

SHANGHAI JIAODA WITHUB INFORMATION INDUSTRIAL COMPANY LIMITED*

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

ARTICLES OF ASSOCIATION

Amended by the shareholders' annual general meetings held on 20 June 2023

(The Articles of Association was originally drafted in Chinese and the English translation is not an official version and for your reference only. In case of any discrepancies between the Chinese and the English versions, the Chinese version shall prevail.)

* *for identification purpose only*

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Shanghai Jiaoda Withub Information Industrial Co., Ltd.
Articles of Association

Chapter 1 General Principles

Article 1 The company (or the “Company”) is a joint stock limited company established in the People’s Republic of China (“PRC”) in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the Company Law), the Special Regulations of the State Council Concerning the Overseas Share Subscription and Listing of Joint Stock Limited Companies (hereinafter referred to as the Special Regulations) and other State laws and statutory regulations.

Subject to the approval by document 滬府體改審 (1998)040 號文 (Hu Fu Ti Gai Shen no.1998040*) issued by the People’s Government of Shanghai, the company was established by way of promotion on 4 May, 1998. The Company was registered with Commerce and Administration Bureau in Shanghai and obtained the business license on 3 December, 1998. The unified social credit code of the Company’s business license is 91310000631898726W.

The promoters of the company are:

Promoter one:	Shanghai Jiaotong University (上海交通大學)
Promoter two:	Shanghai Technology Venture Capital Company Limited (上海科技創業投資有限公司)
Promoter three:	Shanghai Xin Xuhui (Group) Co., Ltd (上海新徐匯(集團)有限公司)
Promoter four:	Shanghai Huixin Investment Co., Ltd (上海匯鑫投資經營有限公司)
Promoter five:	Shanghai Jiaoda Angli Co., Ltd. (上海交大昂立股份有限公司)

(Article 1 of Mandatory Provisions)

Article 2 Registered name of the company:

Chinese: 上海交大慧谷信息產業股份有限公司

English: Shanghai Jiaoda Withub Information Industrial Co., Ltd.

(Article 2 of Mandatory Provisions)

Article 3 2/F, Building 7, No.471 Guiping Rd., Shanghai

Postcode: 200233

Telephone: (8621)-64078333

(Article 3 of Mandatory Provisions)

Article 4 The legal representative of the company is the chairman of the board of directors of the company.

(Article 4 of Mandatory Provisions)

Article 5 The company is a perpetual joint stock limited company.

(Article 5 of Mandatory Provisions)

Article 6 Subject to the passing by a special resolution on the Extraordinary General Meeting of the company, and after the registration be made to the relevant registration authority, the Articles of Association shall take effect. Once the Articles of Association have taken effect, it shall become a legally binding document to standardize the organization and activities of the company, the rights and obligations between the company and its shareholders, and among its shareholders.

(Article 6 of Mandatory Provisions)

Article 7 The Articles of Association shall have binding effect on the company and its shareholders, directors, supervisors, general managers and other senior management, and the aforesaid personnel shall be entitled to assert their rights on matters in relations to the company in accordance with the Articles of Association.

A shareholder(s) may issue legal proceedings to the company in accordance with the Articles of Association; the company may issue legal proceedings to a shareholder(s) in accordance with the Articles of Association; a shareholder(s) may issue legal proceedings to other shareholder(s) in accordance with the Articles of Association; a shareholder(s) may issue legal proceedings to a director(s), supervisor(s), general manager or other senior management in accordance with the Articles of Association.

“Issue Legal Proceedings” as mentioned in the preceding paragraph shall include the filing of a suit in the court or application to an arbitral authority for arbitration.

(Article 7 of Mandatory Provisions)

Article 8 The company may invest in other limited liability companies or joint stock limited company and shall assume an amount of liability toward the invested company equal to the amount of the investment, however the company is not permitted to become any other economic organization’s unlimited liability shareholder.

Unless stipulated by the law, the Company shall not be the investor who will be severally liable for the debts of the companies which are invested by the Company.

(Article 8 of Mandatory Provisions)

Article 9 The company shall be an independent corporate, all actions of the company shall abide by the laws and regulations of the place where the domestic shares and shares listed overseas are listed and shall protect the shareholders' legal rights. All the company's capital shall be divided into equal shares, shareholders are liable thereto the extent of their capital contribution, and the company is liable for its debts to the extent of all of its assets.

The company has financing rights and loan rights in accordance with the laws and statutory regulations. The financing rights of the company includes but not limited to issuance of corporate bonds, mortgage or pledge of part or all of the company's assets, which the company has ownership or has the right to use, and other rights permitted by the laws and statutory regulations. However the company shall not impair or abolish rights of any shareholders of different classes while exercise the aforesaid rights.

Chapter 2 Purpose and Scope of Business

Article 10 The company's business purpose is to: subject to the country's policy of developing high-tech industry, based on introducing new markets and competitive mechanism, the company tries its best to develop its advantages in technology, talents, region, policy and fund, keep a positive, aggressive mentality and creativity, converting science achievements into productive force, while booming information industry of Shanghai, create interests for shareholders and benefit the society.

(Article 9 of Mandatory Provisions)

Article 11 The scope of business of the company shall be based on the projects examined and approved by the company registration authority.

Licensed projects: architectural engineering construction (excluding the construction and operation of nuclear power stations and civil airport construction); and Type 2 value-added telecommunications businesses. (For projects that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities and the specific business projects shall be subject to approval documents or permits from the relevant authorities)

General projects: technology service, technology development, technology consulting, technology exchange, technology transfer, technology promotion; information system integration services; enterprise image planning; conference and exhibition services; fitness and leisure activities; sports health services; operation of sports venue and facilities (excluding highrisk sports); retail of sports goods and equipment; sports event planning; sports competition organization; sports security organization; organization of sports performances; organization of cultural and artistic exchange activities; sports broker services; project planning and public relations services; ticket agency services; sports intermediary agency services; wholesale of sports goods and equipment; rental of sports goods and equipment; wholesale of clothing and apparel; retail of clothing and apparel; sales of arts and crafts and ceremonial supplies (except ivory and ivory products); sales of food (only the sale of prepackaged food); sales via the Internet (except sales of commodities that require a license). (Except for special projects subject to approval according to laws, with business license to carry out business activities independently according to laws)

(Article 10 of Mandatory Provisions)

Article 12 Subject to the approval by the shareholders in accordance with General Meeting and by the relevant governmental authority, the company shall adjust the investment direction, and the mode and scope of business based on the trends of both domestic and international markets, demands of domestic business development, and the development capability and business requirement of the company itself.

Chapter 3 Shares and Registered Capital

Article 13 The company may, at any time, issue ordinary shares; the company may, in accordance with requirements and subject to approval by the company examination and approval department authorised by the State Council, issue other classes of shares.

(Article 11 of Mandatory Provisions)

Article 14 Shares issued by the company shall have a par value, the nominal value of each share shall be RMB0.1. Renminbi (“RMB”) in this Article refers to the legal currency of the People’s Republic of China.

(Article 12 of Mandatory Provisions)

Article 15 Subject to approval by the Securities Committee of the State Council, the company may issue shares to domestic and overseas investors.

“Overseas investors” as mentioned in the preceding paragraph shall refer to investors from foreign countries or from Hong Kong, Macau and Taiwan who purchase shares issued by the company; “domestic investors” shall refer to investors within the territory of the People’s Republic of China other than the aforesaid regions who purchase shares issued by the company.

(Article 13 of Mandatory Provisions)

Article 16 Shares issued by the company in Renminbi to domestic investors shall be called Domestic shares. Shares issued by the Company to overseas investors and subscribed in foreign currency shall be called foreign invested shares. Foreign invested shares which are listed overseas shall be called foreign invested shares listed overseas. Shares listed and traded on overseas stock exchange with approvals of issuance from the regulatory authorities authorized by the State Council and overseas securities regulatory authorities are referred to as overseas-listed shares. Subject to the approval of the competent securities authorities of the State Council, all or part of the domestic shares are convertible into overseas-listed shares, and the resulting overseas-listed shares may be listed and traded on overseas stock exchange(s). Listing of the aforesaid shares on an overseas stock exchange shall also comply with the regulatory procedure, regulations and requirements of the overseas securities market. The conversion of domestic shares into foreign shares for listing and trading on foreign stock exchange(s), is not subject to the holding of a shareholders’ general meeting or a class meeting for voting. The overseas-listed shares converted from domestic shares shall be of the same class with the existing overseas-listed foreign shares. Foreign currency in this Articles of Association refers to other countries’ and regions’ legal currencies approved by the State Administration of Foreign Exchange and payable to the Company’s shares other than Renminbi.

(Article 14 of Mandatory Provisions)

Article 17 As approved by the company examination and approval department authorised by the State Council, the company is allowed to issue a total number of 480,000,000 ordinary shares (with a nominal value of RMB0.1 per share). Upon completion of the company's establishment, the company issued a total of 10,000,000 ordinary shares (with a nominal value of RMB1 per share), which were wholly subscribed by the Promoters:

Promoter one subscribes 3,000,000 shares, accounting for 30% of the total number of issuable ordinary shares at the company's incorporation;
Promoter two subscribes 2,000,000 shares, accounting for 20% of the total number of issuable ordinary shares at the company's incorporation;
Promoter three subscribes 2,000,000 shares, accounting for 20% of the total number of issuable ordinary shares at the company's incorporation;
Promoter four subscribes 2,000,000 shares, accounting for 20% of the total number of issuable ordinary shares at the company's incorporation;
Promoter five subscribes 1,000,000 shares, accounting for 10% of the total number of issuable ordinary shares at the company's incorporation.

(Article 15 of Mandatory Provisions)

Article 18 The company has issued 26,000,000 domestic ordinary shares (RMB1 per share) and 120,000,000 overseas listed foreign shares (RMB0.1 per share) to the overseas investors by way of capital increase upon the establishment; meanwhile, all the state shareholders of the company have reduced their shares on hand of an aggregate of 12,000,000 shares (RMB0.1 per share) in proportion to their respective shareholding ratio, the number of the reduced shares being issued wholly by way of stock issue, together with the aforesaid by way of capital increase, has been disposed of to the public investors as the overseas listed foreign shares. Upon the issue, there are 480,000,000 ordinary shares (RMB0.1 per share), of which the promoters hold an aggregation of 174,000,000 shares (RMB0.1 per share) and other domestic shareholders hold 174,000,000 shares (RMB0.1 per share), and the above two number of shares in total account for 72.5% of the ordinary shares as may be issued by the company, while the overseas listed foreign shareholders hold 132,000,000 shares (RMB0.1 per share), which account for 27.5% of the ordinary shares of the company.

(Article 16 of Mandatory Provisions)

Article 19 Where the company has a scheme as approved by the competent securities department of the State Council to issue overseas-listed shares and Domestic shares, the board of directors of the company may implement arrangements to make separate issue.

A scheme for the separate issue of overseas-listed shares and Domestic shares prepared by the company in accordance with the preceding paragraph may be implemented separately within fifteen (15) months from the date on which the issue scheme is approved by the China Securities Regulatory Commission.

(Article 17 of Mandatory Provisions)

Article 20 If a company separately issues overseas-listed shares and Domestic shares with the total number of shares fixed in the company's issue scheme, they shall separately be subscribed in full at one time. Under special circumstances, where the total number of shares in each issue cannot be entirely subscribed in full at the one time, such shares may, subject to approval by the Securities Committee of the State Council, be issued in installments.

(Article 18 of Mandatory Provisions)

Article 21 After the completion of issuing overseas-listed shares aforesaid in Article 18, the company's registered capital shall be no less than RMB48,000,000.

(Article 19 of Mandatory Provisions)

Article 22 The company may, in accordance with the requirements of its business operations and development, increase its capital with approval as stipulated in the Articles of Association.

The company may adopt the following methods to increase its capital:

- (1) issue new shares to non-designated investors for subscription;
- (2) conduct a rights issue of new shares to the existing shareholders;
- (3) conduct a bonus issue of new shares to the existing shareholders;
- (4) other methods as approved by laws and statutory regulations.

Where a company has increased its capital through a new share issue with approval as stipulated in the Articles of Association, the matter shall be handled in accordance with the procedures as stipulated in the relevant State laws and statutory regulations and announced.

(Article 20 of Mandatory Provisions)

Article 23 Except for laws and statutory regulations stipulate otherwise, shares of a company may be subject to free assignment and shall have no lien attached.

(Article 21 of Mandatory Provisions)

Article 24 Subject to Article 27, Article 45, and Article 46 of this Articles of Association and other applicable stipulations, the transferee, being the holder of such shares, whose name (title) shall be registered in shareholder's register once the company's shares being transferred.

Article 25 The issuance or transfer of all the overseas-listed shares shall be registered in the shareholder of shares listed overseas' register kept at the location of the overseas stock exchange where the shares listed overseas is listing, in accordance with Article 43(2).

Article 26 Any shareholder of the overseas-listed shares shall use the standard transfer form designated by stock exchange where the company's stock is listing, or other written form of transfer instrument accepted by the board of directors or commonly used in the place where the company is listing to transfer part of or all of his shares. The transfer instrument shall be signed in written or in print by the transferer and transferee.

If the shareholder is a recognised clearing house or its proxy, defined by Securities and Futures (Clearing House) Ordinance (Chapter 420 of Law of Hong Kong), the transfer instrument shall be signed in written by a person or in print by a machine.

All transfer instruments shall be maintained in the company's legal address or any address as instructed by the board of directors from time to time.

Article 27 Anytime when the company's shares listed overseas listing in The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the company must ensure that the following statement are in all the document of title (including shares listed overseas) of Securities listing on the Hong Kong Stock Exchange:

- (1) stock purchasers with the company and every shareholder, and the company with every shareholder shall comply with the Company Law, Mandatory Provisions and other laws and statutory regulations and stipulations of the Articles of Association.
- (2) stock purchasers with the company and every shareholder of the company, director, supervisor, general manager, deputy general manager and other senior management all reached the consent that, on behalf of the company itself and every director, supervisor, general manager, deputy general manager and other senior management to agree that, in respect of disputes or claim of rights caused by the rights and obligations stipulated in this Articles of Association or the related Chinese laws and statutory regulations, shall be taken to arbitration in accordance with the Articles of Association, and any issue taken to arbitration shall be deemed as being authorised to the arbitration court for open hearing and adjudication announce. Such adjudication of the arbitration is final.
- (3) stock purchasers with the company and every shareholder agree that the company's shares are transferrable freely by its owners.
- (4) stock purchasers shall authorise the company to sign contracts with every director and senior management on their behalf, and such director and senior management shall promise to be responsible for shareholders as is stipulated in the Articles of Association.

The company shall instruct and induce its stocks to transfer to the registry office: unless until the individual shareholder hand in signed forms that includes the aforesaid statement related to such shares, the company shall refuse any subscription, acquisition or transfer using individual shareholder's name.

Article 28 Transaction of the shares listed overseas in the Hong Kong Stock Exchange is permitted.

Chapter 4 Reduction of Capital and Buy Back of Shares

Article 29 In accordance with the provisions of the Articles of Association, the company may reduce its registered capital.

(Article 22 of Mandatory Provisions)

Article 30 When reducing its registered capital, the company must prepare a balance sheet and lists of properties.

Within ten (10) days of the resolution proposing a reduction of registered capital, the creditors shall be notified by the company and a public announcement shall be made in the press at least in three (3) times within thirty (30) days. A creditor shall, within thirty (30) days of receipt of such a notice or within ninety (90) days of the first public announcement where the creditor has not received notice, have the right to request that the company settle its claim or provide a relevant debt repayment guarantee.

