Tianjin TEDA Biomedical Engineering Company Limited

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

The Articles of Association

October 2026

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The Articles of Association of
Tianjin TEDA Biomedical Engineering Company Limited

Chapter 1 General Provisions

Article 1 Our Company (or "the Company") is a joint stock company with limited liability established under "The Company Law of the People's Republic of China", "State Council's Special Regulations on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies" and other relevant laws and administrative regulations of the State.

The Company, having been approved by the Tianjin Municipal People's Government upon its Document Jin Gu Pi [2000] No.12 Approval of Establishment of Tianjin TEDA Bio-Tech Company Limited (關於同意設立天津泰達生物科技股份有限公司的批復) issued on 6 September 2000 and established by way of promotion, was registered with the Administration for Industry and Commence of Tianjin Municipality on 8 September 2000. The business license number of the Company is 120000400079646. The promoters of the Company are: Tianjin TEDA International Incubator (天津泰達國際創業中心), Tianjin TEDA Shuang You Technology Development Company Limited (天津開發區雙友科技發展有限公司), Gu Hanqing (顧漢卿), Xie Kehua (謝克華), Yang Fusheng (楊福生), Wu Xiaofang (吳曉芳).

Article 2 The registered name of the Company:

Chinese: 天津泰達生物醫學工程股份有限公司

English: Tianjin TEDA Biomedical Engineering Co., Ltd.

Article 3 The address of the Company:

12 Taihua Road, Fifth Street, Development Zone, Tianjin, Postal code: 300457

Article 4 The legal representative of the Company is the Chairman of the Board of Directors.

Article 5 The term of operation of the Company is indefinite.

Article 6 The Articles of Association of the Company is formulated according to "The Company Law of the People's Republic of China" (the "Company Law"), the "Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies" (the "Trial Administrative Measures") and other relevant laws and administrative regulations of the State.

Article 7 From the effective date of the articles of association of the Company (the "Articles"), the Articles constitute a legally binding document governing the organization and conductor of the Company, and the rights and obligations between the Company and its shareholders, and of the shareholders inter se.

Article 8 The Articles shall be binding on the Company and its shareholders, Directors, Supervisors, general manager and other senior management members. The aforesaid personnel may, pursuant to the Articles, make claims relating the affairs of the Company.

Pursuant to the Articles, shareholders, may make claims against the Company, the Company may make claims against shareholders, shareholders may make claims against other shareholders, and shareholders may make claims against directors, supervisors, general manager and other senior management members.

In this Article, "claims" include legal proceedings in court and arbitration proceedings.

Article 9 The Company may invest in other companies with limited liability and joint stock limited companies, and the liabilities of the Company shall be limited to the amount of capital contribution made. The Company shall not be a shareholder with unlimited liabilities of any other organisations operating for profits.

Article 10 The Company is an independent corporate legal person. All the Company's acts shall comply with the laws and regulations in the PRC and jurisdictions in which overseas listed foreign shares are listed and safeguard the lawful interests of its shareholders.

Subject to compliance with laws and administrative regulations of the PRC, the Company has financing rights or borrowing rights. The financing rights of the Company includes (but not limited to) issue of debentures, charging or mortgaging in part or all of its undertakings, properties and other rights as permitted by laws and regulations of the PRC. However, the Company shall exercise such rights without prejudicial or abolished the rights entitled by any class of shareholders.

Subject to the approval of the relevant government authorities, the Board of Directors ("the "Board") of the Company may enter into the financing or borrowing acts as aforesaid in accordance with the decision made in the shareholders' general meeting.

Chapter 2 Objects and Scope of Business

Article 11 The business objective of the Company is to develop biological technologies, research and develop new biotechnical products, and enhance the health level of people.

Article 12 The scope of business of the Company shall be in accordance with the approval issued by the company registration authority of the People's Republic of China.

General business: the development of medical researches and tests; sales of Category II medical devices; sales of Category I medical devices; manufacturing of Category I medical devices; research and development of biological organic fertilizers; research and development of compound micro-organism fertilizers; research and development of technology for bio-chemical products; sales of fertilizers; agricultural machinery sales; agricultural film sales; livestock and fishery feed sales; crop straw treatment and processing and utilization services; technology service, technology development, technology exchanges, technology transfer, technology promotion; elderly care service; nursing institution service (excluding medical service); health consultation service (excluding diagnose service); housekeeping service; conference and exhibition service; corporate image planning; advertisement preparation; advertisement publication; advertisement design and agency; food sales (sale of pre-packaged food only); food internet sales (sale of pre-packaged food only). (Other than those which are subject to approval in accordance with the law, operating activities can be commenced with business licence)

Licensed items: crop seed business. (For projects subject to approval in accordance with the law, business activities can be carried out only after the approval of the relevant departments. Specific business projects are subject to the approval documents or licenses of the relevant departments). (No investment in areas where foreign investment is prohibited under the Negative list of foreign investment in China)

Article 13 With the approval of the shareholders' general meeting and relevant government authorities, the Company may adjust its scope of business or investment orientation and methods in response to change in the domestic and international markets, the demand of domestic and overseas businesses and its own development capabilities.

Chapter 3 Shares and Registered Capital

Article 14 The Company shall have ordinary shares at all times. Upon obtaining from the regulatory authorities for companies authorised by the State Council, the Company may, depending on its requirements, issue other types of shares.

Article 15 Shares issued by the Company shall have a par value of Renminbi 0.1 yuan each. The Renminbi as referred to in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 16 The Company may, upon obtaining approval from the securities regulatory authority under the State Council, issue shares to domestic investors and overseas investors.

"Overseas Investors" as referred to in the preceding paragraph refer to investors in foreign countries and in Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; and the "Domestic Investors" refer to investors in the People's Republic of China (other than the regions as aforesaid) who subscribe for shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi are referred to as "domestic invested shares". Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as "foreign invested shares". Foreign invested shares which are listed outside the Mainland are referred to as "overseas listed foreign invested shares".

"Foreign currencies" as referred to in the preceding paragraph refers to the lawful currency of countries or regions outside the PRC which are recognised by the foreign exchange authority of the State and which can be used to pay the share price to the Company.

Article 18 Overseas listed foreign invested shares issued by the Company and which are listed in Hong Kong shall be referred to as "H shares". H shares are shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the par value of which is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars. H shares shall rank pari passu with the overseas listed foreign invested shares in terms of allocation of the Company's dividend and assets.

Article 19 Upon the examination and approval by the regulatory authority for the examination and approval of the Company as authorised by the State Council, the Company issued a total amount of 300,000,000 ordinary shares at the time of its establishment, representing 100% of the total amount of ordinary shares issued by the Company. Of which 255,000,000 shares held by Tianjin TEDA International Incubator, 10,000,000 shares held by Tianjin TEDA Shuang You Technology Development Company Limited, 14,000,000 shares held by Gu Hanqing (顧漢卿), 9,000,000 shares held by Xie Kehua (謝克華), 2,000,000 shares held by Yang Fusheng (楊福生) and 10,000,000 shares held by Wu Xiaofang (吳曉芳), representing 85%, 3.33%, 4.67%, 3%, 0.67% and 3.33% respectively of the total shares.

Article 20 Following several times of increase of share capital after its establishment, the Company has issued 2,133,900,000 ordinary shares, including 697,500,000 domestic shares that accounted for 32.69% of the total amount of ordinary shares in issue by the Company and 1,436,400,000 overseas listed foreign shares that accounted for 67.31% of the total amount of ordinary shares in issue by the Company.

