

Mandatory Provisions Article 106

Article 120

Meetings of the Supervisory Committee shall be held at least once a year every six months, and shall be convened by the chairman of the Supervisory Committee.

Mandatory Provisions Article 107

Article 121

The Supervisory Committee shall be accountable to general meeting, and it shall exercise the following powers in accordance with the laws:

Mandatory Provisions Article 108

- (1) to examine the Company's financial affairs;
- (2) to supervise any violation of the laws, administrative regulations or the Articles of Association by the directors, general manager/president, deputy general manager (s)/vice president (s) and other senior management officers of the Company when performing their duties to the Company;
- (3) where the behavior of a director, general manager/president, deputy general manager/vice president or any other senior management officer is prejudicial to the Company's interest, to demand a rectification in respect thereof by the aforesaid person;
- (4) to examine the financial information such as financial reports, business reports and profit distribution plans to be submitted by the Board to general meeting, and should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct are-examination;
- (5) to propose the convening of an extraordinary general meeting;
- (6) to negotiate with or take legal actions against directors on behalf of the Company;
- (7) to exercise other powers specified in the Articles of Association.

Supervisors shall attend Board meetings.

Article 122

The manner of discussion within the Supervisory Committee shall be by way of holding a Supervisory Committee meeting, a written notice of which shall be given to all supervisors not less ten (10) days but not more than thirty (30) days before the meeting is convened. Meetings of the Supervisory Committee shall be held only where not less than two-thirds of the supervisors are present. Each supervisor shall have one vote.

Mandatory Provisions Article 109

Hong Kong Listing Rules Appendix 11 Part C Paragraph 1d (ii) Zheng Jian Hai Han [1995] No.6

Resolutions of the Supervisory Committee shall be passed by not less than two-thirds of the members of the Supervisory Committee.

Article 123

All reasonable expenses incurred from the employment of professionals such as lawyers, certified public accountants and practicing auditors as required when the Supervisory Committee exercises its powers shall be borne by the Company.

Mandatory Provisions Article 110

Article 124

Supervisors shall carry out their supervising duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

Mandatory Provisions Article 111

CHAPTER 14 QUALIFICATIONS AND DUTIES OF DIRECTORS, SUPERVISORS, GENERAL MANAGER/PRESIDENT, DEPUTY GENERAL MANAGER (S)/VICE PRESIDENT (S) AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

Article 125

Any of the following persons shall not serve as a director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer:

Mandatory Provisions Article 112

- (1) a person without legal or with restricted legal capacity to act;
- (2) a person who has committed a crime of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been sentenced as a result thereof, or who has been deprived of his political rights as a result of committing a crime, in each case where less than five (5) years have elapsed since the date of implementation of such punishment or deprivation;

- (3) a person who is a former director, factory manager or manager of a company or enterprise which has gone into insolvent liquidation due to unsatisfactory operation or improper management and who was personally liable for the liquidation of such company or enterprise, where less than three (3) years have elapsed since the date of the liquidation of such company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which has been ordered to cease its business following the revocation of its business license by reason of violation of the law and who was personally liable for such, where less than three (3) years have elapsed since the date of revocation of the business license of such company or enterprise;
- (5) a person who is liable for a relatively large amount of debts which have become due and outstanding;
- (6) a person who is under investigation or prosecution by judicial authority (ies) for violation of the criminal law, where the said investigation or prosecution is not yet concluded;
- (7) a person who is not eligible to be a leader of an enterprise according to laws and administrative regulations;
- (8) a person who is not a natural person;
- (9) a person who has been determined by the relevant regulatory authority to have contravened the provisions of the relevant securities regulations, which involves fraudulent or dishonest act, where less than five (5) years have elapsed since the date of such determination.

Article 126

The validity of the act of a director, general manager/president, deputy general manager/vice president and any other senior management officer on behalf of the Company vis-a-vis a bona fide third party shall not be affected by any irregularity in his office, election or qualification.

Mandatory
Provisions
Article 113

Article 127

In addition to the obligations imposed by the laws, administrative regulations and listing rules of the stock exchanges on which the Company's shares are listed, the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers of the Company shall owe the following duties to each shareholder when exercising their powers conferred by the Company:

Mandatory
Provisions
Article 114

- (1) not to cause the Company to act outside the scope of business as stipulated in its business licence;
- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate the Company's property in any manner, including (without limitation) usurpation of opportunities which are beneficial to the Company;
- (4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and rights to vote, save as pursuant to a restructuring of the Company which has been submitted to and approved by shareholders at general meeting in accordance with the Articles of Association.