The registered capital after its reduction shall not be less than the statutory minimum amount.

(Article 23 of Mandatory Provisions)

Article 31 In the following circumstances the company may buy back issued shares in accordance with procedures stipulated in the Articles of Association and following approval by the State Department in charge:

- (1) when canceling shares in order to reduce its capital;
- (2) when merging with other companies which hold the company's shares;
- (3) in other circumstances as stipulated in laws and statutory regulations.

(Article 24 of Mandatory Provisions)

Article 32 Subject to approval by the State department in charge, the following methods may be adopted to buy back shares:

- (1) issue a buy back offer to all shareholders according to an equal percentage;
- (2) through means of open trading at the stock exchange;
- (3) through means of an agreement outside the stock exchange.

(Article 25 of Mandatory Provisions)

Article 33 When a company buys back shares by means of an agreement outside the stock exchange, the approval by general meeting of shareholders must be obtained in advance in accordance with the provisions of the Articles of Association. Subject to advance approval by the general meeting of shareholders to buy back shares through means of an agreement, the company may dissolve or alter the contracts which have already been concluded after having undergone the procedure described above or may renounce any rights stipulated in those contracts.

The aforesaid share buy back contract shall include (but not limited to) agreements to bear the obligation of buying back shares and to obtain share buy back rights.

The company shall not be permitted to transfer a contract for the buy back of its shares nor to assign any rights stipulated in the contract.

(Article 26 of Mandatory Provisions)

Article 34 After buying back shares in accordance with the law, the company shall, within the period of time stipulated by laws and statutory regulations, cancel that portion of shares and shall apply to the original company registration authority to register the amendment.

The total par value of the cancelled shares shall be offset against the registered capital of the company.

(Article 27 of Mandatory Provisions)

Article 35 Unless the company has already entered into liquidation, the company shall abide by the following provisions when buying back its issued shares:

- (1) Where the company buys back its shares at par value, the funds expended shall be deducted from the book balance of the distributable profits and from proceeds derived from the issue of new shares for the buy back of old shares.
- (2) Where the company buys back shares at a price in excess of their par value, that portion of funds represents the par value shall be deducted from the book balance of distributable profits and proceeds derived from the issue of new shares for the buy back of old shares; that portion of funds in excess of the par value shall be handled pursuant to the following measures:
 - (I) Where bought back shares are issued at par value, the funds shall be deducted from the book balance of the distributable profits;
 - (II) where bought back shares are issued at a price in excess of their par value, the funds expended shall be deducted from the book balance of distributable profits and proceeds derived from the issue of new shares for the buy back of old shares; however, the amount deducted from the issue of new shares shall not exceed the total premium on the bought back old shares at the time when those shares were issued, and shall not exceed the amount (including the premium on the issue of new shares) in the premium account or capital reserve fund account at the time of buying back of those shares.

- (3) Funds used for expenditure on the following shall be made from distributable profits of the company:
 - (I) obtaining buy back rights for the buying back of shares;
 - (II) amending the share buy back contract;
 - (III) dissolving the obligations in the share buy back contract.
- (4) After the total par value of cancelled shares has been offset against the registered capital of the company pursuant to relevant regulations, the amount spent on buying back the par value of shares which can be deducted from the distributable profits shall be charged to the premium account or capital reserve fund account of the company.

(Article 28 of Mandatory Provisions)

Chapter 5 Financial Assistant for the Acquisition of the Company's Shares

Article 36 The company or its subsidiaries shall not at any time or use any means to provide any financial assistance to parties buying or intending to buy the company's shares. The aforesaid parties buying the company's shares shall include parties directly or indirectly bearing obligations because of the acquisition of the company's shares.

The company or its subsidiaries shall not at any time or use any means to provide financial assistance to the aforesaid obligated parties in order to reduce or dissolve their obligations.

The provisions of this Article shall not apply in circumstances described in Article 38 of this Chapter.

(Article 29 of Mandatory Provisions)

Article 37 For the purposes of this Chapter, financial assistance shall include (but not limited to) the following:

- (1) providing gifts;
- (2) providing a guarantee (including an undertaking by the guarantor to bear liability or the guarantor providing property as a means of ensuring that the obligator fulfils an obligation), compensation (but not including such compensation made due to the company's own fault), dissolving or renouncing of rights;
- (3) providing loans or concluding a contract which stipulates that the company assumes obligations ahead of another party, changing the parties to these loans or contracts, or assigning rights pertaining to these loans or contracts;
- (4) providing financial assistance through any other means when the company is unable to repay its debts, has no net assets or in circumstances likely to lead to a heavy reduction in net assets.

For the purpose of this Chapter, “assume obligations” shall include act whereby the obligator assumes obligations as a result of entering into a contract or making an arrangement (regardless of whether that contract or arrangement can be compulsorily enforced or not, or regardless of whether the obligator assumes obligations itself or jointly with others), or changing its financial position through any other means.

(Article 30 of Mandatory Provisions)

Article 38 The following actions shall not be regarded as actions prohibited by Article 36 of this Chapter:

- (1) financial assistance honestly provided by the company for the company’s interests and where the major purpose of such financial assistance is not for acquisition of the company’s shares, or where the said financial assistance is an incidental part of a certain overall plan of the company;
- (2) the company using its properties as dividends for distribution in accordance with the law;
- (3) dividends distributed in the form of shares;
- (4) reducing registered capital, buying back shares or adjusting shareholding right structure in accordance with the Articles of Association;
- (5) providing loans for its normal course of business operations and within the scope of the company’s business (however, this must not result in a reduction of the company’s net assets, or, where there is a reduction in its net assets, the financial assistance is sourced from the company’s distributable profits);
- (6) providing loans according to the plan for employees to hold shares of the company (however, this must not result in a reduction of the net assets of the company, or, where there is a reduction in its net assets, the financial assistance is sourced from the company’s distributable profits).

(Article 31 of Mandatory Provisions)

Chapter 6 Share Certificates and Shareholders Register

Article 39 The share certificates of the company shall adopt the form of registered share certificates.

In addition to the following important items should be specified on a share certificate of the company as stipulated in the Company Law, other items shall also be included:

- (1) the company's name;
- (2) the date of the company registered to be established;
- (3) classes of share certificates, par value and the number of shares represented;
- (4) the serial number of the share certificates;
- (5) other items required by stock exchange on which the shares of the company are to be listed.
(Article 32 of Mandatory Provisions)

Article 40 A share certificate shall be signed by the chairman of the board of directors. If the stock exchange where the company's shares are listing requests that other senior management shall sign the share certificates, a share certificate shall also be signed by those senior management as requested. A share certificate shall only become valid after it is affixed with the company seal or with the company seal in a printed format. That all the share certificates under the company seal or with the company seal in a printed format shall be affixed with the authority of the board of directors. Printed format may also be adopted for the signature of the chairman of the board of directors or other senior management on a share certificate.

(Article 33 of Mandatory Provisions)

Article 41 A shareholder register shall be established by the company to record the following items:

- (1) the name (or title), address (or residence) and occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid for or amount payable for shares held by each shareholder;
- (4) the serial numbers of shares held by each shareholder;
- (5) the date on which the party registered as a shareholder; and
- (6) the date on which the party ceased to be a shareholder.

The shareholder register shall be sufficient evidence to verify that a shareholder holds company shares, except where evidence to the contrary exists.

The branch register of shareholders of the Company in the place where it is listed must be made available for inspection by its shareholders and the Company shall allow the closure of its shareholder register in accordance with the terms similar to local company ordinance.

(Article 34 of Mandatory Provisions)

Article 42 In accordance with the mutual understanding and agreement reached between the Securities Committee of the State Council and the overseas securities supervision authority, the original copy of a company's shareholders' register of shares listed overseas shall be maintained overseas and managed by overseas agent entrusted by the company. A duplicate copy of the company's shareholders' register of shares listed overseas shall be kept at the business premises of the company as backup. The entrusted overseas agent shall ensure the consistency of the original and duplicate copies of the shareholders' register of shares listed overseas at all times.

In the event of a duplicate copy not being consistent with the original of a shareholders' register of shares listed overseas, the original copy shall prevail.

(Article 35 of Mandatory Provisions)

Article 43 The company shall maintain a complete shareholders register.

A shareholders register shall consist of the following:

- (1) the same register other than those stipulated in items (2) and (3) of this paragraph to be kept at the business premises of the company;
- (2) a company's shareholders register of shares listed overseas to be kept at the location of the overseas stock exchange where the shares listed overseas is listing (The original copy of a company's shareholders register of shares listed overseas listing in Hong Kong shall be maintained in Hong Kong);
- (3) a shareholders' register to be kept in another place designated by the board of directors so as to meet the requirements for listing of the company's shares.

(Article 36 of Mandatory Provisions)

Article 44 There shall be no overlap between the various parts of the shareholders register. In the event of assignment of shares registered in a certain part of the shareholders register, those shares shall not be permitted to be registered in another part of the shareholders register during the period of time in which their registration is maintained in the other part of the ledger.

Alteration or correction of any part of a shareholders register shall be carried out in accordance with the law prevailing in the places at which those parts of the shareholders register are kept.

(Article 37 of Mandatory Provisions)

If the company refuses the registration of share transfer, it should give the transferor and transferee a written notice for such refusal within 2 months from the date on which the transfer application was formally made.

That the overseas shares listed in Hong Kong with all the capital being fully paid shall freely be assigned in accordance with the Articles of Association. However, unless the following conditions are satisfied, the board of directors may refuse the admission of any transfer document without giving any reasons:

- (1) pay HK\$2.5 (per transfer instrument) to the company, or pay higher fee the board of directors now and then demands but no higher than that the Hong Kong Stock Exchange now and then permits, for the registration of transfer instrument of shares and other instruments concerning shareholding rights;
- (2) the transfer instrument shall only be associated with the shares listed overseas which are listed in Hong Kong;
- (3) the payable stamp duty has been paid for any transfer instrument;
- (4) shall provide the related share certificate and the evidence substantiating the transferor's right to transfer the shares as reasonably required by the board of directors;
- (5) where the shares are intended to transfer to joint holders, then the number of joint holders shall be limited to four;
- (6) no lien of any company shall be attached to such shares;
- (7) the transfer instrument shall be the standard transfer form required by the Hong Kong Stock Exchange.

No share is permitted to be transferred to the underage, mentally incompetent and other legally incapacitated person.

Article 45 Where laws and regulations and stock exchanges and security regulatory authorities in the place where the company's shares stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the record date set by the company for the purpose of distribution of dividends, such provision shall prevail.

Article 46 When convening a general meeting of shareholders distributing dividends, in liquidation or conducting other activities involving the confirmation of shareholding right, the board of directors shall confirm a date as shareholding right confirmation date. At the end of the shareholding right confirmation date, shareholders registered in the shareholders register shall be the company's shareholders.

(Article 39 of Mandatory Provisions)

Article 47 Any party which raises objection to a shareholders register and requests its name (or title) to be registered in the shareholders register or requests that its name (or title) be deleted from the shareholders register may apply to the court having jurisdiction to amend that shareholders register.

(Article 40 of Mandatory Provisions)

Article 48 Any shareholders registered in the shareholders register or any party who requests that its name (or title) be registered in the shareholders register may apply to the company for supplementary issue of replacement certificates (i.e. "corresponding certificates") if its share certificates (i.e. "original share certificates") have been lost.

In the case of a domestic shareholder losing its share certificate and applying for supplementary issue of a replacement certificate, this shall be handled in accordance with the relevant provisions of the Company Law.

In the case of a holder of shares listed overseas losing its share certificate and applying for supplementary issue of a replacement certificate, this shall be handled in accordance with the law of the place where the original register of holders of overseas-listed shares is kept with the rules of the stock exchange or other relevant regulations.

If a holder of overseas shares listed in Hong Kong has lost its share certificate and applies for supplementary issue of a replacement certificate, the supplementary issue of a replacement certificate shall be in compliance with the following requirements:

- (1) The applicant shall lodge an application according to the standard format designated by the company and shall attach a notarial certificate or document of legal declaration. The contents of the notarial certificate or legal declaration shall include reasons for the application, details and evidence of the loss of the share certificate and a declaration that no other party can request the registration of such shares as a shareholder.
- (2) No declaration has been made by any party other than the applicant requesting the registration of those shares as a shareholder before the company makes a decision on supplementary issue of a replacement certificate.

- (3) Where the company decides to make supplementary issue of a replacement certificate, a public announcement of the intended supplementary issue of the replacement certificate shall be published in newspaper(s) designated by the board of directors; the period for a public announcement shall be ninety (90) days and the public announcement shall be published at least once every thirty (30) days.
- (4) Before publication of a public announcement of the intended supplementary issue of a replacement share certificate, a duplicate copy of the public announcement to be published shall be submitted to the stock exchange where the company's shares are listing. The public announcement may then be published after receipt of a reply from the stock exchange confirming the display of the public announcement in the stock exchange has occurred. The period for display of a public announcement in the stock exchange shall be ninety (90) days.

If an application for the supplementary issue of a replacement share certificate is made without the consent of a shareholder registered in the shareholders register who holds the relevant shares, the company shall send the shareholder a copy of the public announcement intending to be posted sixty (60) days commencing from the formal date of application for making supplementary issue of a replacement share certificate by way of post.

- (5) Upon the expiration of the ninety (90) days period for a public announcement or display as stipulated in items (3) and (4) of this Article and where no objection against supplementary issue of a replacement share certificate has been raised by any party, the replacement share certificate may be issued pursuant to the application.
- (6) When making supplementary issue of a replacement share certificate pursuant to the provisions of this Article, the company shall promptly cancel the original share certificate and shall record such cancellation and supplementary issue of the replacement share certificate on the shareholders register.
- (7) All expenses incurred by the company in the cancellation of the original share certificate and the supplementary issue of the replacement share certificate shall be borne by the applicant. The company shall have the right to refuse to undertake the action before an applicant provides a reasonable guarantee.

(Article 41 of Mandatory Provisions)

Article 49 After a replacement share certificate has been issued by the company in accordance with the provisions of the Articles of Association, a bona fide purchaser who obtains the said new shares or a shareholder (if a bona fide purchaser) who later registers as owner of the said shares shall not be permitted to have its name (or title) deleted from the shareholders register.

(Article 42 of Mandatory Provisions)

Article 50 The company shall not bear liability to compensate for any loss incurred by any party as a result of cancellation of the original share certificate or issue of the replacement share certificate unless the party concerned can prove that the company has committed fraud.

(Article 43 of Mandatory Provisions)

Chapter 7 Rights and Obligations of a shareholder

Article 51 The shareholders of the company shall be the parties who legally hold the company's shares and whose names (or titles) have been registered on the shareholders register.

A shareholder shall enjoy rights and assume obligations pursuant to the class and quantity of shares held; holders of the same type of share shall enjoy equal rights and assume equal obligations.

(Article 44 of Mandatory Provisions)

When two or more people are registered as joint shareholders of any shares, they shall be deemed as common owners, and shall subject to the following clauses:

- (1) the company should not register for joint shareholders of more than four people;
- (2) all joint shareholders of any shares shall assume responsibilities of paying for related shares together and respectively;
- (3) in the case of one of the joint shareholders passes away, only the remained joint shareholders are deemed as having the rights of ownership of the related shares, however the board of directors shall have the rights to demand for related shareholder's death certificate he deems appropriate concerning the alteration of shareholders register; and
- (4) in respect of joint shareholders of any shares, only joint shareholders ranking the first in the joint shareholder's register is allowed to receive related stocks and notices from the company, attending or practise part or all voting rights of related shares in shareholder's general meeting, any notices being sent to such persons shall be deemed as already received by all joint shareholders of related shares.