The share capital structure of the Company is as follows: 2,133,900,000 ordinary shares, in which 697,500,000 shares are domestic shares, of which: (1) 0 shares held by Tianjin TEDA International Incubator, the promoter. (2) 0 shares held by Tianjin TEDA Shuang You Technology Development Company Limited, the promoter. (3) 14,000,000 shares held by Gu Hanqing（顧漢卿）, the promoter, whose shareholding accounted for 0.66%. A capital contribution was made in cash and it has been paid. (4) 9,000,000 shares held by Xie Kehua, the promoter, whose shareholding accounted for 0.42%. A capital contribution was made in cash and it has been paid. (5) 0 shares held by Yang Fusheng, the promoter. (6) 0 shares held by Wu Xiaofang, the promoter. (7) 480,000,000 shares held by Shenzhen Opaipai Technology Co., Ltd. (深圳市奧派派科技有限公司), whose shareholding accounted for 22.49%. 194,500,000 shares held by other domestic shareholders, whose shareholding accounted for 9.11%. A capital contribution was made in cash and it has been paid.

1,436,400,000 shares held by shareholders of overseas listed foreign shares, whose shareholding accounted for 67.31%. A capital contribution was made in cash.

Article 21 Where the Company's resolution for issuing overseas listed foreign invested shares or domestic invested shares has been approved by the securities regulatory authority under the State Council, the Board of Directors of the Company may arrange these shares to be issued separately.

The Company's plans for the separate issues of overseas listed foreign invested shares and domestic invested shares may be respectively implemented within 15 months from the date of the approval of the securities regulatory authority under the State Council in pursuant to the provision as referred to in the preceding paragraph.

Article 22 The total number of shares that the Company has resolved to issue respectively the overseas listed foreign invested shares and domestic invested shares are required to be fully subscribed in their offering; under special circumstances where they cannot be fully subscribed in their offering, the shares may be issued by installments with the approval of the securities regulatory authority under the State Council.

Article 23 The registered capital of the Company will increase to RMB213,390,000 after the completion of capital increase in domestic shares. The registered capital of the Company shall be registered with the administration authority for Industry and Commerce and filed with the regulatory authority for the examination and approval of companies as authorised by the State Council and the securities regulatory authority under the State Council.

Article 24 The Company may, depending on its operation and development requirements, increase its capital pursuant to the approval required under the relevant provisions of the Articles.

The Company may increase its capital by way of:

(1) offer of new shares to investors not particularly designated;

(2) right issue to existing shareholders;

(3) bonus issue of new shares to existing shareholders;

(4) other methods as permitted by laws and administrative regulations.

Where the Company proposes of increasing its capital by issuing new shares, it shall seek for approval under the relevant provisions of the Articles, and then proceed according to the laws and administrative regulations of the State.

Article 25 Subject to contrary provisions in any laws and administrative regulations, the shares of the Company may be transferred freely, clear of any lien.

Article 26 Where the H shares are transferred according to the provisions of the Articles, the share transferees may request to have their name (name of H share) recorded in the register of members maintained in Hong kong as the holder of such shares pursuant to the provisions of the Articles.

Article 27 All of the issue of H shares shall be recorded in the register of members maintained in Hong Kong as required to be kept pursuant to Article 46 (2) of the Articles.

Article 28 The transfer of all or part of the shares by any holders of H shares shall be made by the standard transfer form prescribed by the Hong Kong Stock Exchange. The instrument of transfer shall be signed by hand or in a machine-printed format by the transferor and transferee.

Article 29 The Company shall ensure that the share certificates of all H shares carry the following representations, and instruct and cause the share registrar of the Company to refuse to register any person as holder of any shares of the Company subscribed, purchased or transferred unless and until the person has produced to the share registrar a share certificate carrying the following representations and has signed proper forms:

(1) The purchaser agrees with the Company and each shareholder, and the Company agrees with each shareholder, to observe and comply with the Company Law and other relevant laws, administrative regulations as well as the Articles;

(2) The purchaser agrees with the Company, each shareholder, director and management members of the Company, and the Company on behalf of itself and each director, management members, agrees with each shareholder, to refer to arbitration all the disputes and claims concerning the Articles or any rights or obligations provided for in the Company law and other relevant laws and administrative regulations, and to authorize the arbitration to be exposed to public hearing and the result of the arbitration to be publicly announced;

(3) The purchaser and the Company and the shareholders of the Company have agreed that shares of the Company can be transferred freely by shareholders;

(4) The purchaser authorizes the Company to represent him/her to enter into an agreement with the directors and management members of the Company whereby the directors and management members promise to bear and comply with their duties to shareholders provided for in the Articles.

Article 30 The H shares of the Company are listed and traded in Hong Kong Stock Exchange.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 31 The Company may reduce its registered capital in accordance with the provisions of the Articles.

Article 32 When The Company proposes of reducing its registered capital, it must draw up a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten (10) days from the date of the resolution authorising the reduction of registered capital and publish a public notice in newspapers at least three (3) times within thirty (30) days from that date. Creditors shall, within thirty (30) days of receiving the notice or forty-five (45) days of the first publication of the public notice (for those who have not received a notification), have a right to require the Company to settle its debt or to offer corresponding guarantees for their settlement.

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

Article 33 In the following circumstances, the Company may repurchase its issued shares outstanding subject to a resolution in accordance with the provisions of the Articles and with the approval of the relevant regulatory authority of the State:

(1) to cancel shares for purpose of capital reduction;

(2) to amalgamate with another company which holds shares in the Company;

(3) other circumstances which are permitted by laws and administrative regulations.

Article 34 The Company may, with the approval of the relevant regulatory authority of the State for share repurchase, carry it out by one of the following manners:

(1) an offer to repurchase made to all shareholders in equal proportions;

(2) to repurchase through open transactions in stock exchanges;

(3) to repurchase through off-market agreements outside a stock exchange.

Article 35 Where the Company proposes to repurchase its shares through an off-market agreement outside a stock exchange, it shall seek prior approval of the shareholders in shareholders' general meeting under the relevant provisions ot the Articles. The Company may rescind or vary an agreement so entered into by the Company or waive any of its rights thereunder with prior approval by the shareholders in shareholders' general meeting obtained in the manner mentioned above.

An "agreement for the repurchase of shares" as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase shares or to acquire the right to repurchase shares.

The Company shall not assign an agreement to repurchase its own shares or any rights provided thereunder.

Article 36 Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for alteration of its registered capital.

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

Article 37 Unless the Company is in the course of liquidation, it must comply with the following provisions in repurchasing its issued shares outstanding:

(1) Where the Company repurchases its shares at their par value, the amount of the total par value shall be deducted from of the Company's distributable profits or out of the proceeds of a fresh issue of shares made for that purpose;

(2) Where the Company repurchases its shares at a premium, an amount equivalent to their total par value shall be deducted from the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of their par value shall be effected as follows:

(i) if the shares being repurchased were issued at their par value, payment shall be made out of the distributable profits of the Company;

(ii) if the shares being repurchased were issued at a premium, payment shall be made out of the distributable profits of the Company or the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue may not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased or the current balance of the Company's share premium account (inclusive of the premiums from the fresh issue);

(3) Payment by the Company in consideration for:

(i) the acquisition of rights to repurchase shares of the Company;

(ii) the variation of any contract to repurchase shares of the Company;

(iii) the release of any of the Company's obligations under any contract to repurchase shares of the Company shall be made out of the Company's distributable profits.

(4) To the extent that shares are repurchased out of an amount deducted from the distributable profits of the Company, the amount of the Company's registered capital reduced under the relevant requirements shall be transferred to the Company's share premium account.

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

Article 38 The Company or its subsidiaries shall not at any time give financial assistance in any way to any person acquiring or proposing to acquire shares in the Company. The persons acquiring shares in the Company include those who have incurred, directly or indirectly, any liability for the purpose of acquiring shares in the Company.