Article 128

Each of the Company's directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers shall be obliged, in the exercise of his powers or discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Mandatory
Provisions
Article 115

Article 129

Each of the Company's directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers, when performing his duties, shall comply with the principle of integrity and shall not put himself in a position where his interest and obligations may conflict. This principle includes (without limitation) the discharge of the following obligations:

Mandatory
Provisions
Article 116

- (1) to act honestly in the best interest of the Company;
- (2) to exercise powers within the scope of his authority and not to act outside such scope;

- (3) to exercise the discretion vested in him personally without being subject to manipulation by the others, and not to delegate the exercise of his discretion to others unless permitted by the laws and administrative regulations or with the informed consent of shareholders given in general meeting,;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless the Articles of Association provides otherwise or the shareholders approve otherwise in general meeting under informed condition, not to enter into any contract, transaction or arrangement with the Company;
- (6) unless shareholders have given their informed consent in general meeting, not to use the Company's property in any manner for his own benefit;
- (7) not to exploit his position to accept bribes or other illegal income and not to expropriate the Company's property (including without limitation opportunities which are beneficial to the Company) in any manner;
- (8) unless shareholders have given their informed consent in general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, to faithfully perform his duties, to protect the Company's interest, and not to exploit his position and powers in the Company to advance his own private interest;
- (10) unless shareholders have given their informed consent in general meeting, not to compete with the Company in any manner;
- (11) not to misappropriate the Company's funds or lend the Company's funds to others, not to open accounts in his own name or other name (s) for the deposit of the Company's assets, and not to provide guarantee for the debts of the shareholder (s) of the Company or other individual (s) by way of the Company's assets;

- (12) unless shareholders have given their informed consent in general meeting, not to divulge any confidential information relating to the Company acquired by him during his term of office, and not to use such information other than in furtherance of the interest of the Company. However, such information may be disclosed to the court or other governmental authorities under the following circumstances:
1. the disclosure is required by law;
 2. the disclosure is required for the benefit of the public;
 3. the disclosure is required for the personal benefit of the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers.

Article 130

Each of the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers of the Company shall not instruct and cause the following persons or institutions (“**associate (s)**”) to perform act which he is prohibited from performing:

Mandatory
Provisions
Article 117

- (1) the spouse and minor child of that director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company;
- (2) the trustee of that director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company or any person referred to in sub-paragraph (1) of this Article;
- (3) the partner of that director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) a company of which that director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company, solely or jointly with any person (s) referred to in sub-paragraphs (1), (2) and (3) of this Article or other director (s), supervisor (s), general manager/president, deputy general manager (s)/vice president (s) or other senior management officer (s) of the Company, has/have de facto control; and

- (5) the directors, supervisors, general manager/president, deputy general manager (s)/vice president (s) or other senior management officers of the controlled company referred to in sub-paragraph (4) of this Article.

Article 131

The fiduciary duties of the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers of the Company do not necessarily cease upon the termination of their term of office. The duty of confidence in relation to the trade secrets of the Company shall survive the termination of their term of office. Other duties may continue for such period as fairness may require, which depends on the period of time elapsed between the occurrence of the event concerned and the termination of the term of office, and the circumstances and conditions under which the relationship between the relevant person and the Company is terminated.

Mandatory
Provisions
Article 118

Article 132

Except under the circumstances prescribed in Article 54 of the Articles of Association, a director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company may be relieved of liability for breach of a specific duty with the informed consent of shareholders given at general meeting.

Mandatory
Provisions
Article 119

Article 133

Where a director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company has a material interest directly or indirectly in an executed or a proposed contract, transaction or arrangement with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interest to the Board as soon as possible, whether or not the relevant matter requires the approval of the Board under usual circumstances.

Mandatory
Provisions
Article 120

A director shall not vote in respect of any contract, transaction or arrangement in which he has a material interest, nor shall he be counted in the quorum at the meeting.

Unless the interested director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer has disclosed his interest to the Board in accordance with the preceding paragraph of this Article, and the contract, transaction or arrangement has been approved by the Board at a meeting at which the interested director, supervisor, general

manager/president, deputy general managers/vice presidents or other senior management officer was not counted in the quorum and did not vote in respect of the contract, transaction or arrangement, the Company shall have right to revoke such contract, transaction or arrangement, except where the other party to such contract, transaction or arrangement is a bona fide person who has no knowledge of the breach of duty by the interested director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer.

A director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Article 134

Where a director, supervisor, president, general manager/president, deputy general manager/vice president or other senior management officer of the Company gives to the Board a written notice before the Company first considers the question of entering into the relevant contract, transaction or arrangement, stating that, by reason of the facts specified therein, he is interested in contracts, transactions or arrangements of such description as stated in the notice, which may subsequently be made by the Company, the relevant director, supervisor, president, general manager/president, deputy general manager/vice president or other senior management officer shall be deemed to have complied with the disclosure requirement in the preceding Article.

Mandatory Provisions Article 121

Article 135

The Company shall not in any manner pay taxes for its directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers.

Mandatory Provisions Article 122

Article 136

The Company shall not directly or indirectly provide a loan or a loan guarantee to a director, supervisor, general manager/president, deputy general manager/vice president and other senior management officer of the Company or of the Company's parent company, or any associate of the aforesaid persons.