Article 52 A holder of ordinary shares of the company shall have the following rights:

- (1) to receive dividends and beneficial distributions in other forms according to the quantity of shares held;
- (2) to attend or entrust an agent to attend general meeting of shareholders and to execute voting rights;
- (3) to supervise and manage business operations of the company and to raise proposals or address inquiries accordingly;
- (4) to assign shares pursuant to the provisions of laws, statutory regulations and the Articles of Association;

- (5) to obtain information pursuant to the provisions of the Articles of Association including:
1. obtain a copy of the Articles of Association after the cost has been paid;
 2. the right to consult or copy the following after reasonable fees have been paid:
 - (I) all parts of the shareholders register;
 - (II) personal information concerning directors, supervisors and other senior management of the company, including:
 - (a) current and previous names and/or alternative names;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) full-time position and/or other concurrent positions and posts;
 - (e) Identification document and numbers.
 - (III) company share capital position;
 - (IV) reports on the total par value and quantity of each type of share bought back by the company since the last financial year, the highest buying price and the lowest buying price for such shares, and the total expenses incurred thereon;
 - (V) minutes of general meeting of shareholder.
- (6) to participate in, upon the company's termination or liquidation, the distribution of the company's remaining assets according to the quantity of shares held;
- (7) other rights as stipulated in laws, statutory regulations and the Articles of Association.

(Article 45 of Mandatory Provisions)

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.

Article 53 A holder of ordinary shares of the company shall assume the following obligations:

- (1) to abide by the Articles of Association;
- (2) to pay funds pursuant to the quantity of subscribed shares and the method of subscription;
- (3) other obligations as stipulated in laws, statutory regulations and the Articles of Association.

Apart from the conditions accepted at the time of subscribing to shares, a shareholder shall not bear liability for any additional share capital.

(Article 46 of Mandatory Provisions)

Article 54 In addition to obligations as required by laws, statutory regulations or the listing rules of the stock exchange the company's shares are listing, a controlling shareholder when executing its shareholding rights shall not be permitted to exercise its voting rights to make decisions on the following matters which harm the interests of all or some shareholders:

- (1) to relieve a director or supervisor from his/her responsibility on the basis that this is in the best interests of the company;
- (2) to approve that a director or supervisor (for his/her own interests or another's interests) expropriate company property using any means including (but not limited to) any opportunity which is beneficial to the company;
- (3) to approve that a director or supervisor (for his/her own interests or another's interests) divest other shareholders of individual rights and interests including (but not limited to) any distribution rights and voting rights, but not including where the matter is submitted to the general meeting of shareholders for adoption in accordance with the Articles of Association that there be reorganization of the company.

(Article 47 of Mandatory Provisions)

Where any shareholder is, under the Rules Governing the Listing of Securities of the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder (whether by way of proxy or, as the case may be, corporate representative) in contravention of such requirement or restriction shall not be counted.

Article 55 A controlling shareholder as stated in the preceding Article shall be a person who meets the following requirements:

- (1) when taking independent action or acting in concert with others, that shareholder can elect over half of directors;
- (2) when taking independent action or acting in concert with others, that shareholder executes more than 30% (including 30%) of the company's voting rights or executes more than 30% (including 30%) control over the company's voting rights;
- (3) when taking independent action or acting in concert with others, that shareholder holds more than 30% (including 30%) of the company's issued shares;
- (4) when taking independent action or acting in concert with others, that shareholder has actual control of the company in other ways.

(Article 48 of Mandatory Provisions)

Chapter 8 General Meeting

Article 56 General meeting of shareholders shall be a company's most powerful authority and shall exercise its powers of office in accordance with the law.

(Article 49 of Mandatory Provisions)

Article 57 A general meeting of shareholders shall exercise the following powers of office:

- (1) determining the company's business policies and investment plans;
- (2) election and replacement of directors and determining matters concerning the remuneration of directors;
- (3) election and replacement of supervisors who are representatives of shareholders and determining the remuneration of those supervisors;
- (4) discussion and approval of reports compiled by the board of directors;
- (5) discussion and approval of reports compiled by the supervisory committee;
- (6) discussion and approval of the company's annual budget and final accounting plans;
- (7) discussion and approval of the company's profit distribution and loss recovery plans;
- (8) passing resolutions on matters such as increase or reduction of the company's registered capital

- (9) passing resolutions on matters such as company merger, demerger, dissolution or liquidation;
- (10) passing resolutions on the issue of corporate bonds;
- (11) passing resolutions on matters such as engagement of the accounting firm;
- (12) amending the Articles of Association;
- (13) discussing proposals raised by the shareholders who represent more than 3% (including 3%) of the company's shareholders with voting rights;
- (14) any acquisition or disposal after the value of the acquisition or disposal of material assets for the last year reaches 30% or more of the latest audited total assets;

(Article 50 of Mandatory Provisions)

- (15) subject to the provisions of the relevant laws, regulations and the Articles of Association, decide the rights and obligations of preference shareholders, where preference shares are issued by the Company.

Article 58 Without the advance approval of a general meeting of shareholders, a company shall not be permitted to enter into a contract with a person other than a director, supervisor, manager or other senior management where such contract grants responsibility to that person for the management or major business activities of the company.

(Article 51 of Mandatory Provisions)

Article 59 General meeting of shareholders shall be separated into annual and extraordinary meetings. A general meeting of shareholders shall be convened by the board of directors. A general meeting of shareholders shall be held once a year within six (6) months after the end of the previous financial year.

The board of directors shall convene an extraordinary general meeting of shareholders within two (2) months in any of the following circumstances:

- (1) where the number of directors does not meet the number stipulated in the Company Law or is less than two-thirds of the number required in the Articles of Association;
- (2) where the company's losses which have not yet been offset account for one-third of the total number of actual share capital;
- (3) where shareholders holding more than 10% (including 10%) of the issued shares of the company with voting rights make written request for the convening of an extraordinary general meeting of shareholders;
- (4) the board of directors believes it is necessary or the supervisory committee proposes that an extraordinary general meeting of shareholders be convened;
- (5) where two (2) or more independent directors request to convene an extraordinary general meeting.

(Article 52 of Mandatory Provisions)

Article 60 Except for the notice of exempt in written of all shareholders' consent, when convening an annual general meeting of shareholders, written notification shall be made to the shareholders registered in the shareholders register twenty (20) days (including the date of meeting but excluding the date of notice issuance) before the convening of the meeting of those matters to be discussed at the meeting and the date and location of the meeting. When the company convenes an extraordinary general meeting, a written notice to notify all registered shareholders must be given no later than 15 days before the meeting date. Such notice shall contain the matters to be considered at the meeting as well as the date and venue of the meeting.

(Article 53 of Mandatory Provisions)

The date of holding the meeting and the date of sending the notices shall not be counted in as the time of sending out notices.

The notices sent in respect of this Article, of which the sending date shall be the day when the company or share registrar as authorised by the company sending the notice to the post office for posting, instead of five (5) days after being posted shall be deemed as received in accordance with Article 192 of this Articles of Association.

Article 61 The board of directors, the supervisory committee and the shareholder(s) individually or aggregately holding more than 3% of the shares of the company may put forward written additional proposals to the shareholders' general meeting. The shareholders that severally or jointly hold more than 3% of the company's shares may raise interim proposals and notify them in writing to the convener ten days prior to the general meeting. The convener shall issue a supplemental notice of the general meeting within two days after receipt of such proposal. The contents of such additional proposals shall fall within the scope of the shareholder's general meeting and such proposals shall have clear and specific topics for discussion and comply with the relevant provisions of the laws, administrative regulations and the Articles of Association.

Save for in the circumstances mentioned in the preceding paragraphs, no amendment to the proposals or additional proposals shall be made after the notice convening a general meeting is delivered.

No proposal which has not been set out in the notice of the general meeting or is not in compliance with the requirement under this Article shall be considered and decided at the general meeting.

Article 62 An extraordinary general meeting shall not be permitted to propose resolutions on matters which were not included in the notice.

(Article 55 of Mandatory Provisions)

Article 63 The notice of a shareholders' general meeting shall meet the following requirements:

- (1) It shall be made in writing;
- (2) specify the location, date and time of the meeting;
- (3) state those matters to be discussed at the meeting;
- (4) provide the shareholders with data and explanations necessary in order to make informed decisions on those matters to be discussed; this shall include (but not be restricted to) providing detailed conditions and contracts (if such exist) on deals to be conducted and proper explanation of consequences where the company proposes a merger, buy back of shares, share capital restructure or other reorganisation;
- (5) if any director, supervisor, manager or other senior management is an interested party to a matter to be discussed at the meeting, the nature and degree of that interest shall be disclosed; if a matter to be discussed impacts upon such a director, supervisor, manager or other senior management in their capacity as shareholders and such impact differs to the impact on other shareholders holding the same classes of shares, such difference shall be explained;
- (6) include the full text of any special resolution to be passed at the meeting;
- (7) unequivocally state in clear language that a shareholder with the right to attend the meeting and to vote shall be entitled to entrust one or more agents to attend the meeting and to vote on behalf of that shareholder, and that the agent(s) of that shareholder need not necessarily be shareholder(s);
- (8) state clearly the place and date by which a letter of proxy for voting shall be received.

(Article 56 of Mandatory Provisions)

Article 64 Unless otherwise provided in these Articles of Association, the notice of a general meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by hand or by postage-prepared mail, the recipient's address shall be the address as shown in the register of shareholders of the company. For the holders of domestic shares, the notice of the meeting may also be given by way of public announcement.

The aforesaid public announcement shall, before twenty-one (21) days before the commencement of the annual general meeting or fifteen (15) days before the commencement of the extraordinary general meeting, be published in one or several newspapers designated by the Securities Committee of the State Council. Once a public announcement has been made, this shall be regarded as notice received by all domestic shareholders.

(Article 57 of Mandatory Provisions)

Article 65 In the event of failure to send notice due to accidental omission to a certain person who has the right to obtain notice or where that person failed to receive notice, the meeting and resolutions passed at that meeting shall not become invalid as a result.

(Article 58 of Mandatory Provisions)

Article 66 Any shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies (who need not be a shareholder of the Company) to attend and vote on his behalf. The proxy may exercise the following rights as authorized by the shareholder:

- (1) to speak for the shareholder at the general meeting;
- (2) to demand by himself/herself or with others to vote by poll;
- (3) to vote by show of hands or to vote by poll, however when the number of appointed proxy is more than one, such proxies shall only vote by poll.

(Article 59 of Mandatory Provisions)

Where a shareholder is a recognised clearing house or its nominee(s) (hereinafter as "recognised clearing house") as defined in the Securities and Features (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong), it may authorize such person or persons as it thinks fit to act as its representative(s) at any general meeting of any shareholders of the company or at any meeting of any class of members provided that if more than one person is authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorized. Such authorised person shall be entitled to exercise the same rights and power on behalf of the recognised clearing house which he or they represent as if such person is an individual shareholder of the company.

Article 67 A shareholder shall use written form when entrusting an agent. The letter of proxy shall be signed by the principal or the agent entrusted by the principal in writing. If a principal is a corporation, the letter of proxy shall be affixed with the seal of the corporation or shall be signed by its director or officially entrusted officer or agent. The letter of proxy shall indicate the number of shares represented by an agent on behalf of the principal.

(Article 60 of Mandatory Provisions)

Article 68 A letter of proxy for voting shall be received and kept at the company's premises or at another place designated in the notice of the meeting at least twenty-four (24) hours prior to commencement of the relevant meeting or before the designated time of voting. If a letter of proxy is signed by another party as authorised by the principal, a power of attorney to sign the letter of proxy or other document of authorisation shall be subject to notarisation. The notarised power of attorney or other authorisation document shall be kept with the letter of proxy at the company's premises or other place as stipulated in the notice of meeting.

If the principal is a corporation, its legal representative or person authorised by its board of directors or other decision-making department shall be the representative to attend general meeting of shareholder of the company.

(Article 61 of Mandatory Provisions)

Article 69 Any format of a letter of proxy issued by the board of directors used in appointing an agent on behalf of a shareholder shall allow the shareholder to freely choose to instruct that agent as to whether to make an affirmative or negative vote and to give instructions respectively on matters to be decided by vote at the meeting. A letter of proxy shall include a note that if a shareholder does not give instructions, the agent may vote according to his/her judgment.

(Article 62 of Mandatory Provisions)

Article 70 When the principal dies before voting, loses the capacity to act, withdraws a letter of proxy, withdraw the power of attorney to sign a letter of proxy or if the relevant shares have been assigned, and if the company has not received written notice concerning this matter prior to commencement of the relevant meeting, a vote made by the shareholder's agent according to the letter of proxy shall remain valid.

(Article 63 of Mandatory Provisions)

Article 71 An individual shareholder who attends a general meeting in person shall show his own identification documents and proof of his shareholding. An agent who has been appointed to attend the meeting on another's behalf shall show his own identification documents and the letter of proxy; if a corporate shareholder appoints an agent to attend the meeting, such agent shall show his own identification documents and a copy of authorised resolution (except recognised clearing house or its agent) from the board of directors of the corporation appointing the agent.

Article 72 Resolutions of general meeting of shareholders shall be divided into ordinary and special resolutions.

An ordinary resolution at a general meeting shall require the approval of more than half of the shareholders that have voting rights (including their agents) who are present at the meeting in order to be valid.

A special resolution at a general meeting shall require the approval of more than two-thirds of the shareholders that have voting rights (including their agents) who are present at the meeting in order to be valid.

Shareholders who attend the meeting (including their agents) shall clearly show their approval or objection in respect of every matter that needs to be voted for; abstaining the voting rights or abstained from voting shall not be regarded as valid votes while the company's counting the result.

(Article 64 of Mandatory Provisions)

Article 73 When voting at a general meeting, a shareholder (including the agent of a shareholder) shall exercise voting rights according to the number of shares held. Each share held shall represent the equivalent of one voting right.

(Article 65 of Mandatory Provisions)

When voting at a general meeting, a shareholder shall abide by any privileges or limits then appended on voting rights of any classes of shares, and shall exercise voting rights in accordance with relevant provisions of laws, statutory regulations and rules stipulated in this Articles of Association.

Article 74 The shareholders' meeting shall vote by show of hands unless the listing rules of the stock exchanges on which the shares of the company are listed require otherwise or the following persons requested for 20 voting by poll before or after the voting by show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders with voting rights or their proxies; or
- (3) one or several shareholders (including proxies) holding totally or separately 10% or more of the shares carrying the right to vote at the meeting.

Unless somebody proposes voting by ballot, the chairman of the meeting shall declare whether the proposal has been adopted according to the results of the vote by raising hand, and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against resolution adopted at the meeting.

The demand for a vote by ballot may be withdrawn by the person who made it.

Shareholders shall have the rights to speak and vote at the shareholders' meeting, except that an individual shareholder shall abstain from voting on the individual matters in accordance with these Articles of Association or the rules of a stock exchange governing the listing of shares of the Company.

(Article 66 of Mandatory Provisions)

Article 75 If it has been requested that a decision to elect the chairman of the meeting or to stop the meeting be made through a poll, the poll shall be promptly conducted. In relation to other matters to be decided by poll as requested, the chairman shall decide when the poll shall be conducted. The meeting may then be continued and other matters discussed. The results of the vote shall be regarded as a resolution passed by the meeting.