The Company or its subsidiaries shall not at any time give financial assistance in any way to the persons who have incurred such liability for the purpose of reducing or discharging that liability.

This Article is not applicable to the circumstances described in Article 40.

Article 39 In this chapter, financial assistance includes, but not limited to, the following:

(1) Financial assistance given by way of gift;

(2) financial assistance given by means of guarantee (including the provision of an undertaking or property to secure the performance of obligations by the obliger), or indemnity, other than an indemnity in respect of the Company's own neglect or default or by way of release or waiver;

(3) financial assistance given by means of a loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party to the agreement, or by the novation of, or the assignment of rights arising under, the aforesaid loan or agreement;

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

In this chapter, incurring a liability includes the incurring of a liability by making an agreement or arrangement (whether enforceable or unenforceable, and whether made on his own account or jointly with any other person), or through changing one's financial position by any other means.

Article 40 The following activities shall not be treated as being prohibited by Article 38:

(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;

(2) a lawful distribution of the Company's assets by way of dividend;

(3) the allotment of bonus shares by means of dividend;

(4) a reduction of registered capital, a repurchase of shares or a reorganization of the share structure pursuant to the Articles;

(5) the lending of money by the Company in the ordinary course of its business where the lending of money is part of the scope of business of the Company (but only if the Company has net assets which are not thereby reduced or, to the extent that those assets are thereby reduced, if the financial assistance is provided out of the Company's distributable profits);

(6) the provision of money by the Company for contributions to employees' share schemes (but only if the Company's net assets which are not thereby reduced or, to the extent that those assets are thereby reduced, if the financial assistance is provided out of the Company's distributable profits).

Chapter 6 Share Certificates and Register of Shareholders

Article 41 Share certificates of the Company shall be in registered form.

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

(1) the Company's name;

(2) the date of registration of the Company;

(3) the class and the par value of the share certificate, and the number of shares represented by the same;

(4) the serial number of the share certificate;

(5) other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

Article 42 Share certificates shall be signed by the Chairman. Where the signatures of other senior management members of the Company are required by the stock exchange(s) on which the shares of the Company are listed, the share certificates shall also be signed by those senior management members. The share certificates shall take effect upon affixing the Company's seal or special securities seal or by printing it thereon which the authority of the Board of Directors. The signatures of the Chairman of the Company or other relevant senior management members appearing on the share certificates may also be in printed form.

Article 43 The Company shall keep a register of shareholders to contain the following particulars:

(1) the name, address (residence) of each shareholder;

(2) the category and number of shares held by each shareholder;

(3) the amount paid or payable on the shares held by each shareholder;

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

(5) the date on which each shareholder was registered as a shareholder; and

(6) the date on which each shareholder ceased to be a shareholder.

The register of shareholders shall be sufficient evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

Article 44 The Company may, pursuant to any understanding or agreement reached between the securities regulatory authority under the State Council and overseas securities regulatory authority, keep the original register of the foreign shareholders of overseas listed foreign invested shares in any place outside the PRC, and entrust its administration to an overseas agency. The original register of shareholders of H shares shall be kept in Hong Kong.

The Company shall maintain a copy of the register of the foreign shareholders of overseas listed foreign invested shares at the address of the Company; the entrusted overseas agent shall ensure that the original and the duplicate copies of the register of the foreign shareholders of overseas listed foreign invested shares are consistent at all times.

Where the original and the duplicate copies of the register of the foreign shareholders of overseas listed foreign invested shares are not consistent, the original copy shall prevail.

Article 45 The Company shall maintain a complete register of shareholders.

The register of shareholders shall contain the following particulars:

(1) a part maintained at the Company's legal address consisting of portions other than that required under paragraph (2) and (3) of this Article;

(2) the register of shareholders of H shares of the Company maintained in Hong Kong;

(3) any such parts maintained at such other place as the Board may consider necessary for listing purposes.

Article 46 Different parts of the register of shareholders shall not be overlapped. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

The alteration or rectification of each part of the register of shareholders shall be determined in accordance with the laws of its sites.

Article 47 All paid-up H shares are freely transferable in accordance with the Articles of Association without limitation of any lien of the Company; however, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer is fulfilled the following conditions:

(1) payment of a fee of HK$2.5 per instrument of transfer or the higher amount as revised by the GEM Listing Rules of Hong Kong Stock Exchange lately, to the Company for the registration of any transfer document(s) or other document(s) relating to or affecting the ownership of the shares in question or the change of ownership of those shares;

(2) the instrument of transfer relates only to the H shares;

(3) payment in full of any stamp duty due on the instrument of transfer;

(4) production of the relevant share certificates and any other evidence reasonably required by the Board to prove the transferor's right to make the transfer;

(5) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);

(6) the instrument of transfer shall be the standard transfer form required by Hong Kong Stock Exchange.

Article 48 For the purposes of convening a shareholders' general meeting, distributing dividends, liquidation or other activities requiring the determination of who is a shareholder, the Board shall designate a date to be the record date. Shareholders whose names appear on the register of shareholders at the end of that day are the shareholders of the Company.

Article 49 Any person who challenges the information set out in the register of shareholders by requiring his (its) name to be entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 50 Any person who is a registered holder of shares in the Company or who claims to be entitled to have his name entered in the register of shareholders in respect of shares in the Company may, if it appears that the certificate relating to the shares ("the original certificate") is lost, apply to the Company for a new certificate in respect of such shares (the "relevant shares").

Where holders of domestic invested shares have lost their share certificates and apply for their replacement shall be dealt with in accordance with the provisions of Article 150 of the Company Law.

Where holders of overseas listed foreign invested shares have lost their share certificates and apply for their replacement may be dealt with in accordance with the laws, the rules of the stock exchange and other relevant requirements of the place at where the original register of holders of overseas listed foreign invested shares is kept.

The issue of replacement share certificates to holders of H shares shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration stating the grounds upon which the application is made, the circumstances for such loss and the evidence thereof and that no other person shall be entitled to enter his name on the register of shareholders in respect of the relevant shares.

(2) No statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement share certificate.

(3) The Company shall, if it decides to issue a replacement share certificate, publish a notice of its intention in such newspapers or periodicals as may be prescribed by the Board. The publication must be made at least once every thirty (30) days in a period of ninety (90) days.

(4) The Company shall, prior to the publication of its notice of intention to issue a replacement certificate:

(i) deliver to the Hong Kong Stock Exchange a copy of the notice to be published. The notice may be published upon receiving confirmation from such stock exchange that the notice has been exhibited at its premises, it being a condition that such exhibition shall be for a period of ninety (90) days.

(ii) In the case of an application made without the consent of the registered holder of the relevant shares, the Company shall send by post a photocopy of the notice to be published to such registered shareholder.

(5) If, upon the expiration of the 90-day period referred to in Paragraph (3) and (4) of this Article, the Company has not received notice of any other claim in respect of the relevant shares, the Company may issue a replacement share certificate in accordance with the applicant's request.

(6) Where the Company issues a replacement share certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of shareholders accordingly.

(7) All expenses relating to the cancellation of an original share certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until reasonable security is provided by the applicant.

Article 51 Where the Company issues a replacement share certificate pursuant to the Articles, the name of a bona fide purchaser of the replacement certificate issued or of person who is subsequently registered as a shareholder owning the shares to which the certificates relates, shall not be removed from the register of shareholders.

Article 52 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

Chapter 7 Rights and Obligations of Shareholders

Article 53 A shareholder of the Company is a person who legally holds shares of the Company and who has had his name entered in the register of shareholders.

Shareholders enjoy the rights and have obligations according to the category and amount of shares held by them. Shareholders holding shares of the same class enjoy equal rights and have same form of obligations.