Mandatory Provisions Article 123

However, the prohibition in the preceding paragraph shall not apply in the following circumstances:

- (1) the provision by the Company of a loan or a loan guarantee to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan, a loan guarantee or other funds to any of its directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers to enable him to pay expenses incurred for the purposes of the Company or for the purpose of performing his duties, in accordance with the terms of the service contract approved by shareholders in general meeting; and
- (3) the provision by the Company of a loan or a loan guarantee to the relevant director, supervisor, general manager/president, deputy general manager/vice president and/or other senior management officer and/or their respective associate (s) if the ordinary course of business of the Company includes the provision of loans and loan guarantees, provided that the provision of loans or loan guarantees to the aforesaid persons shall be on normal commercial terms.

Article 137

A loan made by the Company in breach of the preceding Article shall be forthwith repaid by the recipient of the loan regardless of the terms of the loan.

Mandatory Provisions
Article 124

Article 138

A loan guarantee provided by the Company in breach of the first paragraph of Article 136 shall be unenforceable against the Company, except under the following circumstances:

Mandatory Provisions
Article 125

- (1) when a loan was advanced to an associate of any of the directors, supervisors, general manager/president, deputy general managers/vice presidents and other senior management officers of the Company or of the Company's parent company, the recipient did not know the relevant circumstances; or
- (2) the collateral provided by the Company has been lawfully sold by the recipient to a bona fide purchaser.

Article 139

The term “guarantee” as mentioned in the foregoing provisions of this Chapter includes an undertaking by the guarantor or provision of property by the guarantor to secure the performance of obligations by the obligor.

Mandatory
Provisions
Article 126

Article 140

In addition to the rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer of the Company is in breach of his duties to the Company, the Company shall have right to adopt the following measures:

Mandatory
Provisions
Article 127

- (1) to claim damages from the relevant director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer in compensation for the losses sustained by the Company as a result of such breach of duties;
- (2) to rescind any contract or transaction entered into by the Company with the relevant director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer or with a third party (where such third party knows or should have known that such director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer has breached his duties to the Company);
- (3) to demand the relevant director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer to surrender the profits made by him as a result of his duties;
- (4) to recover any monies received by the relevant director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer, which should have been otherwise received by the Company, including (without limitation) commissions; and
- (5) to demand return of the interest earned or which may have been earned by the relevant director, supervisor, general manager/president, deputy general manager/vice president or other senior management officer in respect of the monies that should have been paid to the Company.

Article 141

The Company shall, with the prior approval of shareholders in general meeting, enter into a written contract with the directors and supervisors of the Company in respect of their emoluments, including;

Mandatory
Provisions
Article 128

- (1) emoluments in respect of their service as a director, supervisor or senior management officer of the Company;
- (2) emoluments in respect of their service as a director, supervisor or senior management officer of any subsidiary (ies) of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the Company or any of its subsidiary(ies); and
- (4) compensation for loss of office or monies payable at retirement of such directors or supervisors.

Except in accordance with the aforesaid contract, no proceedings may be brought by a director or supervisor against the Company for any benefits which he should have acquired in respect of the aforesaid matters.

Article 142

The contract in respect of emoluments entered into between the Company and its directors or supervisors should provide that in the event of a proposed takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement. The term "takeover of the Company" as referred to in the preceding sentence shall mean one of the followings:

Mandatory
Provisions
Article 129

- (1) a takeover offer made by any person to all shareholders; or
- (2) a takeover offer made by any person with a view to enable the offer or to become a controlling shareholder as defined by Article 55 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sums so received by him shall belong to those persons who have sold their shares as a result of accepting the aforesaid offer. The expenses incurred in distributing those sums on a pro rata basis amongst those persons shall be borne by the relevant director or supervisor and shall not be paid out of those sums.

CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 143

The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the financial regulatory department of the State Council.

Mandatory
Provisions
Article 130

Article 144

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified in accordance with the laws.

Mandatory
Provisions
Article 131

The Company's financial report shall include the following financial and accounting statements as well as breakdown schedules:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) statement of changes in financial status;
- (4) description of the financial situation;
- (5) statement of profit distribution.

Article 145

The Board shall place before the shareholders at every annual general meeting such financial reports as are required by the relevant laws, administrative regulations and directives promulgated by local governments and central regulatory departments to be prepared by the Company.

Mandatory
Provisions
Article 132

Article 146

The Company's financial reports shall be made available at the Company twenty (20) days before the date of annual general meeting for inspection by shareholders. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Mandatory Provisions Article 133

Zheng Jian Hai Han [1995] No.1 Article 7

The Company shall deliver to each holder of overseas listed foreign shares by prepaid mail copies of the abovementioned reports together with the reports of the Board at least twenty-one (21) days before the date of annual general meeting. The address of the recipient shall be the address registered in the register of shareholders.