(Article 67 of Mandatory Provisions)

Article 76 When voting by poll, a shareholder (including the agent of a shareholder) with two (2) or more voting rights need not cast all of their voting rights as affirmative or negative votes.

(Article 68 of Mandatory Provisions)

Article 77 Should there be a tie between negative and affirmative votes on a matter, the chairman of the meeting shall have the casting vote whether or not it is a vote by show of hands or by poll.

(Article 69 of Mandatory Provisions)

Article 78 Ordinary resolutions shall be proposed on the following matters at a general meeting:

- (1) reports of the board of directors and supervisory committee;
- (2) profit distribution plan and loss recovery plan prepared by the board of directors;
- (3) recall of members of the board of directors and supervisory committee and their remuneration and payment methods;
- (4) the company's annual budget and financial reports, balance sheets, profit and loss statements and other financial statements; and
- (5) matters other than those on which special resolutions shall be proposed as stipulated in laws, statutory regulations or the Articles of Association.

(Article 70 of Mandatory Provisions)

The remuneration of the aforesaid (3) includes (but are not limited to) the compensations related directors or supervisors deserve while they are promoting their positions or when they are retired.

Article 79 Special resolutions shall be proposed on the following matters at a general meeting:

- (1) company share capital expansion and reduction, and the issue of any types of share, share certificate subscription and other similar securities;
- (2) the issue of corporate bonds;
- (3) demerger, merger, dissolution and liquidation of a company;
- (4) amendments to the Articles of Association;
- (5) any acquisition or substantial of assets or amount of guarantee of the Company during the last 12 months exceeds 30% or more of the latest audited total assets;
- (6) other matters which are deemed by the general meeting to have a material impact on the company and where it is passed by ordinary resolution at the general meeting that the matter shall be resolved by special resolution.

(Article 71 of Mandatory Provisions)

Article 80 Shareholders who request the convening of an extraordinary general meeting or a class meeting of shareholders shall do so in accordance with the following procedures:

- (1) Two (2) or more shareholders with an aggregate of more than 10% (including 10%) of shares with voting rights at the meeting to be convened may sign one or several written requests in the same format and with the same contents to the board of directors to convene an extraordinary general meeting or class meeting of shareholders and which shall also specify the meeting's agenda. After receiving the aforesaid written request, the board of directors shall promptly convene an extraordinary general meeting or class meeting of shareholders of shareholders. The aforesaid number of shares held by shareholders shall be calculated as at the date of the written request.
- (2) If the board of directors fails to issue notice for convening a meeting within thirty (30) days after receiving the aforesaid written request, the shareholders who raised the request may convene the meeting within four (4) months after the board of directors received that request. The procedures for convening such a meeting shall be, as much as possible, the same as the procedures for convening a general meeting by the board of directors.

In the case of shareholders organising the convening of a meeting as a result of the failure of the board of directors to convene a meeting as requested above, reasonable expenses incurred on the meeting shall be borne by the company and shall be deducted from the bank funds of those directors who were negligent in the performance of their duties.

(Article 72 of Mandatory Provisions)

Article 81 A general meeting shall be convened by the chairman of the board of directors who shall be the chairman of the meeting. If the board chairman is unable to attend the meeting, the vice-chairman of the board of directors shall convene the meeting and shall be the chairman of the meeting. If, for some reasons, both the chairman and the vice-chairman are unable to attend the meeting, the board of directors may designate a director of the company to convene the meeting and to chair the meeting on its behalf. If no chairman of the meeting is designated, shareholders at the meeting may elect a chairman. In a case where shareholders are unable, for any reason, to elect a chairman of the meeting, that a shareholder who holds the majority number of shares with voting rights shall be the chairman of the meeting (including an agent of a shareholder).

(Article 73 of Mandatory Provisions)

Article 82 The chairman of a meeting shall be responsible for making decisions whether a resolution should be passed at the meeting. Decisions made shall be final and shall be declared at the meeting and recorded in the minutes of the meeting.

(Article 74 of Mandatory Provisions)

Article 83 If the chairman of a meeting has any doubts as to the results of a resolution proposed at a meeting, the chairman may count the number of the votes; if the chairman of the meeting has not tallied the votes and a shareholder or an agent of a shareholder attending the meeting objects to a result declared by the chairman of the meeting, the shareholder or agent shall have the right to request a re-count of votes followed by an immediate declaration; the chairman of the meeting shall promptly count the votes.

(Article 75 of Mandatory Provisions)

Article 84 If counting of votes is held at a shareholder's general meeting, the result of vote counting at the general meeting shall be recorded in the minutes of the meeting.

(Article 76 of Mandatory Provisions)

Article 85 The resolutions made on matters discussed in shareholder's general meeting shall be recorded in the minutes, and the minutes of the meeting and the attendance records signed by the attending shareholders and proxies shall be kept at the company's domicile.

(Article 76 of Mandatory Provisions)

The minutes, attendance records and letter of proxies aforesaid shall not be destroyed within fifteen years.

Article 86 A shareholder may review copies of the minute of the company free of charge during business hours of the company. If any shareholder asks for a copy of minute of general meeting from the company, the company shall send a copy to that shareholder within seven (7) days after receipt of a reasonable fee.

(Article 77 of Mandatory Provisions)

Chapter 9 Special Voting Procedures for Shareholders of Different Classes

Article 87 Shareholders holding different classes of shares shall be regarded as different classes of shareholders.

The various classes of shareholders shall enjoy rights and assume obligations in accordance with laws, statutory regulations and the Articles of Association.

(Article 78 of Mandatory Provisions)

Article 88 If a company intends to change or abolish the rights of a class of shareholder, this shall be passed by a special resolution proposed at a general meeting and at a class meeting according to the provisions of Articles 90 to 94 respectively.

(Article 79 of Mandatory Provisions)

Article 89 In the following situations the rights of a certain class of shareholder shall be regarded as having been changed or abolished:

- (1) increase or reduction of the number of shares of that class, or increase or reduction of the number of that class of shares which have equal or greater voting rights, distribution rights and other rights to the said class of shares;
- (2) change to all or part of the said class of shares to another class, change to all or part of another class of shares to the said class, or grant equal conversation rights between the said class and another class of shares;
- (3) cancellation or reduction of the rights of a said class of shares to receive dividends which have been gained or accumulated;
- (4) reduction or cancellation of the preference right of a said class of shares to receive dividends or to receive distributed property during the company's liquidation;
- (5) increase, reduction or cancellation of the conversion rights, options, voting rights, transferring rights, preference placing rights or rights to receive company securities pertaining to the said class of shares;
- (6) cancellation or reduction of the right of the said class of shares to receive the payable fund from the company in a specify currency;
- (7) establishment of a new class of shares which have voting rights, distribution rights or other rights equivalent or greater than the said class of shares;

- (8) restriction of right of assignment or ownership to a said class of shares or the addition of further restrictions;
- (9) issue of the right to subscribe or the right to convert shares to the said class or to another class of shares;
- (10) increase of the rights and privileges of other classes of shares;
- (11) where the company's restructuring plan results in different class of shareholders assuming disproportionate liabilities during the restructuring;
- (12) amendment or abolition of articles stipulated in Chapter 9.

(Article 80 of Mandatory Provisions)

Article 90 Regardless of whether an affected class of shareholders originally has voting rights or not, concerned shareholders shall have voting rights at a class meeting on those matters mentioned in items (2) to (8) and items (11) and (12) of Article 89; however, if a shareholder is an interested party, he/she shall not have voting rights at a class meeting.

The aforesaid interested shareholder shall include the following meanings:

- (1) In circumstances where, pursuant to the provisions of Article 32 of the Articles of Association, a company issues a buy back offer to all shareholders or buys back its own shares through open transactions at the stock exchange, "an interested shareholder" shall refer to a controlling shareholder as defined in Article 55 of the Article of Association.
- (2) In circumstances whereby a company, pursuant to the provisions of Article 32 of the Articles of Association, buys back its own shares through means of an agreement outside of the stock exchange, "an interested shareholder" shall refer to a shareholder related to such an agreement.
- (3) Where a company is undergoing restructuring, "an interested shareholder" shall refer to a shareholder who assumes liability less than the proportion assumed by shareholders of the same class or who has interests different to other shareholders in the same class.

(Article 81 of Mandatory Provisions)

Article 91 A resolution at a class meeting may be proposed only after obtaining approval of more than two-thirds majority of that class of shareholders with voting rights present at the meeting, in accordance with the provisions of Article 90 of the Articles of Association.

(Article 82 of Mandatory Provisions)

In respect of the previous clause, shareholders who attend the meeting (including their agents) shall clearly show their approval or objection in respect of every matter that needs to be voted for; abstaining the voting rights or abstained from voting shall not be regarded as valid votes while the company's counting the result.

Shall any shareholder (or his agent) be abstained from voting or abstains the voting rights while voting for one bill in respect of the voting rights he holds, the voting rights involved shall not be counted (in respect of such bill) in the voting rights of shareholders attending the meeting of shareholders of different classes.

Article 92 When convening a class meeting, the company shall issue a written notice to notify that class of registered shareholders of those matters to be discussed at the meeting and of the date and location of the meeting before twenty (20) days before the commencement of the annual general meeting or fifteen (15) days before the commencement of the extraordinary general meeting.

The date of holding the meeting and the date of sending out the notices shall not be counted in the time of having sent the notices.

(Article 83 of Mandatory Provisions)

Article 93 The notice of a class meeting shall only be to those shareholders who have the right to vote at the meeting.

The procedures to be followed at a class meeting shall be, as far as possible, the same as the procedures to be followed at a general meeting of shareholders. The articles in the Articles of Association dealing with the procedures to be followed at a general meeting of shareholders shall apply to a class meeting.

(Article 84 of Mandatory Provisions)

Article 94 Apart from shareholders with other classes of shares, holders of domestic shares and holders of shares listed overseas shall be recognised as different classes of shareholder.

The special procedures for voting by a class of shareholders shall not be applied in the following circumstances:

- (1) Subject to approval by a special resolution of general meeting of shareholders, the Company issues Domestic shares and/or shares listed overseas independently or simultaneously once every twelve (12) months, and each of the number of domestic shares and shares listed overseas to be issued shall not exceed 20% of the shares of this class already issued;
- (2) The scheme for the issue of Domestic shares and/ or shares listed overseas when establishing the Company has been fulfilled within fifteen (15) months from the date of approval from the Securities Commission of the State Council;

(Article 85 of Mandatory Provisions)

Chapter 10 The Party Organization

Article 95 The Organization and Structure of the Party

In accordance with the Party Constitution, the Company has set up the organization of the Communist Party of China. The Company must ensure that Party building and reform and development of the enterprise are planned in parallel, that the Party organization and the working bodies are set up in parallel, that the party leaders and the party affairs personnel are assigned in parallel, and that the Party work is carried out in parallel, so as to achieve synergy between systems, mechanisms, institutions, and work. The party organization develops the work around the enterprise, and plays the role of battle fortress. The party organization is an organic part of the corporate governance structure.

- (1) The party organization is an organic part of the corporate governance structure;
- (2) The Company establishes a party branch committee (the “Party branches”) comprised of the secretary and several members. The number of posts shall be approved by the party organization at higher level and elected or appointed in accordance with the Party Constitution and other relevant provisions. The party organization is an organic part of the corporate governance structure;
- (3) Qualified members of the leading group of party branches may join the board of directors or the management through legal procedures. Qualified party members who are members of the board of directors or the operating groups may join party branches in accordance with relevant regulations and procedures;

- (4) The party branch of the Company shall fulfill the main responsibility of the party conduct and clean government construction responsibility system;
- (5) In accordance with the Company Law, the Law of the People's Republic of China on Trade Unions and the Articles of Association of the Communist Youth League of China, mass organizations such as trade unions and the Communist Youth League have been established, and various funds have been allocated in full and in time in accordance with the law;
- (6) The Company shall set up a work structure for the party organization and be staffed by the personnel responsible for party affairs. The Company shall provide funds for the party organization work, which shall be included in the Company budget and paid out of the Company's management fees;
- (7) The Company shall establish a two-way exchange mechanism for the staff responsible for party affairs and management personnel for operations, and implement the policy of the same rank and equal treatment for the staff responsible for party affairs and the management personnel for operations

Article 96 Duties and Responsibilities of the Party Branch of the Company

- (1) To study, publicize and implement the party's theories, lines, principles and policies, publicize and implement the resolutions of the CPC Central Committee, higher party organizations and the organization, unite and lead the staff to complete various tasks of the Company.
- (2) To participate in the decision-making of major issues of the Company according to the regulations, and support the Company's principal in carrying out the work.
- (3) To educate, manage, supervise, serve and recruit Party members, as well as to exercise strict discipline in the party organization, organize party members to excel in their work, and give full play to their pioneering and exemplary role.
- (4) To maintain close ties with workers, help them address their legitimate demands, and well prepare for the ideological and political work. The Company shall lead the trade union, the Communist Youth League and other group organizations of the Company and support them to carry out their work independently and responsibly with their respective articles of association.
- (5) To supervise party members, cadres and other staff of the Company to strictly abide by the laws and regulations of the state and the financial and personnel system of the enterprise and safeguard the interests of the state, the collective and the people.
- (6) To put forward opinions and suggestions on party building and party work in a practical and realistic manner, promptly report important developments to the Party organization at the next higher level, and inform party members and the masses of the party's work in accordance with regulations.

Chapter 11 The Board of Directors

Article 97 The company shall establish a board of directors. The board of directors comprises of no more than fifteen (15) members.

(Article 86 of Mandatory Provisions)

Article 98 Directors shall be elected by a general meeting. The term of appointment of a director shall be three (3) years. If the term of appointment of a director expires and he/she is re-elected, that director may be reappointed for consecutive terms. The candidates of the first board of directors shall be nominated by the promoter and shall be elected in the meeting regarding the incorporation of the Company. A director's term of office shall start on the date of being elected. If, upon the expiry of a director's term of office, a new director cannot be elected on a timely basis, or the resignation of any director during term of office causes the number of directors to fall below the minimum statutory quorum of directors, such director shall continue to perform his/her office in accordance with the law, regulations and the Article of Association. At each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every director (including those appointed for a specific term or holding office as Chairman or Managing Director) shall be subject to retirement by rotation at least once every three years. The retiring directors shall be eligible for re-election. The retiring directors may fill in the casual vacancy in the annual general meetings of the Company.

Any director appointed either to fill in a casual vacancy or as an additional director to the Board shall hold office until the next following general meeting of the company, and shall then be eligible for re-election.

A notice of intention to propose a person to be elected as a director and a notice in writing by that person of his willingness to be elected shall be given to the company for at least seven (7) days commencing no earlier than the day immediately after the dispatch of the notice of the general meeting and ending no later than seven (7) days before the date of the general meeting.

A chairman and vice-chairman shall be elected or recalled by the board of directors which represents more than half of board of directors. The term of appointment of a chairman, vice-chairman and directors shall be three (3) years and they may be reappointed for consecutive terms if re-elected.

Subject to the provisions of the relevant laws and administrative regulations, the general meeting shall have the power by ordinary resolution to remove any director before the expiration of his term of office (but without prejudice to any claim for damages under any contract).

The chairman and executive director may assume the office of general manager, deputy manager or any other senior management staff of the Company (except the office of supervisor). A director shall not be required to hold the Company's shares.