In case of joint holders, on the death of any one of such joint holders, only the survivor(s) shall be the only person or persons recognized by the Company as having any title to any such shares, but the Board may require such evidence of death as it may deem fit for the purpose of making amendments to the particulars in the register of shareholders. Only the person whose name stands first in the register of shareholders as one of the joint holders of any share shall be entitled to delivery certificate relating to such share, to receive notices from the Company, to attend and exercise all the voting powers attached to such share at shareholders' general meetings of the Company, and any notice given to such person shall be deemed notice to all the joint holders.

Article 54 Holders of ordinary share of the Company enjoy the following rights:

(1) to collect dividends and other distributions according to the number of shares held by them;

(2) to attend or appoint proxies to attend shareholders' general meetings and to exercise the voting right;

(3) to supervise the management of the business operations of the Company and to make recommendations or enquiries;

(4) to transfer shares in accordance with laws, administrative regulations and the Articles;

(5) to obtain relevant information in accordance with the provisions of the Articles, which shall include:

1. the right to a copy of the Articles upon payment of a charge to cover costs;

2. the right to inspect and copy after payment of reasonable charges:

(1) all parts of the register of shareholders;

(2) personal particulars of directors, general managers and other senior management members as follows:

(a) present forename and surname and any former forename or surname and any alias;

(b) principal address (residence);

(c) nationality;

(d) full-time and all other part-time occupations and duties;

(e) identity documents and their relevant number.

(3) status of the Company's share capital;

(4) reports showing in respect of each class of shares repurchased by the Company since the end of the last accounting year, the aggregate par value, the number and the maximum and minimum price paid for the shares repurchased by the Company and the total costs paid by the Company for this purpose;

(5) minutes of shareholders' general meetings.

(6) upon termination or liquidation of the Company, the right to participation in the distribution of the Company's remaining assets in proportion to the shares held by them;

(7) other rights conferred by laws, administrative regulations and the Articles.

The Company shall not have any right to block or adopt any means to damage any right and interests attached to the shares due to any person who has direct or indirect right interests not disclosing his or her rights and interests.

Article 55 Holders of ordinary share of the Company have the following obligations:

(1) to comply with the Articles;

(2) to pay subscription money according to the amount of shares subscribed by them and the method of subscription;

(3) to undertake further obligations imposed by laws, administrative regulations and the Articles.

A shareholder is not liable to make any further contribution to share capital other than as agreed by the subscriber of the relevant shares on subscription.

Article 56 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

(1) to remove a Director of his duty to act honestly in the best interests of the Company;

(2) to approve the expropriation by a Director (for his own benefit or for the benefit of another person), by any means, of the Company's assets, including without limitation, opportunities which are advantageous to the Company;

(3) to approve the expropriation by a Director (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation, rights to distributions and voting rights, save and except where it was done pursuant to a restructuring submitted to and approved by the shareholders' the shareholders' general meeting in accordance with the Articles.

Article 57 In the preceding Article, controlling shareholder refers to a person who meets any one of the following conditions:

(1) he alone or acting in concert with others has the power to elect more than half of the Board members;

(2) he alone or acting in concert with others has the power to exercise or to control the exercise of more than thirty percent (including 30%) of the voting rights in the Company;

(3) he alone or acting in concert with others holds more than thirty percent (including 30%) of the issued and outstanding shares of the Company;

(4) he alone or acting in concert with others in any other manner controls the Company in fact.

Chapter 8 Shareholders' General Meeting

Article 58 The shareholders' general meetings is the authority of power of the Company. It exercise its functions and powers according to law.

Article 59 The shareholders' general meetings shall exercise the following powers:

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

(2) to consider and approve reports of the Board;

(3) to consider and approve the Company's annual financial budget and final accounts;

(4) to consider and approve the Company's profit distribution proposals and proposals for making up losses;

(5) to resolve on the increase or reduction of the Company's registered capital;

(6) to resolve on matters such as merger, division, dissolution and liquidation of the Company;

(7) to resolve on the issuance of debentures by the Company;

(8) to resolve on the appointment, removal or non-renewal of the services of an auditor for the Company;

(9) to amend the Articles;

(10) to consider and approve proposals submitted by shareholders representing more than 1% (including 1%) of voting shares of the Company;

(11) other matters which are required by laws, administrative regulations and the Articles to be resolved by the shareholders' general meeting

Article 60 The Company shall not enter into any contract with any person other than a director, general manager, deputy general managers or other senior management members of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the prior approval of shareholders in a shareholders' general meeting.

Article 61 Shareholders' general meetings can be annual general meetings or extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. The annual general meetings shall be convened once a year, and shall take place within six months of the end of the preceding financial year.

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

(1) where the number of Directors is less than the number stipulated in the Company Law or is no more than two thirds of the number required by the Articles;

(2) where the accrued losses of the Company amount to one-third of its total share capital;

(3) where shareholders holding ten percent or more (including 10%) of the Company's issued shares carrying the right to vote make a request in writing to convene an extraordinary general meeting;

(4) where the Board considers it is necessary to propose to call for such a meeting;

(5) where two or more independent non-executive Directors make a call for an extraordinary general meeting.

Article 62 The shareholders' general meeting and extraordinary general meeting of the Company may be convened and voted on by means of electronic communications such as the Internet and telephone.

Article 63 Where the Company convenes a shareholders' annual general meeting, the written notice, public announcement or other forms of notification as stipulated in the Articles of Association twenty (20) days before the date of the meeting; Where the Company convenes an extraordinary general meeting, the written notice, public announcement or other forms of notification as stipulated in the Articles of Association to notify all shareholders whose names appear in the register of shareholders must be given not less than fifteen (15) days before the meeting of the matters to be considered and the date and venue of the meeting.

Article 64 In an annual general meeting of the Company, shareholders holding more than one percent (including 1%) of the total voting shares of the Company are entitled to propose new resolutions in written form. The Company shall include those matters which are within the scope of duties of the shareholders' general meeting into the agenda of such meeting.

Article 66 Notice of shareholders' general meeting shall:

(1) be in writing, email or public announcement;

(2) state the venue, date and time of the meeting;

(3) state the motions to be discussed at the meeting;

(4) provide such information and description as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such a proposal must be properly explained;

(5) contain a disclosure of the nature and extent, if any, of material interests of any director, general manager or other senior management members in the transaction proposed and the effect of the proposed transaction on him in his capacity as shareholder in so far as it is different from the effect on the other shareholders of the same class;

(6) contain the full text of any special resolution proposed for the meeting;

(7) contain a specific statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholders;

(8) state the time within which and the address to which the relevant instruments appointing the proxies for the meeting are to be delivered.

Article 67 For Shareholders of domestic shares and H shares, notice of the shareholders' general meeting shall be made by way of an announcement. The public announcement referred to in the preceding sentence shall be published on the website of HKEx no later than twenty (20) days prior to the annual general meeting or fifteen (15) days prior to the extraordinary general meeting. All Shareholders of domestic shares and H shares shall be deemed to have received the notice of the relevant shareholders' meeting upon the publication of the announcement.

Article 68 The accidental omission to give notice of the meeting to, or the non-receipt of such notice by, any person entitled to receive such notice shall not invalidate the meeting or any resolution passed at such meeting.

Article 69 Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one person or more (need not be a shareholder) as his proxy to attend and vote instead of him/her; such proxy could exercise the following rights as entrusted by such shareholder:

(1) the right of speech of such shareholder at a shareholders' general meeting;

(2) demand a poll either by him/herself or jointly with others;

(3) exercise voting rights by show of hands or by way of poll, but such voting rights shall only be exercised by way of poll if more than one proxy have been appointed.