Hong Kong Listing Rules Appendix 3 Paragraph 5

Article 147

The financial statements of the Company shall be prepared in accordance with the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas, in addition to the PRC accounting standards and regulations. If there is any material difference between the financial statements prepared respectively in accordance with two accounting standards, such difference shall be explained in the notes to the financial statements. Where the Company distributes its after-tax profits in the relevant accounting year, the lower of the after-tax profits as shown in the two financial statements as mentioned in the previous sentence shall be adopted.

Mandatory Provisions Article 134

Article 148

The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas.

Mandatory Provisions Article 135

Article 149

The Company shall publish at least two (2) financial reports in every accounting year, such that an interim financial report shall be published within sixty (60) days after the expiry of the first six (6) months of an accounting year and an annual financial report shall be published within one hundred and twenty (120) days after the end of that accounting year.

Mandatory Provisions Article 136

Article 150

The Company shall not keep accounts other than the accounts as required by law.

Mandatory Provisions Article 137

Article 151

The Company shall implement an internal audit system, and shall establish an internal audit body or allocate internal auditors to conduct internal audit of the Company's financial income and expenditure as well as economic activities under the guidance of the Board.

Article 152

The after-tax profits of the Company shall be used in accordance with the following priority: (1) to make up losses; (2) to be allocated to statutory provident funds; (3) to be allocated to discretionary provident funds with approval by shareholders in general meeting; (4) to pay for dividends of ordinary shares. The Company shall not distribute dividends or make other distributions in the form of bonus before offsetting losses and being allocated to statutory provident funds.

Article 153

The Company's provident funds include surplus provident funds and capital provident funds. The surplus provident funds are divided into statutory surplus provident funds and discretionary surplus provident funds.

Article 154

When the Company distributes its after-tax profits in the current year, the Company shall set aside ten (10) % of its after-tax profits for the statutory surplus provident funds. Where the aggregate balance in the Company's statutory surplus provident funds has reached not less than fifty (50) % of the Company's registered capital, the Company need not make any further allocations to the funds. Where the Company's statutory surplus provident funds are not enough to offset losses of the Company in the preceding year, the profits in the current year shall be applied firstly to offset the losses before being allocated to the statutory surplus provident funds in accordance with the preceding provisions. After the Company has allocated its after-tax profits to the statutory surplus provident funds, the Company may set aside funds for discretionary surplus provident funds with approval of shareholders in general meeting. The remaining profits after offsetting losses and making allocations to surplus provident funds shall be distributed to shareholders in proportion to their shareholdings. If the general meeting or the Board violates the preceding provisions and profits are distributed to shareholders before the Company offsets its losses and makes allocations to the statutory surplus provident funds, the profits distributed in violation of the preceding provisions must be returned to the Company.

Article 155

Capital provident funds includes the following items:

- (1) premium received when shares are issued at a premium; and
- (2) other income required to be included in the capital provident funds by the financial regulatory department of the State Council.

Mandatory
Provisions
Article 138

Article 156

The provident funds of the Company shall only be used for the following purposes:

- (1) to make up losses;
- (2) to expand the Company's production and operation; or
- (3) to increase the capital of the Company. The Company may, with approval by way of a shareholders' resolution in general meeting, convert its provident funds into capital and issue new shares to shareholders in proportion to their respective shareholdings or increase the par value of each share, provided that, when the statutory provident funds are converted into capital, the balance of such provident funds shall not fall below 25% of the Company's registered capital.

Article 157

Capital provident funds shall not be used to offset losses of the Company.

Article 158

Dividends shall be distributed in proportion to the shareholdings of the shareholders within six (6) months after the end of each accounting year.

Unless otherwise resolved by shareholders in general meeting, shareholders in general meeting may authorize the Board to distribute interim dividends. Unless otherwise prescribed by the laws or regulations, the amount of interim dividends shall not exceed 50% of the distributable profits shown on the interim profit statement of the Company.

Any amount paid on shares before calls shall be entitled to dividends. However, shareholders are not entitled to any subsequently declared dividends in respect of pre-paid share capital.

Hong Kong
Listing Rules
Appendix 3
Paragraphs 3
(1) and (2)

The right to forfeit unclaimed dividends shall not be exercised until the applicable period has expired.

Article 159

The Company may distribute dividends in the following manner:

Mandatory
Provisions
Article 139

- (1) in cash; or
- (2) by way of shares.

Article 160

The Company shall calculate and declare payment of dividends and other amounts to holders of domestic shares in Renminbi, and shall pay such dividends and amounts in Renminbi within three (3) months after the date on which dividends are declared. The Company shall calculate and declare dividends or other amounts to holders of overseas listed foreign shares in Renminbi, and shall pay such dividends or amounts in the currency of the place where such overseas listed foreign shares are listed (if such shares are listed in more than one place, such dividends or amounts shall be paid in the currency of the principal place where such shares are listed as determined by the Board) within three (3) months after the date on which dividends are declared.