(Article 87 of Mandatory Provisions)

Independent directors shall have sufficient time and the necessary knowledge and skills in order to be capable of performing their duties. In performing his duties by an independent director, the Company shall provide all the necessary information.

Article 99 As the company's executive body, the board of directors shall be responsible to the general meeting and shall exercise the following powers of office:

- (1) responsible for convening general meeting and to report to those meetings on work matters;
- (2) adoption of resolutions passed by a general meeting;
- (3) determination of the company's business plans and investment plan;
- (4) formulation of the company's annual budget and financial plan;
- (5) formulation of the company's profit distribution and loss recovery plans;
- (6) formulation of the company's registered capital expansion or reduction plans and corporate bond issue plans;
- (7) drafting of plans on such matters as company merger, demerger or dissolution;
- (8) determination of the internal administrative structure of the company;
- (9) appointment of and dismissal of the company's manager, appointment and dismissal of the company's deputy manager and chief financial officer and determination of their remuneration; appointment of or changing of members of board of directors and supervisory committee from wholly owned subsidiary, appointment of, changing of or recommendation of shareholders representatives, directors, supervisors of subsidiaries and associate companies.
- (10) formulation of the company's general management system;
- (11) formulation of a plan for the amendment of the Articles of Association;
- (12) subject to the related laws, statutory regulations and this Articles of Association, execute the company's financing rights and loan rights, decide company substantial assets' mortgage, rent, contracting or transfer, and authorise general manager(s), deputy general manager(s) to execute rights in this clause within a certain scope.
- (13) planning for the company's substantial acquisition or disposal;
- (14) other powers being granted in general meeting and the Articles of Association.

When the board of directors proposes resolutions on the aforesaid matters, apart from resolutions on matters in items (6), (7) and (11) which must be approved by more than two-thirds majority of the directors, resolutions on other matters may be approved by more than half of directors.

Resolutions of the board of directors in relation to connected transactions of the company shall take effect only after the signing by the independent (non-executive) directors.

(Article 88 of Mandatory Provisions)

Article 100 In the event of the board of directors disposing of a fixed asset which to be disposed of and the value of the fixed assets already disposed of within four (4) months prior to this proposed disposal exceeds 33% of the value of fixed assets in the balance sheet as most recently examined at the general meeting, the board of directors shall not be permitted to dispose of or to consent to the disposal of that fixed asset before the approval of the shareholders at the general meeting.

For the purpose of this Article, disposal of a fixed asset shall include transfer of certain assets and interests, but shall not include the use of the fixed asset to provide a security.

The validity of a transaction to dispose of a fixed asset shall not be affected by violation of the provisions of Clause 1 of this Article.

(Article 89 of Mandatory Provisions)

Article 101 The board of directors shall exercise the powers of office in accordance with its country's laws, statutory regulations, Articles of Association and resolution of shareholder's general meeting. However regulations made on shareholder's general meeting shall not cause invalidity of valid actions conducted by the board of directors before such regulation.

Article 102 The chairman of the board of directors shall exercise the following powers of office:

- (1) to preside over general meeting of shareholders and convene and preside over meetings of the board of directors;
- (2) to examine the implementation of resolution passed by the board of directors;
- (3) to sign off securities issued by the company;
- (4) to sign off other important documents or to authorise one or more directors to sign off other important documents by letter of proxy; and
- (5) other powers of office granted by the board of directors.

When the chairman of the board of directors is unable to exercise his/her powers of office, he/she shall appoint a vice-chairman to act on his/her behalf.

(Article 90 of Mandatory Provisions)

Article 103 Meetings of the board of directors shall be held at least four times per annum, to be convened by the chairman of the board of directors who shall notify all the directors ten (10) to fourteen (14) days before the date of such meetings. Shareholders holding more than one-tenth of the shares carrying voting rights, or more than one-third of the Board of Directors or the Supervisory Committee may propose to convene an extraordinary board meeting (see Article 104 for further requirement on notice of meeting). Chairman shall convene and preside over the extraordinary board meeting within ten (10) days upon receipt of the request.

Expenses involved by the directors in relation to his attendance at the meeting of the board of directors shall be borne by the company. Such expenses include travelling expenses from the place of the directors to the place holding the meeting, and accommodation during the period of the meeting. Rental expense of the venue of the meeting and reimbursement such as local travelling expense shall also be borne by the Company.

(Article 91 of Mandatory Provisions)

“Meetings of the board of directors” refers to meetings that directors attend in person (including the aforesaid method of Article 104(6)), instead of the aforesaid method of Article 104(7).

Article 104 Notice of meetings convened by the board of directors and the extraordinary meeting of the board of directors shall be served in the following manners:

- (1) If the board of directors has fixed the time and place of the regular meetings of the board of directors in advance, sending notice of the meeting to be convened is not necessary, however the agenda of the meeting and appended documents of board of directors’ meeting shall be sent to all the directors at least two days before the date of convening the intended meeting (or other deadline approved by the board of directors).
- (2) If the board of directors has not fixed the time and place of the regular meetings of the board of directors in advance or has changed the intended time and place, the general director shall instruct secretary of the board of directors to send notice of time and place of the meeting by way of teletypewriter, telegraph, fax, EMS, or specified delivery post to all the directors at least 10 to 14 days in advance.
- (3) In the case of a board of directors’ meeting is needed to be convened due to an emergency, the general director shall instruct secretary of the board of directors to send notice of time and place of the interim meeting by way of teletypewriter, telegraph, fax, EMS, or specified delivery post to all the directors no less than 2 days and no more than 10 days before the meeting in advance.
- (4) The notices shall be served in Chinese and attached with English if necessary. Agenda of the meeting shall be included. Any director may waive their rights to obtain notices of the meeting of the board of directors.

- (5) In the case of a director attends the meeting, and no dissent of having not received the notice has been raised before or at the meeting, the notice shall be deemed as received.
- (6) The regular meetings or interim meetings of the board of directors is allowed to be convened in way of phone conference or with the help of communication facilities alike, provided that the aforesaid methods are able to ensure the communication among attending directors, such directors shall be deemed as attending in person.
- (7) The board of directors shall accept proposals in written in lieu of meetings of board of directors, however a copy of such proposals shall be sent to every director by way of specified delivery, post, telegraph or fax, if the proposals have been sent to every director and the quorum of signed directors has meet the requirement of making the decision, and sent to the secretary of the board of directors by aforesaid methods, then the proposal shall be a resolution without convening of the meeting of board of directors. However, if otherwise stipulated by the Articles of Association or the rules of Stock Exchange where the company is listing, such rules shall be abided by.
- (8) A written consent by all the directors shall be deemed as valid as resolutions passed at a legal board of directors' meeting. Such written resolution shall comprise one document in multi copies, each shall be signed by one or more directors. The company's resolution signed by director(s) or with director(s)' name(s) sent by telegraph, teletypewriter, post, fax, or specified delivery, in respect of this Article, shall be deemed as a signed document.

(Article 92 of Mandatory Provisions)

Article 105 A meeting of the board of directors shall require more than half of the board of directors to be present in order to be convened.

Each director shall have one voting right. Under the condition that Article 99 is abided by, resolutions proposed by the board of directors shall be passed by more than half of the board of directors in order to be valid.

Each director shall have one vote in voting on resolutions of the board meeting.

When more than a quarter of directors or more than two independent directors are in view of that information concerning the resolution is insufficient or proof is unclear, the board shall accept the proposal in joint name of postponement of the meeting or postponement of some of the matters to be discussed at the meeting.

(Article 93 of Mandatory Provisions)

In the event that matters to be resolved at the board meeting are concerned with interests of a director, such director shall shun the matters, and shall not exercise his/her voting rights, and he shall not be counted in the director's quorum attending the meeting.

In the event that a director is connected to companies associated with matters to be resolved at the board meeting, such director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other directors. The board meeting may be convened with a majority of independent directors at the board meeting. When there is less than three independent directors present at the board meeting, such matters shall be submitted to the general meeting for consideration.

Article 106 A director shall attend meetings of the board of directors in person. Where a director is unable to attend a board meeting due to special circumstances, he/she may entrust, in writing, another director to act as his/her representative at the meeting and the letter of proxy shall stipulate the scope of authority.

The entrusted director shall exercise the right of the entrusting director within the designated scope of authority. If a director did not attend a certain meeting of the board of directors and failed to entrust another director as his/her representative at that meeting, this shall be regarded as a renunciation of his/her voting rights at that meeting.

The entrusted representative must be a director, while counting the quorum of the board of directors' meeting, the votes of him and the director he represents shall be counted respectively, and both votes of approval and objection are not necessary. The director must inform the company of the termination of his entrust.

(Article 94 of Mandatory Provisions)

Article 107 Minutes of meetings of the board of directors shall be recorded on matters discussed at those meetings, the finalized minutes shall be signed by the directors and minutes takers present at the meeting. Opinion given by the independent directors shall be stated in the board resolution. Directors shall assume responsibility for any resolution passed at the board meeting. If a resolution passed by the board of directors is in violation of the law, statutory regulations or the Articles of Association so as to result in the company incurring serious losses, those directors who participated in making those resolutions shall bear liability for compensation towards the company. However, if a director is able to prove his/her objection to that resolution, and such objection has been recorded in the minutes of the meeting, that director may be exempt from liability.

Any director shall be entitled to inspect the minutes and information of the Board and should response to any question if raised by an independent director as soon and full as possible. The minutes of the Board shall be available for inspection within any office hour upon the issuance of a reasonable notice by any director.

(Article 95 of Mandatory Provisions)

The board of directors shall now and then appoint two or more directors to establish a committee or work team, and authorise the committee or work team board of directors' rights, power of office and power of discretion, the related committee and group shall act within the authorised scope while exercise power of office for board of directors, and in compliance with the regulations now and then made by the board of directors. At any time a resolution of dismissal or alteration of scope of authority of the related committee or work team shall be made by the board of directors as well.

A quorum necessary for a meeting of the board of directors' committee or work team shall be the higher of two members thereof or more than that thereof. Articles 101 to 105 shall be applicable to the procedures and minutes of the board of directors as well as relevant committee or work team, provided that such rule has been replace by that formulated by the board of directors pursuant to the foregoing paragraph.

Unless otherwise stipulated by the board of directors, general manager and deputy general manager who takes no office of director may attend the meeting of board of directors and shall have rights to receive notice of such meetings and relevant documents, however, unless the general manager and deputy general manager are also directors, they shall have no rights to vote at the meeting of board of directors.

Chapter 12 The Secretary of the Board of Directors

Article 108 The board of directors of the company shall have a secretary. The secretary of the board of directors shall be the company's senior officer.

(Article 96 of Mandatory Provisions)

Article 109 The secretary of the board of directors shall be a natural person who has the necessary professional knowledge and experience and shall be appointed by the board of directors. The main duties of the secretary are:

- (1) to ensure that the company maintains complete organizational documents and records;
- (2) to ensure that the company, in accordance with the law, prepares and submits required reports and documents to competent authorities;
- (3) to ensure the company's register of shareholders is properly established and to ensure that those who have the right to obtain relevant records and documents of the company are able to obtain them promptly.
- (4) to exercise other power of office in accordance with the laws, statutory regulations and this Articles of Association.

(Article 97 of Mandatory Provisions)

Article 110 A director or other senior management of the company may hold the post of secretary of the board of directors concurrently. An accountant of the accounting firm engaged by the company shall not be permitted to hold the post of secretary of the board of directors concurrently.

Where the post of secretary of the board of directors is concurrently held by a director and if a certain action requires separate conduct by the director and the secretary of the board of directors, that director holding the post of secretary shall not be permitted to act with dual capacity.

(Article 98 of Mandatory Provisions)

Secretary of the board of directors shall comprise one or two natural persons. In the case of two persons holding the post together, job of the secretary of the board of directors shall be shared; however either shall have the rights to exercise all the power of the secretary of the board of directors alone.

Chapter 13 The General Manager(s) of the Company

Article 111 The company shall have a general manager and several deputy managers who shall be appointed and dismissed by the board of directors. The term of appointment of a general manager shall be 3 years, and he/she may be reappointed for consecutive terms. The deputy general manager(s) assists general manager(s), and responsible to general manager(s).

(Article 99 of Mandatory Provisions)

Article 112 The general manager shall be responsible to the board of directors and shall have the following powers of office:

- (1) to be in charge of the management of the company's production and operations and to organize the implementation of resolutions passed by the board of directors;
- (2) to organize the implementation of the company's annual business plan and investment plan;
- (3) to draft the company's internal administrative structure plan;
- (4) to draft the company's fundamental management system;
- (5) to formulate fundamental rules and regulations of the company;
- (6) to propose the appointment and dismissal of the company deputy managers and chief financial officer;
- (7) to appoint or dismiss management personnel other than those appointed and dismissed by the board of directors;
- (8) to decide salaries, benefit, reward and punishment, promotion and demotion, increase and reduction of salaries, employ and dismiss of employees;
- (9) to handle substantial outside business in accordance with the board of directors' authorize on behalf of the company;
- (10) within the authorized power of board of directors, to mortgage, rent, subcontract or transfer the company's assets
- (11) other powers of office stipulated in the Articles of Association or authorized by the board of directors.

(Article 100 of Mandatory Provisions)

Article 113 The company general manager(s) and deputy general manager(s) shall attend the meetings of the board of directors; if the general manager/deputy general manager is not a director, he/she shall have no voting rights at meetings of the board of directors.

(Article 101 of Mandatory Provisions)

Article 114 When exercising powers of office, the general manager(s)/deputy general manager(s) shall not change the resolution of general meetings and board of directors or exceed the authorised power of board of directors.

Article 115 When exercising powers of office, the general manager(s)/deputy general manager(s) shall be abided by laws, statutory regulations and the Articles of Association and shall assume obligations of sincerity and diligence towards the company.

(Article 102 of Mandatory Provisions)

Chapter 14 Supervisory Committee

Article 116 The company shall establish a supervisory committee. Its responsibilities are to exercise supervision over the board of directors and its members and other senior management such as the manager and deputy manager to prevent any abuse of powers, infringement of the legitimate rights of the shareholders, company and its staff.

(Article 103 of Mandatory Provisions)

Article 117 The supervisory committee shall consist of 5 members of which one member shall be appointed as chairman of the supervisory committee. The number of staff representative supervisors shall not be less than one-third of the total number of supervisors.

The term of office for supervisor is three years and shall be eligible for re-election. If supervisors are not re-elected before the expiry of their terms of office or resignations of supervisors during the terms of office cause the number of supervisors to fall below the minimum statutory quorum of supervisors, the current supervisors shall continue to perform their duties according to the laws, administrative rules and regulations and this Articles of Association until new supervisors are elected and assume their office.

The supervisory committee shall have one chairman and one vice-chairman. The chairman and one vice-chairman of the supervisory committee are appointed and removed on election by more than two-thirds (including two-thirds) of supervisors.

In the event that the chairman of the supervisory committee fails to perform or does not perform his/her duties, the vice-chairman of the supervisory committee shall convene and preside over meeting of the supervisory committee. In the event that the vice-chairman of the supervisory committee fails to perform his/her duties, a supervisor elected by a majority of supervisors shall convene and preside over meeting of the supervisory committee.

Article 118 Members of the supervisory committee shall comprise: external supervisors (i.e., shareholders representative supervisors and independent supervisors); and staff representative supervisors who are representatives of staff of the company. Shareholder representative supervisors and independent supervisors shall be elected and removed in by the general meeting of shareholders; staff representative supervisors shall be elected and removed by staff representative of the company and other democratic elections.