Article 70 The appointment of a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if the appointor is a corporation, either under corporate seal or under the hand of its director or its attorney duly authorised.

Article 71 The instrument appointing a proxy shall be deposited at the premises of the Company or such other place specified in the notice of meeting convening such meeting not less than 24 hours before the time for holding such meeting or 24 hours before the specified time demanding a poll. The power of attorney or other authority shall be notarized if such instrument is signed by others authorized by the appointor. The notarized power of attorney or other authority shall be deposited at the premises of the Company or such other place specified in the notice of meeting together with such instrument.

In the case of the appointor being a corporation, its legal representative or person(s) authorized by the Board or other decision-making bodies shall act as representative to attend shareholders' meetings of the Company.

Article 72 Any format of the instrument appointing a proxy given to a shareholder by the Board shall allow such shareholder to freely instruct such proxy to vote in favour of or against a resolution, and to give instruction in respect of any item needed to be resolved for each resolution on the meeting. Such instrument shall indicate that if no instruction is given, the proxy should vote at his/her discretion.

Article 73 In case of death, incapacitation, revoke of appointment and the authority under which the instrument is signed or a transfer of relevant shares of the appointor prior to voting, the votes cast by a proxy in accordance with such instrument shall not be invalidated as long as the Company has not received a written notice on such businesses prior to the relevant meeting.

Article 74 An individual shareholder attending a shareholders' general meeting in person shall produce his/her identification proof and evidence of his/her shareholdings: a proxy representing his/her shareholder to attend a shareholders' general meeting shall produce his/her identification proof, evidence of his/her shareholdings and the instrument under he/she is appointed (other than a clearing house (or its agent) (hereinafter referred to as "Clearing House") as defined under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)) as well as the identification proof of the agent. In case of a corporate shareholder appointing its legal representative to attend the meeting, the Company has the right to request such legal representative to produce the evidence of shareholdings as being the corporate shareholder, and a valid copy of the resolution by the Board or other governing bodies appointing such legal representative (excluding Clearing House), as well as a valid identification proof and a copy of the power of attorney of that corporate representative. If the corporate shareholder is a Clearing House, it could authorize one person or more whom they think fit to act as its representative at any shareholders' general meeting . However, if more than one person are authorized, the power of attorney shall set out the number and the class of shares in respect of each such persons so authorised. Any person so authorized could exercise the rights on behalf of the Clearing House, as if such person is an individual shareholder of the Company.

Article 75 The resolutions of a shareholders' general meeting are divided into ordinary resolutions and special resolutions.

Passing of an ordinary resolution at a shareholders' general meeting shall be made with more than half of the voting rights held by the shareholders (including proxies) present at the shareholders' general meeting.

Passing of an ordinary resolution at a shareholders' general meeting shall be made with more than two-thirds of the voting rights held by the shareholders (including proxies) present at the shareholders' general meeting.

Shareholders (including proxies) present at a shareholders' general meeting shall expressly vote in favour of or against every business put to vote. An abstention of vote or abstaining from voting shall not be treated as votes with voting rights when the voting results of such business is being counted.

If any shareholder must abstain from voting or is restricted to vote only in favour of or against a special resolution according to the Articles of Association of the Company or the Listing Rules of the GEM of the Stock Exchanges, the vote cast in violation of the above requirements or restrictions by such shareholder or his/her proxy shall not be counted as a valid votes.

Article 76 When a shareholders (including proxy) exercise his/her voting rights in respect of the number of shares, with voting rights, represented by him/her at a shareholders' general meeting, each share has one vote.

Article 77 A shareholders' general meeting shall be decided by show of hands or a poll, and a declaration by the chairman that a resolution has on a poll been carried, and an entry to that effect made in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour or against such resolution carried at the meeting.

Article 78 If the business put to vote by poll concerns the election of the chairman or adjournment of the meeting, it shall be immediately voted. The other businesses put to vote by poll will be decided by the chairman as to when to vote. The meeting could proceed to discuss other businesses and the poll results will be regarded as made at the meeting.

Article 79 On a poll, a shareholder (including proxy) entitled to two or more votes need not cast all their votes in favour of or against a resolution.

Article 80 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second vote.

Article 81 The following matters shall be passed by an ordinary resolution at a shareholders' general meeting:

(1) work reports of the board of directors;

(2) profit distribution plan and loss compensation plan prepared by the board of directors;

(3) removal of the members of board of directors as well as the manner of compensation and payment;

(4) annual budgets, final accounts, balance sheet, income statement and other financial statements of the Company;

(5) other matters apart from those should be passed by special resolutions as required by the laws, administrative regulations or the Articles of Association of the Company.

Article 82 The following matters shall be passed by a special resolution at a shareholders' general meeting:

(1) an increase or reduction of equity, issuance of any class of shares, warrants and other similar securities by the Company;

(2) an issuance of debentures of the Company;

(3) a segregation, merger, dissolution and liquidation of the Company;

(4) amendments to the Articles of Association of the Company;

(5) other matters which are believed to cause material impact to the Company passed by ordinary resolution ad those required to be passed by special resolutions at a shareholders' general meeting.

Article 83 Shareholders who request to convene an extraordinary general meeting shall follow the procedures set out below:

(1) Two or more shareholders who in aggregate hold more than 10% (inclusive 10%) of the voting rights of the shares with voting right in such a proposed meeting may sign one or more written requisitions in the same form and contents, requesting the board of directors to convene an extraordinary general meeting, and specifying the subject matter of the meeting. The board of directors shall convene the extraordinary general meeting as soon as possible upon receiving the aforesaid written requisitions.

The aforesaid number of shares is based on the date of the written requisitions by the shareholders.

(2) If the board of directors fails to give the notice convening the meeting within 30 days after receiving the written requisition, the shareholders requesting such requisitions may convene such a meeting by themselves within 4 months after the board of directors has received the requisitions. The procedures of convening the meeting shall follow as much as possible those procedures for a shareholders' general meeting convened by the board of directors.

The Company shall be liable to bear all the costs incurred reasonably in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions, which shall be deducted from any payment owed to the directors who are in default of their duties.

Article 84 A shareholders' general meeting shall be convened and presided over by the chairman of the board of directors. If the chairman is unable to attend the meeting, the chairman may appoint another director of the Company to convene and preside over the meeting; shareholders attending the meeting may elect a chairman if it is left unspecified. If for any reason the shareholders fail to elect a chairman of the meeting, the shareholder present in person or by proxy in the meeting and holding the largest number of shares with the right to vote shall be the chairman of the meeting.

Article 85 The chairman of the meeting is responsible for deciding if a resolution at the shareholders' general meeting is passed. His decision shall be final and it shall be announced at the meeting and recorded in the minutes of the meeting.

Article 86 If the chairman of the meeting has any doubt as to the result of voting on any resolution, he may have the votes counted. If the chairman of the meeting does not make a count of such votes, any shareholder present in person or by proxy at the meeting who objects the result announced by the chairman of the meeting shall be entitled to request a count of the votes immediately following the declaration of the result and the chairman of the meeting shall forthwith proceed with such counting.

Article 87 In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be recorded in the minutes of the meeting.

Article 88 Minutes shall be taken in respect of the decisions on matters resolved at the shareholders' general meeting, which shall be signed by directors attending the meeting. Minutes of the meeting together with the signature book of shareholders attending the meeting and the instrument appointing a proxy shall be kept at the legal domicile of the Company.

Article 89 Shareholders shall be entitled to inspect the copies of the minutes of the shareholders' general meeting(s) free of charge during office hours of the Company. Upon the request from any shareholder for a copy of the relevant minutes of meeting, the Company shall send the copy of the minutes so requested within 7 days after the receipt of reasonable payment.