Article 161

The Company shall pay dividends and other amounts to holders of overseas listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing exchange rate for the relevant foreign currency announced by the People's Bank of China during the week prior to the date on which the dividends and other amounts are declared.

Article 162

The Company shall, in accordance with the tax laws of the PRC, withhold and pay on behalf of individual shareholder the taxes payable in respect of his dividend income.

Article 163

The Company shall appoint agents to receive payments on behalf of the holders of overseas listed foreign shares. The receiving agents shall receive on behalf of the relevant shareholders the dividends distributed and other amounts payable by the Company in respect of the overseas listed foreign shares.

Mandatory Provisions
Article 140
Zheng Jian Hai
Han [1995]
No.1
Article 8
Hong Kong
Listing Rules
Appendix
11 Part C
Paragraph 1
(c)

The receiving agents appointed by the Company shall satisfy the requirements of the laws of the place where the overseas listed foreign shares are listed and the relevant regulations of the stock exchange where the overseas listed foreign shares listed.

The receiving agents appointed by the Company for holders of overseas listed foreign shares which are listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of the laws of Hong Kong.

CHAPTER 16 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 164

The Company shall appoint an independent accountants' firm which is qualified under the relevant regulations of the State to conduct audit of the Company's annual financial reports and to review the Company's other financial reports.

Mandatory Provisions
Article 141

The first accountants' firm of the Company may be appointed by the establishment meeting of the Company before the first annual general meeting and term of office of that accountants' firm shall cease at the conclusion of the first annual general meeting.

If the establishment meeting fails to exercise its aforesaid power, the power shall be exercised by the Board.

Article 165

The term of office of the accountants' firm appointed by the Company shall start from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting.

Mandatory Provisions
Article 142

Article 166

The accountants' firm appointed by the Company shall have the following rights:

Mandatory
Provisions
Article 143

- (1) to inspect at any time the books, records or vouchers of the Company, and to require the directors, general manager/president, deputy general managers/vice presidents and other senior management officers of the Company to provide relevant information and explanation;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of the accountants' firm; and
- (3) to attend general meetings and to receive notices of and other information relating to general meeting, which any shareholder is entitled to receive, and to speak at any general meeting in respect of matters concerning its role as the accountants' firm of the Company.

Article 167

If any vacancy appears in the office of the Company's accountants' firm, the Board may, before the convening of general meeting, appoint an accountants' firm to fill such vacancy. But during the period while such vacancy subsists, the other existing accountants' firm (s) appointed by the Company may continue to act.

Mandatory
Provisions
Article 144

Article 168

Shareholders in general meeting may, by ordinary resolution, remove an accountants' firm before the expiration of its office, irrespective of the terms of the contract between the Company and such accountants' firm. However, any rights of such accountants' firm to claim damages from the Company in respect of its removal shall not be there by affected.

Mandatory
Provisions
Article 145

Article 169

The remuneration of an accountants' firm or the manner in which its remuneration is to be decided shall be determined by shareholders in general meeting. The remuneration of the accountants' firm appointed by the Board shall be determined by the Board.

Mandatory
Provisions
Article 146

Article 170

The appointment, removal or cessation of appointment of an accountants' firm by the Company shall be determined by shareholders in general meeting and filed with the securities regulatory authority (ies) of the State Council.

Mandatory Provisions
Article 147

Where it is proposed that any resolution be passed at general meeting concerning the appointment of an accountants' firm which is not currently appointed by the Company to fill a vacancy in the office of the Company's accountants' firm, or the re-appointment of an accountants' firm which was appointed by the Board to fill a vacancy, or the removal of an accountants' firm before the expiration of its term of office, the following provisions shall apply:

Zheng Jian Hai
Han [1995]
No.1
Article 9

Hong Kong
Listing Rules
Appendix
11 Part C
Paragraph 1
section e (i)

- (1) the proposals about the appointment or removal of accountants' firm shall be sent to the accountants' firm which is proposed to be appointed or leaving service or which has left service in the relevant accounting year before notice of meeting is given to the shareholders.

Leaving service includes removal, resignation and retirement.

- (2) If the accountants' firm which is leaving service makes representations in writing and requests the Company to notify shareholders of such representations, the Company shall, unless the written representations are received too late, take the following steps:
 1. in the notice to be given to shareholders in respect of the resolutions to be passed, state the representations made by the accountants' firm which is leaving service; and
 2. attach a copy of such representations to the notice and deliver it to shareholders in the manner stipulated in the Articles of Association.
- (3) If the Company fails to deliver the representations of the relevant accountants' firm in accordance with sub-paragraph (2) of this Article, the relevant accountants' firm may require that such representations to be read out at the general meeting and may lodge further claims thereat.