Article 119 A director, manager or other senior management of the company shall be prohibited from concurrently holding the position of supervisor.

(Article 106 of Mandatory Provisions)

Article 120 Meetings of the supervisory committee shall be convened at least twice a year by the chairman of the supervisory committee.

(Article 107 of Mandatory Provisions)

Article 121 The supervisory committee shall be responsible to the shareholders and shall exercise the following powers of office:

- (1) to examine the company's financial affairs;
- (2) to supervise conducts of the company's directors and senior management during the performance of their duties, and shall make recommendations for removal of directors and senior management for any violation of the law, statutory regulations, the Articles of Association or resolutions of the General Meeting.
- (3) to request the company's directors, manager and other senior management to rectify the situation of their acts are harmful to the interests of the company;
- (4) to check financial reports, business reports, profit distribution plans and other financial documents to be submitted to general meeting of shareholders by the board of directors and, if questions are raised concerning such documents, to commission certified public accountants and certified practising auditors in the company's name to assist in verification of doubtful documents;
- (5) suggest to convene an extraordinary general meeting, to convene and preside over general meetings when the Board fails to perform its duties in convening and presiding over general meetings in accordance with these Articles of Association; to make proposals to the general meetings;
- (6) to represent the company in negotiations with director(s) and senior management or in initiating legal proceedings against director(s) and senior management;
- (7) other powers of office as stipulated in the Articles of Association.

Supervisors shall attend meetings of the board of directors.

(Article 108 of Mandatory Provisions)

Article 122 Written notice of holding a meeting of the supervisory committee shall be sent no less than 10 days but no more than 30 days before the commencing of the meeting. A meeting of the supervisory committee shall require more than two-third (including 2/3) of supervisors to be present in order to be convened.

The supervisory committee shall cause decisions made during the meeting to be reduced to minutes of meetings, and attending supervisors shall sign on the minutes of meetings.

Resolutions proposed by the supervisory committee shall be passed by more than two-third (including 2/3) of all supervisors in order to be valid.

(Article 109 of Mandatory Provisions)

Article 123 If, when exercising its powers of office, a supervisory committee needs to employ a lawyer, certified public accountant, certified practising auditor or other professional, reasonable fees incurred in so doing shall be borne by the company.

(Article 110 of Mandatory Provisions)

Reasonable fees incurred in attending to a supervisory committee for a supervisor, including transportation cost from the supervisor to where the meeting is held, accommodations during the meeting, rental of the meeting place, local transportation, etc., shall be borne by the company.

Article 124 A supervisor shall faithfully perform his/her duties of supervision in accordance with the law, statutory regulations and the Articles of Association.

(Article 111 of Mandatory Provisions)

Chapter 15 Qualifications and Obligations of Directors, Supervisors, General Manager(s), Deputy General Manager(s) and Other Senior Management

Article 125 A person may not hold the position of director, supervisor, general manager, deputy general manager or other senior management in any of the following circumstances:

- (1) the person has no civil capacity or has restricted civil capacity;
- (2) a person of less than five years has elapsed since the person was released after serving the full term of a sentence for corruption, bribery, seizure, embezzlement of property or crimes of disruption to the social economic order, or if a period of less than five years has elapsed since the person has resumed his/her political rights which were forfeited due to a criminal offences;
- (3) when the person has held the post of director, factory supervisor or manager of a company or enterprise which became bankrupt and was liquidated as a result of unsound business management and where that person has held personal responsibility for such and where a period of less than three years has elapsed since the date of the conclusion of the liquidation;
- (4) a period of less than three years has elapsed since the date of the imposition of a decision to revoke the business licence of the company or enterprise of which the person was a legal representative and who bears personal responsibility for such revocation where its business licence was revoked due to illegal business operations;
- (5) personal debts of relatively large amounts have not been repaid on time;
- (6) the person has been involved in illegal activities which are subject to investigation by the judicial authorities and the case has yet to be settled;
- (7) provisions of laws and statutory regulations stipulate that the person is not permitted to assume the position of leader of an enterprise;
- (8) the person is not a natural person;
- (9) a person of less than five years has elapsed since the date the person was found to be in violation of the provisions of relevant securities regulations and was involved in deceitful or dishonest activities as ruled by the competent authority.
- (10) any civil servants (unless the law permits)
- (11) (Article 112 of Mandatory Provisions)

Article 126 The validity of actions of the director, general manager(s), deputy general manager(s) or senior management when acting as representatives of the company on bona fide third parties shall not be affected as a result of those representatives not conforming to the rules pertaining to the holding of their posts, their election or qualifications.

(Article 113 of Mandatory Provisions)

Article 127 Apart from obligations as stipulated in laws, statutory regulations or the listing rules of stock exchanges where the company's shares are listing, a director, supervisor, general manager, deputy general manager, deputy manager and other senior management shall, in addition, when exercising his/her powers of office as stipulated by the company, assume the following obligations towards each shareholder:

- (1) shall not allow the company to exceed the scope of its business operations as stipulated in its business licence;
- (2) shall sincerely take the best interests of the company as fundamental when conducting business activities;
- (3) shall not be permitted to expropriate the company's property using any means, including (but not limited to) when this involves opportunities beneficial to the company;
- (4) shall not infringe upon the individual rights and interests of shareholders, including (but not limited to) distribution rights and voting rights, however, this shall not include the situation where a reorganization of the company is proposed for adoption by the general meeting of shareholders in accordance with the Articles of Association.

(Article 114 of Mandatory Provisions)

Article 128 Directors, supervisors, general manager(s), deputy general manager(s) and other senior management of the company shall all have responsibility, when exercising their rights and performing their obligations, to adopt the prudence, diligence and skill which would be displayed by a reasonably prudent person in similar circumstances.

(Article 115 of Mandatory Provisions)

Article 129 When performing their duties, directors, supervisors, general manager(s), deputy general manager(s) and other senior management of the company must abide by the principle of sincerity and shall not place themselves in unfavourable situations in which their interests may conflict with their obligations. This principle shall include (but not limited to) performing the following obligations:

- (1) to sincerely take the best interests of the company as fundamental in their actions;
- (2) to exercise authority within their powers of office and not exceed that power of authority;
- (3) to personally exercise the authorised right to handle matters according to one's own judgement and not to be manipulated by others; the right to handle matters according to one's own judgement shall not be passed on to others without the authority of laws and statutory regulations or without the informed consent of the shareholders at general meeting;
- (4) to treat the same classes of shareholders equally and to treat different classes of shareholders fairly;
- (5) except as otherwise provided in the Articles of Association or otherwise knowingly approved by a general meeting, no contract, transaction or arrangement shall be entered into with the company;

- (6) the use of the company's property to seek personal interests through any means without the informed consent by the shareholders at general meeting shall be prohibited;
- (7) the use of powers of office to receive bribes or other illicit interests and the seizure of the company's property through any means, including (but not limited to) opportunities which are beneficial to the company shall be prohibited;
- (8) the receiving of commissions relating to the transactions of the company without the informed consent of the shareholders at general meeting shall be prohibited;
- (9) to honour the Articles of Association, to faithfully perform one's duties and to safeguard the company's interests, and it shall be prohibited to use the position and powers of office to seek personal interests;
- (10) without the informed consent of the shareholders at general meeting, it shall be prohibited to engage in any activities which are in competition with the company;
- (11) it shall be prohibited to embezzle company funds or to lend company funds to others, and it shall be prohibited to use company funds to open bank accounts in one's own name or using another's name or to use company assets to provide guarantees for debts of shareholders of the company or other persons;
- (12) without the informed consent of the shareholders at general meeting, it shall be prohibited to disclose confidential information concerning the company which became known in the course of holding the position; unless it is in the company's interests, such information shall not be used. However, such information may be disclosed to the court or other competent government authorities in the following circumstances:
 1. where it is so required by the law;
 2. where the public interest so requires;
 3. where the interests of such a director, supervisor, general manager, deputy general manager or other senior management themselves so require.

(Article 116 of Mandatory Provisions)

Article 130 A director, supervisor, general manager, deputy general manager and other senior management shall not be permitted to incite the following persons or organisations (“related parties”) to do things which the director, supervisor, general manager, deputy general manager and other senior management cannot perform:

- (1) the spouse or under age children of the director, supervisor, general manager, deputy general manager and other senior management;
- (2) the trustee of that director, supervisor, general manager, deputy general manager and other senior management or of those persons mentioned in item (1) of this Article;
- (3) the partner(s) of that director, supervisor, general manager, deputy general manager and other senior management or of those mentioned in item (1) or (2) of this Article;
- (4) the company, where it is in reality independently controlled by that director, supervisor, general manager, deputy general manager and other senior management or, in reality, jointly controlled by that director, supervisor, manager and other senior management together with those mentioned in items (1), (2) or (3) of this Article, or jointly controlled with another director, supervisor, general manager, deputy general manager and other senior management of the company;
- (5) the directors, supervisors, general manager(s), deputy general manager(s) and other senior management of that controlled company as mentioned in item (4) of this Article.

(Article 117 of Mandatory Provisions)

Article 131 The obligations assumed in good faith by a director, supervisor, general manager, deputy general manager or other senior management are not necessarily terminated at the conclusion of his/her post and the obligations of maintaining confidential information concerning the company’s business shall remain valid after the conclusion of his/her post. The periods of validity for other obligations shall be determined in accordance with the principle of fairness and shall depend on the length of time intervening between the occurrence of an event and the time of vacating the post and on the circumstances under which that director, supervisor, general manager, deputy general manager and other senior management ended his/her relationship with the company.

(Article 118 of Mandatory Provisions)

Article 132 The responsibility borne by a director, supervisor, general manager, deputy general manager and other senior management due to violation of a specific obligation may be relieved by an informed meeting of shareholders except in those circumstances stipulated in Article 54 of the Articles of Association.

(Article 119 of Mandatory Provisions)

Article 133 When a director, supervisor, general manager, deputy general manager or other senior management of the company has significant direct or indirect interests in a contract, deal or arrangement concluded by or intended to be conducted by the company (apart from engagement contracts concluded between the company and director, supervisor, general manager, deputy general manager or other senior management), regardless of whether the matter is required to be approved by the board of directors under normal circumstances, the nature and degree of interest shall be disclosed to the board of directors as soon as possible.

A director shall not vote nor be counted in the quorum on any resolution of the directors in respect of any contract or arrangement or proposal in which he and his associate(s) is materially interested.

Unless the interested director, supervisor, general manager, deputy general manager or other senior management has disclosed his/her interest to the board of directors according to provisions of the preceding paragraph of this Article, and the board of directors has approved the matter in a vote in which that director, supervisor, general manager, deputy general manager and other senior management has not been included, the company shall have the right to cancel that contract, deal or arrangement. However, exception shall be made if the other party is a bona fide party which did not know that the actions of the director, supervisor, general manager, deputy general manager and other senior management were in violation of his/her obligations.

If a party related to a director, supervisor, general manager, deputy general manager and other senior management of the company has an interest in a contract, deal or arrangement, that director, supervisor, general manager, deputy general manager and other senior management shall also be regarded as an interested party.

The scope of “related parties” referred to in this Article and Article 130 shall include the meaning of “associate(s)” defined in the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited. An interested director may not be counted into the quorum or vote at a meeting of the Board at which the relevant motions and proposals are put forward for consideration and approval. (Article 120 of Mandatory Provisions)

Article 134 If a director, supervisor, general manager, deputy general manager or other senior management of the company has, before the company considers for the first time to conclude a contract, deal or arrangement, notified the board of directors in writing declaring the nature of his/her interest in that contract, deal that the relevant personnel shall be regarded as having made disclosure as stipulated in the preceding Article of this Chapter of those matters in the notification.

(Article 121 of Mandatory Provisions)

Article 135 The company shall not be permitted to pay, using any means, the taxes of its directors, supervisors, general manager(s), deputy general manager(s) and other senior management.

(Article 122 of Mandatory Provisions)

Article 136 The company shall not be permitted to, directly or indirectly, provide loans to or loan guarantees for the directors, supervisors, general manager(s), deputy general manager(s) and other senior management of the company or its parent company and the company shall also not be permitted to provide loans to or loan guarantees for parties related to the aforesaid persons.

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

- (1) where the company provides loans to its subsidiaries or provides loan guarantees for its subsidiaries;
- (2) where the company, in accordance with the engagement contract approved by the general meeting of shareholders, provides a director, supervisor, general manager, deputy general manager and other senior management of the company with loans, loan guarantees or other funds for payments made on behalf of the company or for payments or expenses incurred in the performance of their duties;
- (3) if the normal business scope of the company includes provision of loans and loan guarantees, the company may provide loans to or provide loan guarantees for its directors, supervisors, general manager(s), deputy general manager(s) and other senior management and to their related parties; however, the conditions for the provision of such loans and loan guarantees shall be normal commercial conditions.

(Article 123 of Mandatory Provisions)

Article 137 In the event of the company providing a loan in violation of the provisions of the preceding Article, regardless of the conditions of provision of that loan, the party receiving the loan shall make prompt repayment.

(Article 124 of Mandatory Provisions)

Article 138 In the event of the company having provided a loan guarantee in violation of the provisions of paragraph 1 of Article 136, the company shall not be forced to implement that guarantee except in the following circumstances:

- (1) when providing a loan to a related party of a director, supervisor, general manager, deputy general manager and other senior management of the company or its parent company, the loan provider was unaware of the facts;
- (2) the collateral security provided by the company has been legally sold to a bona fide purchaser by the loan provider.

(Article 125 of Mandatory Provisions)

Article 139 Guarantee as mentioned in the preceding articles of this Chapter shall include an act whereby the guarantor assumes liability or provides property to ensure that the obligor performs its obligations.

(Article 126 of Mandatory Provisions)

Article 140 Where a director, supervisor, general manager, deputy general manager or other senior management of the company is found to have violated obligations to the company, apart from the various rights and remedial measures stipulated in laws and statutory regulations, the company has the power to adopt the following measures:

- (1) to request that the director, supervisor, general manager, deputy general manager and other senior management compensate for losses incurred by the company due to their negligence in the performance of their duties;
- (2) to cancel any contract or deal concluded between the company and that director, supervisor, general manager, deputy general manager and other senior management, and to cancel any contract or deal concluded between the company and a third party (if the third party knew or should have known that the director, supervisor, general manager, deputy general manager and other senior management was representing the company in violation of obligations to the company);
- (3) to request that the director, supervisor, general manager, deputy general manager and other senior management hand over any revenue derived in violation of his/her obligations;
- (4) to recover funds including (but not limited to) commissions received by that director, supervisor, general manager, deputy general manager and other senior management which should have been collected or collectable by the company;
- (5) to request that the director, supervisor, general manager, deputy general manager and other senior management return any interests earned or which may be earned from any funds which should be handed over to the company.
- (6) adjudicate that the properties gained by related director, supervisor, general manager, deputy general manager and other senior management for violating the obligations shall be owned by the company.

(Article 127 of Mandatory Provisions)

Article 141 The company shall enter into a written contract on remuneration matters with the director or supervisor of the company which shall be approved by the general meeting of shareholders in advance. The aforesaid remuneration matters shall include:

- (1) remuneration as directors, supervisors or senior management of the company;
- (2) remuneration as directors, supervisors or senior management of subsidiaries of the company;
- (3) remuneration of the provision of other management services to the company and its subsidiaries;
- (4) compensatory payments to the directors or supervisors in case of retirement or loss of position.