Chapter 9 Board of Directors

Article 90 The Company shall have a board of directors as the permanent governing body of the Company.

Article 91 The board of directors comprises 9 directors, of which 2 are executive directors, 3 are independence non-executive directors and 4 are non-executive directors. The Board shall have a chairman.

Article 92 Directors shall be elected in a shareholders' general meeting with a term of 3 years. Upon expiration of the term, the directors shall be eligible for re-election and re-appointment.

The notice on nomination of candidates for the election of directors shall be given to the Company with a minimum period of 7 days, during which the candidates could give a notice to the Company indicating their willingness to stand for the election. The submission period for such notice is from the following day of dispatching the notice of the shareholders' general meeting on election to 7 days prior to the convening of such shareholders' general meeting.

The chairman shall be elected and dismissed by more than a half of all the directors on the Board with a term of three years. Upon expiration of the term, the chairman shall be eligible for re-election and re-appointment.

The shareholders' general meeting could dismiss any director whose term has not expired by way of a ordinary resolution under the premise of complying with relevant laws and administrative regulations (but claims that may be submitted under any contract shall not be affected).

Directors need not hold shares of the Company.

Article 93 The board of directors shall be accountable to the shareholders' general meeting and shall have the following responsibilities:

(1) to convene a shareholders' general meeting and report to the meeting their work;

(2) to implement the resolutions passed at the shareholders' general meeting;

(3) to determine the business plans and investment proposals of the Company;

(4) to prepare the annual financial budget and final accounts of the Company;

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

(6) to prepare proposals for the increase or reduction of the registered capital of the Company and proposals for the issuance of debentures;

(7) to prepare proposals for merger, segregation or dissolution of the Company;

(8) to determine the establishment of the internal management structure of the Company;

(9) to appoint or dismiss the general manager of the Company and according to the nomination by the General manager, to appoint or dismiss the Chief Financial Officer and to determine their remuneration;

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

(11) to draw up proposals for the amendment of the Articles of Association;

(12) to determine the finance and borrowings of the Company and the pledge, lease, contract and transfer of the major assets of the Company, and to authorize the general manager to exercise the rights in this paragraph to a certain extent and within a certain period, subject to the relevant laws, regulations and Articles of Associations of the Company;

(13) to perform other duties and powers as stipulated in the Articles of Association and as authorized by shareholders' general meetings.

Except that the resolutions in relation to the matters mentioned in (6), (7), (11) and (12) above shall be passed by not less than two-thirds of the directors, the resolutions in relation to other matters could be passed by more than half of the directors.

Article 94 The board of directors shall perform their duties in compliance with the laws of the State, administrative regulations, the Articles of Association of the Company and the resolutions of shareholders' general meetings.

Article 95 The chairman of the board of directors shall exercise the following powers:

(1) to preside over the shareholders' general meetings and to convene and preside over the meetings of the board of directors;

(2) to review the implementation of the resolutions of the board of directors;

(3) to sign the securities issued by the Company;

(4) other responsibilities conferred by the board of directors.

If the chairman of the board of directors is unable to perform his duties, he could appoint another director to perform such duties on his behalf.

Article 96 Meetings of the board of directors should be held at least twice every year and convened by chairman with the notice of which should be delivered to all directors fifteen days prior to the meeting. In case of urgent issues, extraordinary meeting of the board of directors would be proposed to be held by more than one third of directors or General Manger.

Article 97 Notice of meeting of the board of directors and extraordinary meeting of the board of directors should be delivered by the following means:

(1) If the time and venue of the regular meeting of the board of directors have previously been decided by the board of directors, the meeting is deemed to be noticed by law.

(2) If the time and venue of meeting of the board of directors have not previously been decided by the board of directors, the chairman should notify directors of the time and place of meeting of the board of directors by email, telegram, facsimile, express delivery, registered mail or personal delivery not less than fifteen days before such meeting.

(3) If an urgent matter arises that requires an extraordinary meeting of the board of directors to be convened, the chairman or secretary of the board of directors of the Company would notify directors of the time and place of meeting of the board of directors by email, telegram, facsimile, express delivery, registered mail or personal delivery not less than two days and not more than fifteen days before such meeting.

(4) The notice shall be in Chinese and, where necessary, have attached thereto an English translation thereof and shall include an agenda of the meeting. Any directors would waive rights of receiving notice of the meeting of the board of directors.

(5) If a Director has attended a meeting, a notice shall be deemed to have been sent to him.

(6) The regular meeting of board of directors or extraordinary meeting of the board of directors may be convinced in a form of a conference telephone or similar communication equipment by means of which all directors participating in the meeting are capable of hearing and communicating with each other and all directors participating are deemed have attended the meeting personally.

Article 98 The meeting of the board of directors may not be held unless not less than half of the directors are present.

Each Director shall have a ballot for voting. Unless otherwise required herein, the resolutions of the board of directors shall be passed by more than half of all directors. The chairman of the board of directors is entitled to an additional casting vote in case of an equality of for and against votes.

In the event that more than one-fourth of directors or more than two external directors consider that the information of the resolution is insufficient or the proof is not clear, they could defer the meeting of the board of directors or defer the discussion of certain matters of the board of directors, which should be adopted by the board of directors.

Article 99 A Director should attend the meeting of the board of directors in person. In the event that a Director cannot attend the meeting, he could authorise another director to attend the meeting of the board of directors on behalf of him/her by means of a written attorney, which should set out the scope of authorization.

The director who attends meeting should exercise rights of the Director within the scope of the authorization. In the event that a Director does not attend a meeting of the board of directors, neither in person nor by proxy, he is deemed to abstain from the voting at such meeting.

Article 100 The board of directors should keep minutes for resolutions passed at the meeting, and directors, secretary of the board of directors and the minute-taker that attend the meeting should sign on the minutes of the meeting. Recommendations issued by independent Director should be stated in the resolution of the board of directors. directors should be liable of resolutions of the board of directors. Any resolutions of the board of directors prejudice the law, regulation or Articles of Association and result in material loss to the Company, directors who participate in the resolution should be liable for the indemnity to the Company; but Director who vote against to the resolution and be recorded in minutes should be discharged from the liability.

Chapter 10 Secretary of the Board of Directors

Article 101 The Company should have a Secretary of board of directors, who shall be a senior management member of the Company.

Article 102 Secretary of board of directors should be a natural person who possesses necessary professional knowledge and experience and appointed by the board of directors. The principal duties of the responsibility is:

(1) to ensure that organization document and records of the Company are complete;

(2) to ensure that the Company prepares and submits the required reports and documents to relevant authorities in accordance with the law;

(3) to ensure that register of Members is properly maintained and that persons entitled to access the relevant records and documents of the Company may receive such records and documents.

Article 103 The director of the Company or other senior management members may concurrently hold the office of the Secretary of board of directors. The accountant from an accounting firm engaged by the Company should not concurrently hold the office of the Secretary of board of directors.

If a Director acts as the Secretary of board of directors and an act is required to be done by a Director and the Secretary of board of directors separately, such person who is at the same time a Director and the Secretary of board of directors shall not perform such act in both capacities.

Chapter 11 General Manager of the Company

Article 104 The Company shall have a general manager who is appointed or dismissed by the board of directors. The meaning of "general manager" herein is the same as "Manager" in the Company Law.

Article 105 The general manager is accountable to the board of directors and exercises the following duties and powers:

(1) to be in charge of the business and management of the Company and implement resolutions of meeting of the board of directors;

(2) to draft and implement the annual business plans and investment plan of the Company;

(3) to draft plans for the establishment of an internal management structure of the Company;

(4) to devise the basic management system of the Company;

(5) to draft the basic statutes of the Company;

(6) to nominate, appoint or dismiss financial personnel of the Company;

(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;

(8) to determine the award or penalty, promotion or degradation, increment or decrement in salary and to make decision on the appointment, employment, dismissal and lay off of the staff and workers of the Company;

(9) to carry out important external business on behalf of the Company as authorised by the board of directors;

(10) other duties conferred by these Articles of the Company and the board of directors.