- (4) An accountants' firm which is leaving service shall be entitled to attend the following meetings:
1. the general meeting at which its term of office shall expire;
 2. the general meeting at which it is proposed to fill the vacancy caused by its removal; and
 3. the general meeting convened as a result of its resignation;

An accountants' firm which is leaving service shall be entitled to receive all notices of and other information relating to the aforesaid meetings, and to speak at the aforesaid meetings in relation to matters concerning its role as the former accountants' firm of the Company.

Article 171

Prior to the removal or cessation of appointment of an accountants' firm by the Company, notice of such shall be given to the accountants' firm concerned, and such firm shall be entitled to state its opinions at the general meeting. Where an accountants' firm raises its resignation, it shall make clear to shareholders' at general meeting whether there has been any impropriety on the part of the Company.

Mandatory Provisions Article 148

Zheng Jian Hai Han [1995] No.1 Article 10

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

Hong Kong Listing Rules Appendix 11 Part C Paragraph 1 section e (ii) to (iv)

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) statements in respect of any matters of which an account should be given.

Where a written notice referred to in the preceding paragraph is received by the Company, the Company shall within fourteen (14) days of receipt send a copy of such notice to the relevant regulatory authority. If the notice contains statements referred to in subparagraph (2) above, a copy of such statements shall be placed at the Company for inspection by shareholders. The Company shall also send a copy of such statements to every holder of overseas listed foreign shares by prepaid mail, and to the address of the recipient shall be the addresses recorded in the register of shareholders.

Where the notice of resignation of an accountants' firm contains statements of any matters of which an account should be given, the accountants' firm may require the Board to convene an extraordinary general meeting for the purpose of hearing the explanations made by the accountants' firm in respect of its resignation.

CHAPTER 17 INSURANCE

Article 172

The various types of insurance policies of the Company shall be taken out with the designated body (ies) in the designated manner, or be taken out with the People's Insurance Company (Group) of China Limited or other insurance companies that are registered in the PRC and are permitted by the PRC laws to provide insurance to PRC companies, pursuant to the requirements of the relevant regulatory authority of the PRC. The types of coverage, the insured amount and period shall be discussed and decided by the Board by reference to the practices of peer business in other countries and the practices and laws in the PRC.

CHAPTER 18 LABOUR MANAGEMENT SYSTEM

Article 173

The Company shall establish a labour management system applicable to the actual conditions of the Company, in accordance with the relevant requirements under the Labour Law of the PRC.

Article 174

The Company shall, on its own, recruit, employ and dismiss employees and implement a contract system based on the needs of the business development of the Company and within the scope stipulated by the relevant laws and administrative regulations of the State.

Article 175

The Company shall formulate the labour payroll system and payment methods in respect thereof of the Company in accordance with the relevant stipulations of the State and the economic benefits of the Company.

Article 176

The Company shall endeavour to enhance its employees' welfare and remuneration and to continually improve the working conditions and living standards of its employees.

Article 177

The Company shall provide medical, retirement and unemployment insurance funds for its employees and put in place a labour insurance system in accordance with the relevant laws and regulations of the State.

CHAPTER 19 TRADE UNION

Article 178

The employees of the Company shall have right to organize a trade union, carry out activities of the trade union and protect the legal interests of employees in accordance with the Trade Union Law of the PRC and other relevant laws and regulations of the State. The Company shall provide the requisite conditions for carrying out activities of the trade union of the Company.

Article 179

If the employees of the Company have established a trade union in accordance with the law, the Company shall allocate a certain amount of monies to the funds of the trade union every month based on the actual situation, which shall be used by the trade union of the Company in accordance with the Measures for Management of Trade Union Funds formulated by the All China Federation of Trade Unions.

CHAPTER 20 MERGER AND DIVISION OF THE COMPANY

Article 180

In the event of a merger or division of the Company, a proposal in respect thereof shall be put forward by the Board and approved in accordance with the procedures stipulated in the Articles of Association, and the relevant examination and approval formalities shall be processed in accordance with the law. Shareholders who oppose the proposal of merger or division of the Company shall have right to request that the Company or the shareholders who consent to such proposal of merger or division of the Company to purchase their shares at a fair price. A special document in respect of the Company's resolution on its merger or division should be prepared for inspection by shareholders.

Mandatory
Provisions
Article 149

The aforesaid document should also be dispatched to the holders of overseas listed foreign shares by mail. The recipient's address should be the address recorded in the register of shareholders.

Article 181

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

In the event of a merger of the Company, all parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its merger and shall make announcement on newspaper at least three (3) times within thirty (30) days of the date of the Company's resolution on its merger.

After merger of the Company, the debts and liabilities of each party to the merger shall be taken over by the subsisting company after the merger or the newly established company.

Article 182

In the event of a merger of the Company, all parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its merger and shall make announcement on newspaper within thirty (30) days of the date of the Company's resolution on merger.

Debts incurred by the Company before its division shall be borne by the companies after the division according to the relevant agreement reached.