Unless in accordance with the aforesaid contract, a director or supervisor shall not be permitted to initiate legal proceedings against the company based on benefits receivable for the aforesaid matters.

(Article 128 of Mandatory Provisions)

Article 142 A contract on remuneration matters concluded between the company and a director or supervisor of the company shall stipulate that upon the company is being acquired, the director or supervisor of the company shall, under conditions of approval granted in advance by the general meeting of shareholders, be entitled to obtain compensation or other payments as a result of loss of post or retirement. The company is being acquired as referred to in the preceding paragraph shall refer to one of the following instances:

- (1) a purchase offer made to all shareholders by any party;
- (2) a purchase offer made by any party intending to become a controlling shareholder. The definition of a controlling shareholder shall be the same as that defined in Article 55 of the Articles of Association.

If a director or supervisor fails to comply with the provisions of this Article, any funds received by the director or supervisor shall be owned by those who accepted such offer and sold their shares, expenses incurred on pro rata distribution of such funds shall be borne by that director or supervisor and expenses shall not be deducted from such funds.

(Article 129 of Mandatory Provisions)

Chapter 16 Financial Accounting System and Distribution of Profits

Article 143 The company shall establish a financial and accounting system in accordance with the law, statutory regulations and the PRC accounting standard formulated by the State Council financial department.

(Article 130 of Mandatory Provisions)

Article 144 The company shall produce financial reports at the end of each financial year which shall be subject to auditing and verification in accordance with the law. The company's financial reports include the following financial accounting report and subsidiary breakdown statements:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) statement of change in financial position;
- (4) financial situation statement;
- (5) statement of profit distribution.

(Article 131 of Mandatory Provisions)

The accounting year of the Company is based on the calendar system, namely, a period from January 1 to December 31 each year represents an accounting year.

Article 145 The board of directors of the company shall place before the shareholders at every annual general meeting such financial report as are required by any laws, administrative regulations or directive promulgated by competent local government and central governmental authorities to be prepared by the company.

(Article 132 of Mandatory Provisions)

Article 146 The company shall make its financial report available for inspection by the shareholders of the company twenty days before the convening of its annual general meeting. Every shareholder of the company shall have the right to obtain the financial reports as mentioned in this Chapter.

The company shall send the said reports or summary financial reports to each holder of overseas-listed shares by postage-prepaid mail at least 21 days prior to the convening of the annual shareholders' general meeting, and the recipient's address shall be the address as shown in the register of shareholders of the company.

While distributing summary financial report to the shareholders of shares listed overseas, the company shall abide by the Company Law and listing rules, and gain all the consents admitted by law (if needed). Where sending every shareholder of shares listed overseas summary financial report and board of directors' report of the company's annual financial report, whose form and content conform to the law, by means that the Company Law does not forbid, in respect of shareholder of shares listed overseas, such act shall be deemed as conform to the aforesaid stipulations. If any shareholders of shares listed overseas requires, besides demanding by written for sending summary financial report, he shall also demand for a complete copy of the company's annual financial report and board of directors' report in it.

(Article 133 of Mandatory Provisions)

Article 147 Financial statements of the company shall be prepared in accordance with the PRC accounting standard and relevant regulations and, in addition, shall also be prepared in accordance with the international accounting standard or the accounting standard of the country or region where the company is listed. If there are significant discrepancies between the financial statements prepared according to two different accounting codes, such discrepancies shall be clearly indicated in the notes attached to the financial statements. When distributing profits after tax in a financial year, the lesser amount of profits after tax in the two financial statements shall be used as the standard amount.

(Article 134 of Mandatory Provisions)

Article 148 When the company announce or disclose interim result or financial information, it shall be prepared in accordance with the PRC accounting standard and relevant regulations and, simultaneously, shall also be prepared in accordance with the international accounting standard or the accounting standard of the country or region where the company is listed.

(Article 135 of Mandatory Provisions)

Article 149 The company shall publish its financial reports four times in every financial year, i.e. a quarterly or interim report shall be published within forty – five days of the end of three, six and nine months of that financial year and an annual financial report shall be published within one hundred and twenty days after the end of the financial year.

(Article 136 of Mandatory Provisions)

Article 150 The company shall not be permitted to establish account books other than statutory account books.

(Article 137 of Mandatory Provisions)

Article 151 The company shall establish an internal audit agency with auditors to implement internal audit system. Under the leadership of board of directors, the internal audit agency supervises company's financial revenues and expenditures, and its business activity. The account book shall be available for supervisors to supervise.

Article 152 The profit after taxation of the company shall be appropriated in the following order:

- (1) compensation of loss;
- (2) appropriation of statutory surplus reserve;
- (3) appropriation of discretionary surplus reserve;
- (4) payment of dividend for ordinary shares.

Article 153 The common reserve of a company comprises the surplus common reserve and capital common reserve, and the surplus common reserve comprises statutory surplus common reserve and discretionary surplus common reserve.

Article 154 When distribution is made out of the after-tax profits for the current year, the company shall appropriate 10% of the profit to the company's statutory surplus reserve. No further appropriation of the company's statutory surplus reserve will be required when the accumulated fund in statutory surplus reserve exceeds 50% of the company's registered capital.

If the company's statutory surplus reserve is insufficient to make up for losses from the previous year, the profits in the current year must be applied to make up for such losses before making and appropriation of the statutory surplus reserve as mentioned in the preceding clause.

Appropriation of the company's statutory surplus reserve and its proportion and the distribution of dividend shall be formulated by the Board of Directors based on the operating and business requirements of the company and subject to the approval by the general meeting.

The company shall not allocate or make any other allocations by way of bonus prior to its making up for any loss and appropriation of the statutory surplus reserve.

Article 155 The capital reserve fund shall include the following amounts:

- (1) premium from the issuance in excess of nominal value of shares;
- (2) other revenue to be charged to the capital reserve fund as stipulated by the State Council financial department.

(Article 138 of Mandatory Provisions)

Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 156 The common reserve of the company shall be applied for the following purposes:

- (1) to make up the losses;
- (2) to expand the business operations of the company or to convert into the company's capital.

If the shareholder's general meeting decides to convert the common reserve into the company's capital, the new shares shall be issued to shareholders in proportion to their existing shareholdings in the company, or the par value of the shares currently held by the shareholders shall increase. Provided that if the statutory surplus common reserve is converted into capital, the balance of the statutory surplus common reserve after such conversion shall not be less than 25% of the registered capital of the company.

Article 157 The company shall distribute dividend to shareholders according to their shareholding.

Article 158 Annual dividends shall be paid within six months after the end of each financial year in proportion to the shareholding of each shareholder. Annual dividends shall be sanctioned by shareholders of the company at general meeting but the amount of dividends payable shall not exceed the amount recommended by the directors.

Unless otherwise decided by the general meeting, the board of directors may resolve to distribute interim dividends. Unless otherwise required by law, the amount of interim dividend shall not exceed 50% of the amount of distributable profit in the interim financial statement.

Article 159 The company may use the following forms for distribution of dividends either way or simultaneously:

- (1) cash;
- (2) share certificates.

(Article 139 of Mandatory Provisions)

Article 160 The dividends and other payments paid by the company to its domestic shareholders shall be valued and declared in Renminbi, and paid in Renminbi within three months after the date of the declaration of dividends. The dividends and other payments paid by the company to its shareholders of shares listed overseas shall be valued and declared in Renminbi, and paid in Renminbi within three months after the date of the declaration of dividends. Unless otherwise stipulated by related laws or statutory regulations, the exchange rate shall be the average closing rate posted by Bank of China five days before the date of distribution of dividend or cash.

The transaction of foreign currency the company needs to pay its shareholders of shares listed overseas is subject to the regulations of the State Administration of Foreign Exchange.

Authorised by the general meeting, the board of directors shall decide the distribution of interim dividend or bonus.

Article 161 The company shall commission a collecting agent for holders of foreign invested shares listed overseas. A collecting agent shall collect dividends on Foreign Invested Shares and other payable items from the company on behalf of relevant shareholders.

A collecting agent commissioned by the company shall meet the requirements of the law in the place where the company is listed or relevant regulations of the stock exchange.

A provision to the effect that for its shareholders of overseas listed foreign invested shares listing in Hong Kong, the issuer shall appoint as a collecting agent which is registered as a trust company under the Trustee Ordinance of Hong Kong.

(Article 140 of Mandatory Provisions)

Subject to the laws and statutory regulations, the company has the right to confiscate the unclaimed dividend; however such power shall not be used before the expiration of limitation.

The company has the right to end sending dividend coupons to overseas listed foreign invested shareholders by way of post. However, this right shall be practised only when the dividend coupons were not used to get cash for twice continuously. However, the company shall have the right if the dividend coupon is sent back because it fails to reach the receiver upon its first post.

The company has the right to sell the stocks of shareholders of shares listed overseas when it fails to reach them in a way it deems appropriate, in accordance with the following conditions:

- (1) the related shares' dividend has been distributed for at least three times in 12 years, during which nobody claimed the dividend; and
- (2) after the expiration of these 12 years, an announcement published in one or more papers of the place where the company lists is made to state the company's intention to sell the shares, and to inform the Stock Exchange in which the company is listed.

Chapter 17 Appointment of an Accounting Firm

Article 162 The company shall appoint a State qualified independent accounting firm to audit the company's annual financial reports and to examine and verify other financial reports.

The company's first accounting firm may be appointed by the founding meeting before the first general meeting of shareholders. The term of appointment of the first accounting firm shall be terminated at the conclusion of the first general meeting.

Where the founding meeting does not exercise the powers of office stipulated in the preceding paragraph, the board of directors shall exercise the said powers of office.

(Article 141 of Mandatory Provisions)

Article 163 The term of appointment of accounting firm shall commence from the date of conclusion of the current general meeting and end at the date of conclusion of the subsequent general meeting.

(Article 142 of Mandatory Provisions)

Article 164 An accounting firm appointed by the company shall have the following rights:

- (1) to consult, at any time, the company's accounting books, records or vouchers, and shall have the right to request directors, manager, or other senior management of the company to provide relevant data and explanations;
- (2) to request the company to adopt all reasonable measures to obtain from its subsidiaries data and explanations which the accounting firm requires for the performance of its duties;
- (3) to attend general meeting and to obtain information which is available to any shareholder who has the right to receive notice of a meeting or on other matters related to the meeting, and to speak at any general meeting about matters related to its functions as accounting firm to the company.

(Article 143 of Mandatory Provisions)

Article 165 If the position of the accounting firm falls vacant, the board of supervisors may, before convening a general meeting, appoint an accounting firm to fill the vacancy. However, if, during the period of the vacancy, the company has other appointed accounting firms, those firms may continue to handle matters.

(Article 144 of Mandatory Provisions)

Article 166 Regardless of what is stipulated in a contract concluded between an accounting firm and the company, the general meeting may, before the duration of appointment of any accounting firm expires, decide to dismiss that firm through the adoption of an ordinary resolution. If such an accounting firm has the right to claim compensation from the company for reason of such dismissal, that right shall not be affected.

(Article 145 of Mandatory Provisions)

Article 167 The remuneration of an accounting firm or methods for determining remuneration shall be decided at a general meeting. The remuneration of an accounting firm appointed by the board of supervisors shall be determined by the board of supervisors.

(Article 146 of Mandatory Provisions)

Article 168 Decisions on matter relating to the appointment, removal, or non-reappointment of an accounting firm shall be taken at general meeting and such decisions shall be reported to the Securities Committee of the State Council for the record.

Where a resolution at a general meeting of shareholders is passed to appoint an accounting firm other than an incumbent one so as to fill a casual vacancy in the office of accounting firm, to reappoint a retiring accounting firm who is appointed by the board of supervisors to fill a casual vacancy, or to remove an accounting firm before the expiration of his term of office, the following provisions shall be complied with:

- (1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the person proposed to be appointed or the accounting firm proposing to leave his post or the accounting firm who has left his post (leaving includes leaving by removal, resignation and retirement).
- (2) If the accounting firm leaving his post makes representations in writing and requests the company to inform the shareholders of the representations, the company shall adopt the following measures (unless the representations are received too late):
 1. in any notice of the resolution given to shareholders, state the fact of the representations having been made;
 2. send a copy of the representations as attachment to the notice to the shareholders according to the delivery methods required in the Articles of Association.
- (3) If the accounting firm's representations do not send under to the requirement mentioned in (2) above the accounting firm may request the representations be read out at the meeting and appeal on it.
- (4) An accounting firm who is leaving his post shall be entitled to attend the following meetings:
 1. the general meeting of shareholders at which his term of office would otherwise have expired;
 2. any general meeting of shareholders at which it is proposed to fill the vacancy caused by his removal;
 3. any general meeting of shareholders convened on his resignation.

An accounting firm who is leaving his post shall be entitled to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former accounting firm of the company.

(Article 147 of Mandatory Provisions)

Article 169 The company shall advise the accounting firm in advance if it is to be dismissed or not to be reappointed. The accounting firm shall have the right to make a statement in respect of its dismissal or non-reappointment at the general meeting. If an accounting firm resigns, it shall explain to the general meeting whether or not the company has been involved in any improper dealings.

Where an accounting firm resigns from its office, it may deposit a notice of resignation to the company's residence. The notice shall become effective on the date of such deposit or on such later date as may be stipulated in the notice. The notice shall include the following statements:

1. a statement to the effect that there are no circumstances connected with its notice of resignation which it considers should be brought to the notice of the shareholders or creditors of the company;
2. a statement of any such circumstances.

Where a notice is deposited under the preceding article, the company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under Item 2 of the preceding article, a copy of such statement shall be placed at the company for shareholders' inspection. The company shall also send a copy of such statement by prepaid mail to every holder of overseas-listed shares at the address recorded in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstances which should be brought to notice, the accounting firm may require the board to convene an extraordinary general meeting of shareholders for the purpose of giving an explanation of the circumstances in relation to its resignation.

(Article 148 of Mandatory Provisions)

Chapter 18 Insurance

Article 170 The company shall applicant for insurance from appointed institutions, People's Insurance Company of China, or other insurance companies registered in China and permitted by Chinese law, that provide insurance business to Chinese companies, in accordance with the stipulations of related organisations in China. The class, premiums, and duration of insurance are determined by the board of directors with reference to the practices of similar industry practitioners in other countries and practices and legal requirements in the PRC.

Chapter 19 Labour and Personnel System

Article 171 The company develops rules and regulations of labour and personnel system applicable to the situation of its own in accordance with the related stipulations of Labour Law of People's Republic of China.

Chapter 20 Labour Union

Article 172 The company shall organise and practice labour union activities in accordance with The Trade Union Law of The People's Republic of China.

Article 173 Every month, the company shall appropriate an amount equivalent to 2% of the aggregate labour salary as the labour union foundation each month. Such amount shall be used in accordance with the "Administration Measures of Labour Union Foundation" stipulated by All-China Federation of Trade Unions.

Subject to related laws and statutory regulations of China, the company makes rules and regulations of labour management, personnel management, staff's remuneration, welfare and social security, etc.

Chapter 21 Company Merger and Demerger

Article 174 In the case of company merger or demerger, a merger or demerger plan shall be drafted by the board of directors and after the plan is adopted according to the procedures stipulated in the Articles of Association, the relevant procedures for examination and approval shall then be carried out in accordance with the law. If a shareholder objects to a merger or demerger plan, that shareholder shall have the right to request the company or those shareholders who approve the merger or demerger plan to purchase his/her shares at a fair price. The content of a resolution on company merger or demerger shall be made into a special document to be available for inspection by shareholders. For holders of the overseas-listed shares of the company, the aforesaid document shall be delivered by post.