Article 106 The general manager shall attend the meeting of the board of directors. The general manager who is not a Director shall have not voting rights at meeting of the board of directors.

Article 107 In exercising his duties, the general manager should not vary resolution of shareholders' general meetings or meeting of the board of directors, neither should he exercise powers beyond his authority.

Article 108 In exercising his duties, the general manager should comply with requirement of the law, regulation and Article of Association of the Company with honesty and diligence.

Chapter 12 Audit Committee

Article 109 The Company can, instead of setting up a supervisory committee or having supervisor(s), establish an audit committee comprising the directors of the board of directors and exercises the powers of the supervisory committee as prescribed under the Company Law.

Article 110 The Audit Committee shall consist of not less than three members. A majority of the members of the Audit Committee shall not hold positions in the Company other than as directors and shall not have any relationship with the Company that may affect their independent and objective judgment.

Article 111 The Resolutions made by the Audit Committee shall be passed by a majority of the members of the Audit Committee.

Voting on resolutions of the Audit Committee shall be by one person, one vote.

Chapter 13 Qualifications and Obligations of Directors and General Manager and Other Senior Management Members of the Company

Article 112 A person shall not serve as a director, general manager or other senior management member if any of the following circumstances applies:

(1) the person who is incapable or with limited capabilities under the law;

(2) the person has been convicted of an offence of corruption, bribery, misappropriation of properties or violating social and economic order, and less than five years have elapsed since the expiration of the enforcement period; or the person has been deprived of political rights due to conviction and less than five years have elapsed since the expiration of the enforcement period;

(3) the person is a former director or factory manager or manager of a company or an enterprise which has become insolvent as a result of improper operation and management and such person is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;

(4) the person was the legal representative of a company or a representative of a company or an enterprise whose business licence has been revoked as a result of the violation of the laws and who is personally liable, where less than three years have elapsed since the date of revocation of the business licence of such company or enterprise;

(5) the person has a relatively large amount of personal indebtedness which is overdue and outstanding;

(6) the person is under criminal investigation by the judicial authorities due to possible violation of criminal laws, where such investigation is still pending;

(7) the person is prohibited by the laws or administrative regulations from acting as a leader of an enterprise;

(8) the person is a non-natural person;

(9) the person who has been convicted of violation of the relevant securities regulations, which involved fraud and dishonest acts, by a relevant supervisory authority, and where less than five years have elapsed since the day of such conviction.

Article 113 The validity of an act of directors, general managers, and other senior management members of the Company acting on behalf of the Company vis-à-vis a bona fide third party shall not be affected by the non-compliance in the appointment, election or qualification of such person.

Article 114 In addition to the obligations imposed by the laws, the administrative regulations or the listing rules of any stock exchanges on which the shares of the Company are listed, a Director, general manager, and other Senior Manager of the Company shall owe a duty to each shareholder in respect of the following obligations in the exercise of duties entrusted to them by the Company:

(1) not to cause the Company to act beyond the scope of business stipulated in its business licence;

(2) to act faithfully in the best interests of the Company;

(3) not to deprive the Company of its assets in any manner, including, but not limited to, not to usurp the opportunities beneficial to the Company;

(4) not to deprive the personal interests of the shareholders including, but not limited to, the rights to distribution and voting rights save and except pursuant to a restructuring of the Company submitted to shareholders for approval in shareholders' general meetings in accordance with these Articles of Association.

Article 115 In exercising their rights or discharging their duties, the directors, general manager and other senior management members owe a duty to exercise the reasonable care, diligence and skill of a reasonable and prudent person acting under such circumstances.

Article 116 In discharging their duties, the directors, general manager and other senior management members of the Company shall observe the fiduciary principle and shall not put themselves in a position where their personal interests may conflict with the duties they assumed. Such principle shall include but not be limited to, the undertaking of the following obligations:

(1) to act honestly in the best interests of the Company;

(2) to exercise powers within, and not to act beyond, their authority;

(3) to exercise the discretionary power vested in them personally and not allow themselves to exercise such discretionary power under the direction or influence of other persons and, unless and to the extent permitted by the laws or administrative regulations or the informed consent of the shareholders' general meeting, not to delegate the exercise of their discretion;

(4) to treat the shareholders of the same class equally and to treat the shareholders of different classes fairly;

(5) unless otherwise provided herein or with the informed consent of the shareholders' general meeting, not to enter into contracts, transactions or arrangements with the Company;

(6) without the informed consent of shareholders' general meeting, not to use the property of the Company in any manner for their own benefits;

(7) not to exploit their positions to accept bribes or other unlawful income nor to deprive the Company of its property in any manner, including, but limited to, usurp the opportunities beneficial to the Company;

(8) without the informed consent of shareholders' general meeting, not to accept any commission in connection with the transactions of the Company;

(9) to abide by these Articles of Association, to perform their duties faithfully, to protect the interests of the Company, and not to pursue personal benefits by exploiting their positions and authorities in the Company;

(10) without the informed consent of shareholders' general meeting, not to compete in any way with the Company;

(11) not to misappropriate the funds of the Company or to lend the funds of the Company to others in breach of rules; not to deposit the assets of the Company in the accounts opened under their own names or the names of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or any other persons;

(12) without the informed consent of shareholders' general meeting, not to disclose any confidential information of the Company acquired during their terms of office, nor to make use of such information except for the benefit of the Company, provided that such information may be disclosed to a court of law or other governmental authorities under the following situations:

1. as required by the laws;

2. as required by the public interest;

3. is required by the interests of such directors, supervisors, general manager and other senior management members.

Article 117 The directors, general manager and other senior management members of the Company shall not knowingly cause any one of the following persons or organizations ("connected persons") to do such acts which such directors, general manager and other senior management members are prohibited from doing:

(1) the spouse or the minor children of directors, general manager and other senior management members of the Company;

(2) a trustee of directors, general manager and other senior management members or the Company or of the persons mentioned in (1) of this Article;

(3) a partner of directors, general manager and other senior management members of the Company or of the persons mentioned in (1) and (2) of this Article;

(4) companies actually and solely controlled by directors, general manager and other senior management members of the Company, or companies actually and jointly controlled by the persons referred to in (1), (2) and (3) of this Article or the directors, general manager and other senior management members of the Company;

(5) the directors, general manager and other senior management members of the Company being controlled as mentioned in (4) of this Article.

Article 118 The integrity obligation of the directors, general manager and other senior management members of the Company shall not be necessarily terminated after the expiration of their terms of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiration of their terms of office. The continuance of other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and their departure from office and the circumstances and the conditions under which their relations with the Company were terminated.

Article 119 The liabilities of directors, general manager and other senior management members of the Company in respect of the breach of certain substantive obligations may be discharged with the informed consent by shareholders' general meeting except for the circumstances provided for in Article 58 of these Articles and Association.

Article 120 In an event that the directors, general manager and other senior management members of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or proposed to be made with the Company (except for the service contract of the directors, general manager and other senior management members of the Company), they shall disclose to the board of directors the nature and extent of their interest at the earliest opportunity, whether or not the relevant matters are subject to the approval by the board of directors under normal circumstances.

Unless the directors, general manager and other senior management members of the Company so interested has disclosed such interest to the board of directors as required in this Article and the board of directors has approved the same in meeting in which he has not been counted in the quorum and has refrained from voting, the Company shall have the right to revoke such contracts, transactions or arrangements except as against a bona fide party without notice of the breach of the duties by the directors, general manager and other senior management members concerned.