Article 183

Where the Company undergoes division, its assets shall be split up accordingly. In the event of a division of the Company, all parties to the division shall enter into a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on its division and shall make announcement on newspaper within thirty (30) days of the date of the Company's resolution on its division. Unless otherwise agreed by way of a written agreement between the Company and its creditors on the settlement of liabilities prior to the division, the debts incurred by the Company before its division shall be borne jointly by the companies after the division.

Mandatory Provisions
Article 150
Hong Kong Listing Rules
Appendix 3
Paragraph 7
(1)

Mandatory Provisions
Article 151

Mandatory Provisions
Article 152

CHAPTER 21 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 184

The Company shall be dissolved upon the occurrence of any of the following events: (1) a resolution on dissolution is passed by shareholders in general meeting; (2) dissolution is necessary due to a merger or division of the Company; (3) the Company's business license is revoked, or the Company is ordered to cease its business or dissolve, in accordance with the law; (4) where there are serious difficulties in the operation and management of the Company and the continuing subsistence of the Company would cause substantial losses to the interest of shareholders, and the problems cannot be solved in other ways, shareholders representing 10% or more of the total voting rights of shareholders of the Company may request the People's Court to dissolve the Company.

Mandatory
Provisions
Article 153

Article 185

Where the Company is dissolved under subparagraph (1), (3) or (4) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the date of occurrence of the dissolution event and commence liquidation of the Company. The liquidation committee shall comprise members determined by directors or shareholders in general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation of the Company, creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Mandatory
Provisions
Article 154

Article 186

Where the Board decides to liquidate the Company (for reasons other than a declaration by the Company that it is bankrupt), the Board shall make a declaration in the notice of the general meeting convened for the purpose of considering the proposed liquidation that the Board has made full investigation into the affairs of the Company, and the Board is of the opinion that the Company will be able to repay its debts in full within twelve (12) months after the commencement of liquidation.

Mandatory
Provisions
Article 155

Upon the passing of a resolution on liquidation of the Company by shareholders in general meeting, all powers of the Board shall cease immediately.

The liquidation committee shall act in accordance with the instructions of the general meeting, and shall make a report at least once every year to the general meeting in respect of the committee's receipts and payments, the business of the Company and the progress of the liquidation, and present a final report to the general meeting upon completion of the liquidation.

Article 187

The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make announcement on newspaper within sixty (60) days of such date. Creditors shall, within thirty (30) days after receipt of the notice, or where creditors have not personally received the notice, within ninety (90) days from the date of the first announcement, declare their claims to the liquidation committee. Any creditors who have not declared their claims within the prescribed period shall be deemed to have waived their claims. Where creditors declare their claims, they shall explain relevant matters of their claims and provide evidencing materials. The liquidation committee shall register the claims.

Mandatory Provisions
Article 156

Hong Kong Listing Rules
Appendix 3
Paragraph 7
(1)

Article 188

During the liquidation period, the liquidation committee shall exercise the following powers:

Mandatory Provisions
Article 157

- (1) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets separately;
- (2) to notify creditors or make announcement for the purpose of notifying creditors;
- (3) to deal with and settle the Company's relevant outstanding business;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle debts and liabilities;
- (6) to deal with the remaining assets of the Company after settling its debts and liabilities; and
- (7) to represent the Company in any civil proceedings.

Article 189

After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation proposal and submit the same to general meeting or the People's Court for confirmation, after which the same shall be filed with the company examination and approval authority for record.

Mandatory Provisions
Article 158

The Company's assets shall be applied to the settling of debts and liabilities in accordance with the priority stipulated by the laws and regulations. If no laws are applicable, the Company's assets shall be applied in accordance with the impartial and reasonable priority as determined by the liquidation committee.

The remaining assets of the Company after settling its debts and liabilities by way of the Company's assets in accordance with the preceding paragraph shall be distributed to shareholders of the Company according to the class of shares held by them and in proportion to their shareholdings.

During the liquidation period, the Company shall not carry out any new business activities.

Article 190

Where the Company is liquidated owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to settle its debts and liabilities, it shall immediately apply to the People's Court for a declaration of bankruptcy.

Mandatory
Provisions
Article 159

After the Company is declared bankrupt by a ruling of the People's Court, the liquidation committee shall hand over the liquidation matters to the People's Court.

Article 191

Following the completion of liquidation of the Company, the liquidation committee shall compile a liquidation report and prepare a statement of the receipts and payments and a financial accounts for the period of liquidation, which shall be verified by the PRC certified public accountants, and thereafter submitted to general meeting or the People's Court for confirmation and filed with the company examination and approval authority for record. Upon submission of the liquidation report to the company examination and approval authority, the liquidation committee shall proceed to handle the deregistration of the Company at the tax authority and the company registration authority, and announce the cessation of the Company, in accordance with the law.