(Article 149 of Mandatory Provisions)

Article 175 A company merger may be made by the consolidation merger method or by the new establishment merger method.

When the company is undergoing a merger, the various parties to the merger shall sign a merger agreement and a balance sheet and inventory of properties shall be drawn up. Within 10 days of the proposal of a resolution on a company merger, the company shall notify the various creditors and a public announcement shall be made in the press at least 3 times within 30 days. The creditors shall have the right, within 30 days of receipt of the notice or within 90 days of the date of the first public announcement if the notice has not been received, to require the company to pay its debts or provide guarantee to the amount of its debts. The company shall not merger without paying off its debts or guaranteeing to the amount of its debts.

Following a merger, the debts receivable and debts payable of the parties to the merger shall be continued or successes by a takeover company or a company newly established as the result of a merger.

(Article 150 of Mandatory Provisions)

Article 176 If a company is to be demerger, its assets shall be divided accordingly.

When embarking on a demerger, the parties to the demerger shall sign a demerger agreement and a balance sheet and inventory of properties shall be drawn up. Within 10 days of the proposal of a resolution on a company demerger, the company shall notify the various creditors and a public announcement shall be made in the press at least 3 times in 30 days. The creditors shall have the right, within 30 days of receipt of the notice or within 90 days of the date of the first public announcement if the notice has not been received, to require the company to pay its debts or provide guarantee to the amount of its debts. The company shall not demerger without paying off its debts or guaranteeing to the amount of its debts.

The debts payable by a company before its demerger shall be assumed by the companies divided in accordance with the concluded agreement.

(Article 151 of Mandatory Provisions)

Article 177 Where registered items are changed as a result of a company merger or demerger, application shall be made to the company registration authority or register the amendment in accordance with the law. Where the company is dissolved, application shall be made to register the cancellation in accordance with the law; where a company is newly established, application shall be made to register the establishment.

(Article 152 of Mandatory Provisions)

Chapter 22 Company Dissolution and Liquidation

Article 178 The company shall terminate its operations and enter into liquidation in accordance with the law in any of the following circumstances:

- (1) a general meeting of shareholders resolves by a special resolution that there shall be a dissolution;
- (2) dissolution becomes necessary because of company merger or demerger;
- (3) the company is declared bankrupt in accordance with the law due to inability to discharge its debts;
- (4) the company has been ordered to close down in accordance with the law as a result of violations of the law and statutory regulations.

(Article 153 of Mandatory Provisions)

Article 179 In the case of the company being dissolved in accordance with the provisions of Item (1) of the preceding Article, the company shall, within 15 days, establish a liquidation committee, the members of which shall be determined by the general meeting of shareholders through an ordinary resolution. If the liquidation committee is not established within the specified time, the creditors of the company may apply to the People's court to appoint the members of the liquidation committee.

In the case of the company being dissolved in accordance with the provisions of Item (3) of the preceding Article, the People's Court shall, in accordance with laws and statutory regulations, organize shareholders, relevant authorities and relevant professionals to form a liquidation committee to conduct the liquidation.

In the case of the company being dissolved in accordance with the provisions of Item (4) of the preceding Article, the competent authority shall organize shareholders, relevant authorities and relevant professionals to form a liquidation committee to conduct the liquidation.

(Article 154 of Mandatory Provisions)

Article 180 If the board of directors decides to conduct the liquidation (except when the company is liquidated due to bankruptcy), a statement of a complete investigation about the company's status by the board of directors shall be made in the notice of shareholders' general meeting prepared for liquidation, and all the company's debts shall be deemed as payable within 12 months after the commencement of the liquidation.

Following a resolution on liquidation passed by a general meeting of shareholders, the powers of office of the board of directors shall immediately be terminated.

The liquidation committee shall adhere to the instructions given by the shareholders at general meeting and shall report to the shareholders at general meeting on the income and expenditure of the liquidation committee, the business operations of the company and progress of the liquidation of the company at least once a year. The liquidation committee shall submit a final report to the shareholders at general meeting at the conclusion of liquidation proceedings.

(Article 155 of Mandatory Provisions)

Article 181 The liquidation committee shall, within 10 days of its establishment, notify creditors and make a public announcement in the press at least 3 times within 60 days. The creditors shall, within 30 days of receipt of the notice or within 90 days of the date of the first public announcement if the notice has not been received, apply the liquidation committee for its debts receivable. If the debts receivable are not applied for the liquidation committee within the specified time, it shall be deemed as given up.

A creditor shall explain matters related to the debts payable and provide proof while applying for the debts receivable. The liquidation committee shall make registration for the debts receivable.

(Article 156 of Mandatory Provisions)

Article 182 The liquidation committee shall exercise the following powers of office during the period of liquidation:

- (1) perform a stocktake of the company's property and formulate a balance sheet and property inventory;
- (2) notify the creditors by notice or announcement;
- (3) deal with the outstanding business of the company in connection with the liquidation;
- (4) pay tax arrears;
- (5) clear debts receivable and payable;
- (6) dispose of the remaining assets after all debts have been paid;
- (7) participate in civil proceedings on behalf of the company.

(Article 157 of Mandatory Provisions)

Article 183 A liquidation plan shall be formulated by the liquidation committee after the stocktake of the company property has been performed and the balance sheet and property inventory have been compiled, and this shall be submitted to the shareholders at general meeting or to relevant authorities in charge for confirmation.

The expenditure of liquidation shall be paid from the company's assets prior to debts payable to other creditors.

After the shut down of the company due to the resolution of dismissal in shareholder's general meeting or declaration of bankruptcy in accordance with the law, or forced to shut down in accordance with the law, no one shall be allowed to share company's assets without the permission of the liquidation committee.

Shall the company's property be enough to pay off the debts, the expenditure of liquidation, staff's salaries and labour insurance, taxation, company's debts payable shall be paid respectively.

The assets remaining after the company has settled its debts pursuant to the preceding paragraph shall be distributed to the various shareholders according to the classes and percentages of shares held:

- (1) to distribute the remaining assets to preferred stockholders in accordance with the nominal value of the preferred shares; if the remaining assets is not enough to pay off all the preferred share capital, it shall be distributed in accordance with the proportion of shareholder's shares;
- (2) to distribute the remaining assets to ordinary shareholders in accordance with the proportion of shareholders' shares.

During the period of liquidation, the company shall not be permitted to embark on new operating activities.

(Article 158 of Mandatory Provisions)

Members of the liquidation group are required to discharge their duties honestly and in compliance with laws. A member of the liquidation committee is liable to indemnify the company and its creditors in respect of any loss arising from his willful or material default.

Article 184 Where liquidation is carried out as a result of dissolution of the company, after stocktaking of the company's assets and compilation of a balance sheet and property inventory, the liquidation committee found that the amount of assets is insufficient to settle debts, it shall promptly apply to the People's Court for a declaration of bankruptcy.

If a company has been declared bankrupt by the People's Court, the liquidation committee shall hand over liquidation matters to the People's Court.

(Article 159 of Mandatory Provisions)

Article 185 After the conclusion of liquidation proceedings, the liquidation committee shall compile a liquidation report as well as draw up income and expenditure statements and various financial accounts for the liquidation period which shall be submitted to the shareholders at general meeting or relevant authorities in charge for confirmation following verification by a certified public accountant registered in China.

The liquidation committee shall, within thirty days from the date of confirmation by the shareholders' general meeting or the relevant competent authority, submit the aforesaid documents to the company registration authority, apply for cancellation of company registration, and announce the termination of the Company.

(Article 160 of Mandatory Provisions)

Chapter 23 Procedures for Amendment of Articles of Association

Article 186 The Articles of Association are formulated mainly based on the Company Law, the Mandatory Provisions for Articles of Association of Companies Listing Overseas" (the "Mandatory Provisions") (Zheng Wei Fa (1994) No.21), the "Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies" (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) jointly issued by the former Securities Commission of the State Council and the State Committee for Economic System Reform on 27 August 1994 and the "Letter of Opinion About Supplementary Amendments to the Articles of Association of Companies Listed in Hong Kong" (Zheng Jian Hai Han (1995) No. 1) issued by The overseas listing of China Securities Regulatory Commission and State Commission for Restructuring Production System Division (中國證監會海外上市和國家體改委生產體制司) on 3 April 1995. Amendments to the Mandatory Provisions herein shall be made subject to the provisions under Item (4) of Article 187 and Article 188. The company may amend the Articles of Association pursuant to the provisions of the law, the administrative regulations and the Articles of Association.

(Article 161 of Mandatory Provisions)

Article 187 The Amendments to the Articles of Association shall be made according to the following procedures:

- (1) The Board shall pass the resolution by reference to the Articles of Association and the General Meeting shall be advised to amend the Articles of Association and to formulate a draft version of the Articles of Association;
- (2) A notice of the abovementioned draft version of the Articles of Association shall be sent to the shareholders of the Company to convene the general meeting to vote for the amendments thereto;
- (3) A special resolution of amendments to the Articles of Association shall be passed at the general meeting;
- (4) Where there is any amendment to the content of the Mandatory Provisions, a proposal shall be reported to the competent corporate authority approved by the State Council and The Securities Commission of the State Council, for approval purpose.

The general meeting may through an ordinary resolution grant the following to the Board that (1) the Board of the Company is entitled to amend the content of the Articles of Association in relation to a company's registered capital based on the specific conditions shall the Company increase its registered capital; (2) if there is any change that is needed for any words and the sequence of any clause of the proposal passed at the general meeting so reported to the competent corporate authority approved by the State Council and The Securities Commission of the State Council, then the Board of the Company shall have right to make relevant amendments accordingly based on the requirements from the competent corporate authority approved by the State Council and The Securities Commission of the State Council.

Article 188 Any amendment to the Articles of Association concerning the content of the Mandatory Provisions that took effective upon the approval by the competent corporate authority approved by the State Council and the competent authority of the State Council, or regarding relevant matters, such as the change of a company's name, domicile, legal representatives, registered capital, type of corporate, business scope, term of operation, the sponsor's name or title, shall be applied with the company registration authority for amendment of registration.

(Article 162 of Mandatory Provisions)

Chapter 24 Resolution of Disputes

Article 189 The company and its shareholders, directors, supervisors, general manager(s) and deputy general manager(s) are in compliance with the following rules of resolution of disputes:

- (1) In relation to disputes and claims relating to the company's affairs between the holders of shares listed overseas and the company, between the holders of shares listed overseas and the company's directors, supervisors, managers or other senior management, or between the holders of shares listed overseas and the holders of Domestic shares arising out of rights and obligations provided for in the Articles of Association, the company Law or other laws and statutory regulations, the parties concerned shall refer the dispute to arbitration for settlement.

When referring the aforesaid dispute or claim to arbitration, it shall be the whole dispute or entire claim which is so referred; where those persons who have a cause of action arising out of the same facts or those persons required to participate in the resolution of a dispute or claim are the company's shareholders, directors, supervisors, manager or other senior management or such person is the company itself, such person shall be subject to arbitration.

Regarding the dispute on definition of shareholders or shareholders register, it can be resolved other than by arbitration.

- (2) An applicant for arbitration may select the China International Economic and Foreign Trade Arbitration Commission to undertake arbitration according to its rules or, alternatively, may choose the Hong Kong International Arbitration Centre to undertake arbitration according to its rules on securities arbitration. After the applicant for arbitration refers the dispute or claim for arbitration, the opposing party shall participate in the arbitration at the arbitral body chosen by the applicant.

If an applicant chooses the Hong Kong International Arbitration Centre, any party concerned may, in accordance with the rules of the Hong Kong International Arbitration Centre on securities arbitration, request the arbitration to be undertaken in Shenzhen.

- (3) In resolving disputes or claims as mentioned in Item (1) of this Article through arbitration, the law of the People's Republic of China shall apply except if laws and statutory regulations stipulate otherwise.
- (4) An award made by the arbitral body shall be final and have binding effect on the parties concerned. (Article 163 of Mandatory Provisions)

Chapter 25 Notices

Article 190 Unless otherwise required by the Articles of Association, any notice, information, or statement in written served by the Company on the holders of overseas-listed shares listed on The Stock Exchange of Hong Kong Limited shall be served personally on all the holders of overseas-listed shares either at the registered address provided by every shareholder of overseas-listed shares, or by way of post, while notice to be served on every holder of foreign capital stocks listed in The Stock Exchange of Hong Kong Limited should be posted as in Hong Kong as possible.

Notice delivered to the domestic shareholders shall be published in one or more newspapers designated by the State's Securities Regulatory Authority, upon which the same to all domestic shareholders shall be deemed as received. ‘

Unless otherwise stated, the “announcement” referred to in these Articles of Association of the company shall mean, as to the announcements published to the holder of domestic shares of the company or the announcements required to be published in the PRC according to the relevant requirements and these Articles of Association of the company, an announcement published on any newspaper in the PRC as stipulated under the laws and administrative regulations or designated by the securities authority of the State Council; or as to the announcements published to the holders of shares listed overseas or the announcements required to be published in Hong Kong according to the relevant rules and these Articles of Association of the company, an announcement published on any newspaper in the place of stock exchange of the overseas listing designated or recommended by the local laws and regulations or designated by the relevant securities regulatory bodies.

Article 191

- (I) Under the condition that relevant rules in the place the exchange of overseas-listed shares occurs are satisfied and all required consents that are well obtained have a lasting effectiveness, any notice and document (including the documents that are served on any of its shareholders of the Company, for the purpose of providing information and/or requiring them to take action) may be delivered to the shareholders of the Company either:
- (1) by email send to the email address or website in the register of members as provided by relevant shareholders; or
 - (2) by email send to the email address or website as provided by the relevant shareholders to receive relevant information; or
 - (3) by publishing the relevant notices and/or documents to be delivered to the website of the Company: provided that relevant documents are the Company's report of the Directors, financial report and, if applicable, the report of financial summary and the Company adopts the way of posting such documents on the Company's website, the Company should inform such shareholder of a written notice through the notifying method as provided in Article 191, so as to make such shareholder know that such documents have already been published on the Company's website.

- (II) If the registered person is a joint shareholder, any consent that requires to be received from the shareholders in respect of Paragraph (I) of Article 192 shall be deemed as that made by all joint holders of relevant shares upon the grant by the joint shareholder whose name stands first in the Register.
- (III) Notwithstanding an electronic ways as specified in Paragraph (I) of Article 192 was employed by a shareholder to receive notice or document, other than the e-mail that such shareholder may require from the Company from time to time, all shareholders may receive the printed versions of any notice and document in his name of shareholder.

Article 192 Any notice delivered through the post in a prepaid envelope must specify the address and shall be deemed to have been received by the shareholders after five days the envelope of such notice was sent out.

Article 193 Any notice, document, information, or statement in written as supplied by the shareholder, director, supervisor to the Company may by person or through the registered post be delivered to the legal address of the Company.

Article 194 Shall any shareholder, director or supervisor intending to prove that he has served the notice, document, information, or statement in written on the Company much provide the proof materials that such relevant notice, document, information, or statement in written has been well delivered in the specified time through an ordinary method and has been sent to the correct address in a prepaid envelope.

Chapter 26 Additional Rules

Article 195 The meaning of “accounting firm(s)” as mentioned in the Article shall be the same as that of “auditor(s)”.

(Article 165 of Mandatory Provisions)

Article 196 Every number in this Articles of Association includes this number.