Mandatory
Provisions
Article 160

CHAPTER 22 PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

Article 192

The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

Mandatory
Provisions
Article 161

Article 193

The following procedures shall be complied with to amend the Articles of Association:

- (1) the Board shall, in accordance with the Articles of Association, pass a resolution to propose to amend the Articles of Association and to draw up a proposal for such amendments in general meeting;
- (2) the foregoing proposal for amendments to the Articles of Association shall be notified to shareholders of the Company in writing, and a general meeting shall be convened to vote on the amendments;
- (3) the proposal for amendments to the Articles of Association shall be approved by way of special resolution in general meeting.

The Board may be authorized by an ordinary resolution of general meeting:
(1) in the event that the Company increase its registered capital, to amend the provisions in the Articles of Association relating to the registered capital of the Company according to the actual situation; and (2) in the event that alterations of words or the order of provisions are required when the Articles of Association approved by general meeting are submitted to the company examination and approval department authorized by the State Council and the Securities Committee of the State Council, to make relevant amendments according to the requirements of the above-mentioned examination and approval department and the Securities Committee of the State Council.

Article 194

Amendments to the Articles of Association which involve the content of the Mandatory Provisions of the Articles of Association of Overseas Listed Companies signed by the Securities Committee of the State Council and the State Commission for Restructuring Economic System on 27 August 1994 (“**Mandatory Provisions**”) shall become effective upon approval by the company examination and approval department authorized by the State Council. If there is any change to the registered particulars of the Company, such change shall be registered in accordance with law.

Mandatory
Provisions
Article 162

CHAPTER 23 DISPUTE RESOLUTION

Article 195

The Company shall comply with the following dispute resolution principles:

Mandatory
Provisions
Article 163

- (1) Whenever any disputes or claims in relation to the affairs of the Company arise between holders of overseas listed foreign invested shares and the Company, holders of overseas listed foreign shares and the Company's directors, supervisors, general manager/president, deputy general managers/vice presidents or other senior management officers, or holders of overseas listed foreign shares and holders of domestic shares, based on the rights and/or obligations stipulated by the Articles of Association, the Company Law and/or other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.

Where the aforesaid dispute or claim is referred to arbitration, the entire dispute or claim shall be referred to arbitration. Any person, being the Company or a shareholder, director, supervisor, general manager/president, deputy general managers/vice presidents or other senior management officer of the Company, who has 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, shall abide by the arbitration.

Zheng Jian Hai
Han [1995]
No.1
Article 11

Disputes in relation to the identification of shareholders and the register of shareholders need not be referred to arbitration.

- (2) An arbitration applicant may elect to have the arbitration conducted the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules, or the Hong Kong International Arbitration Centre in accordance with its securities and arbitration rules. Once an arbitration applicant refers a dispute or claim to arbitration, the other party (ies) must submit to the arbitral body elected by the applicant.

If an arbitration applicant elects to have the arbitration conducted at the Hong Kong International Arbitration Centre, any party to the dispute or claim may request to have the arbitration conducted in Shenzhen in accordance with the securities and arbitration rules of the Hong Kong International Arbitration Centre.

- (3) If any disputes or claims prescribed in subparagraph (1) is referred to arbitration, the laws of the PRC shall apply, save as otherwise provided by the laws and administrative regulations.
- (4) The award of an arbitral body shall be final and conclusive and binding on all parties.

CHAPTER 24 NOTICE

Article 196

Unless otherwise stated in this Articles of Association, notices, information or written statements issued by the Company to holders of overseas listed foreign shares which are listed in Hong Kong shall be delivered to the address of each of the holders of overseas listed foreign shares as recorded in the register of shareholders in person, or despatched to each of such holders of overseas listed foreign shares by mail. Notices to holders of overseas listed foreign shares which are listed in Hong Kong shall be post in Hong Kong as practicable as possible.

Notices issued by the Company to holders of domestic shares shall be published by way of announcement on one or more newspapers designated by securities regulatory authority of the State Council. Once the announcement is published, all holders of domestic shares shall be deemed to have received the relevant notice.

Article 197

Where a notice is to be sent by mail, it shall be placed in an envelope with the address clearly written on it and the postage shall be prepaid. Shareholders are deemed to have received such notice five (5) days after the date of dispatch of such notice.

Article 198

Any notice, document, information or written statement given by a shareholder or director to the Company shall be delivered in person or by registered mail to the legal address of the Company.

Article 199

Where a shareholder or director of the Company intends to prove that he has served a notice, document, information or written statement on the Company. He shall provide evidential materials showing that the relevant notice, document, information or written statement has been served on the Company within the designated period by way of usual method of delivery, or that such notice, document, information or written statement has been sent to the correct address by prepaid mail.

CHAPTER 25 SUPPLEMENTARY PROVISIONS

Article 200

The term “accountant’s firm” referred to in the Articles of Association shall have the same meaning as the term of “auditors”.

Mandatory
Provisions
Article 165

Article 201

All figures in these Articles of Association are inclusive