If any connected person of directors, general manager and other senior management members of the Company is interested in certain contracts, transactions or arrangements, such directors, general manager and other senior management members shall also be deemed to be interested in the same.

Article 121 If a director, general manager, vice general manager or other senior management members of the Company has sent a written notice, stating that in view of the content set out thereof, he shall be interested in the contract, transaction or arrangement to be entered by the Company, to the board of directors before the Company's first consideration of entering into the relevant contract, transaction or arrangement, in such case, to the extent explained in the notice, the related director, general manager, vice general manager or other senior management members shall be deemed as having made such disclosure as provided in the preceding article of this chapter.

Article 122 The Company shall not pay taxes in any manner for its directors, general managers and other senior management members.

Article 123 The Company shall neither provide loans or guarantees for loans, directly or indirectly, to the directors, general managers and other senior management members of the Company and its parent company, nor provide loans or guarantees for loans to the related persons of the said persons.

The preceding clause does not apply to the following cases:

(1) the Company provides loans or guarantees for loans to its subsidiaries;

(2) according to the appointment contracts approved at the shareholders' general meeting, the Company provide loans, guarantees for loan or other sum to the directors, general managers and other senior management members of the Company such that they may make payments for the purpose of the Company or pay the expenses incurred on account of their performance of the duties in the Company;

(3) If provision of loans and guarantees for loans are within the scope of normal business of the Company, it may provide loans and guarantees for loans to relevant directors, general managers and other senior management members and their related persons, provided that such provision shall be made under normal commercial conditions.

Article 124 Loans provided by the Company in breach of the preceding Article shall be repaid forthwith by the recipients irrespective of the terms under the loans.

Article 125 Guarantees for repayment of loans provided by the Company in breach of clause 1 of Article 129 shall not be enforceable against the Company, unless:

(1) at the time the loans were provided to the related persons of the directors, general managers, vice general managers and other senior management members of the Company or its parent company, the lender was not aware of such cases;

(2) the collaterals provided by the Company have been lawfully disposed by the lenders to a bona fide purchaser.

Article 126 The guarantees mentioned in the preceding Article include behaviour where obligations or properties are undertaken or provided by the guarantor to guarantee the obligors perform their obligations.

Article 127 In addition to the rights and remedies provided by the laws and administrative regulations, where a director, general manager or other senior management members of the Company is in breach of his duties to the Company, the Company has a right to:

(1) claim damages from such director, general manager and other senior management members in compensation for losses incurred by the Company as a result of such breach;

(2) rescind any contracts or transactions entered into by the Company with such director, general manager and other senior management members and any contracts or transactions entered into by the Company with a third party (where such third party is aware or should have been aware that there is such director, general manager, vice general manager and other senior management members is in breach of his duties to the Company);

(3) demand such director, general manager and other senior management members to return the revenue generated from breaching his duties;

(4) recover any monies received by such director, general manager and other senior management members which should otherwise have been received by the Company, including but not limited to commissions;

(5) request such director, general manager and other senior management members to return the interests accrued or may be accrued on the monies which should have been paid to the Company.

Article 128 Writing contracts in relation to remuneration shall be entered between the Company and its directors subject to prior approval at the shareholders' general meetings. The aforementioned remuneration includes:

(1) remuneration for serving as the directors, senior management members of the Company;

(2) remuneration for serving as the directors, senior management members of the subsidiaries of the Company;

(3) remuneration for providing other services relating to the management of the Company and its subsidiaries;

(4) payments made to compensate such director for the loss of office or retirement.

Saving the aforementioned contracts, no proceeding shall be initiated by the directors against the Company for their deserved benefits related to the foregoing issues.

Article 129 Contracts concerning emoluments between the Company and its directors shall provide that, in the event of a takeover of the Company, the directors shall, subject to the prior approval at the shareholders' general meetings, have the rights to receive compensation or other payments in respect of a loss of office or retirement. A "takeover of the Company" referred to in the preceding clause means either:

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

(2) an offer made by any person, aiming at procuring the offeror to become the "controlling shareholder", the definition of which has the same meaning as "controlling shareholder"set out in the Article 59.

If the relevant director does not comply with the provision under this article, any proceeds so received by him shall belong to those who have sold their shares as a result of the said offer. The expenses incurred in distributing such proceeds on pro rata basis shall be borne by the relevant director and shall not be paid out of such proceeds.

Chapter 14 Financial Accounting System and Profit Distribution

Article 130 The Company shall establish its financial and accounting systems and internal audit system according to laws, administrative regulations and the regulations of the PRC accounting standards prepared by the competent financial department of the State Council.

Article 131 The Company shall prepare a financial report at the end of each accounting year and shall be audited and examined in accordance with laws. The Company's financial reports shall include the following financial and accounting statements as well as schedules of breakdowns:

(1) Balance sheet;

(2) Profit and loss statement;

(3) Statement of changes in financial position (or cash flow statement);

(4) Description of the financial situation;

(5) Statement of profit distribution.

Article 132 The board of directors of the Company shall submit to shareholders the financial reports prepared by the Company requested by laws, administrative regulations, regulatory documents issued by local governments and competent departments at each annual general meeting.

Article 133 For the Shareholders of H shares and domestic shares, the financial report of the Company shall be notified by means of an announcement published on the website of HKEx. All Shareholders of domestic shares and H shares shall be deemed to have received the financial report of the Company upon the announcement of the financial report published.

Article 134 Not only shall the financial statements of the Company be prepared according to the PRC accounting standards and regulations, but also shall such statements be in line with the international accounting standards or standards at place of overseas listing. Any differences between the statements prepared on both accounting standards shall be indicated in the notes to the financial statements. Allocation of the profit after tax for the accounting year shall be based on the lower of profit after tax shown in both versions of the statements.

Article 135 Interim Results or financial data announced or disclosed by the Company shall be prepared according to the PRC accounting standards and regulations as well as international accounting standards or standards at place of overseas listing.

Article 136 The Company shall publish two financial reports in each accounting year, i.e. the interim reports published within 3 months after the end of the first six months of the accounting year, and the annual reports published within 4 months after the end of the accounting year.

The Company will publish the relevant financial reports according to the Rules Governing the Listing of Securities on GEM of the Hong Kong Stock Exchange, in the case that the Rules Governing the Listing of Securities on GEM tighten the requirements on publishing the financial reports without violating the foregoing provisions.

The Company may dispatch: (i) copies of financial reports summary to the shareholders or holders of listed securities instead of annual reports and copies of financial reports; (ii) copies of half-yearly reports summary to the shareholders or holders of listed securities instead of copies of half-yearly reports. Under the above circumstances, the Company shall comply with the relevant regulations of the Companies Law, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) and the GEM Listing Rules of the Stock Exchange.

Article 137 The Company shall not keep separate books apart from its statutory books.

Article 138 The Company implements an internal audit system, in which an internal audit institution is set up or internal auditing staffs are provided for auditing and supervising the fiscal revenue and expenditure as well as economic activities of the Company internally under the leadership of the board of directors.

Article 139 Profit after tax of the Company shall be distributed in the following order:

(1) covering losses;

(2) transferring to the statutory surplus reserve;

(3) transferring to the statutory public welfare fund;

(4) transferring to the discretionary surplus reserve;

(5) paying dividends on ordinary shares.

Article 140 Corporation reserve includes surplus reserve and capital reserve. Surplus reserve consists of statutory surplus reserve and discretionary surplus reserve.

Article 141 When distributing its profit after tax for the current year, the Company shall transfer 10% of the profit to its statutory surplus reserve, and transfer 5% to 10% of the profit to its statutory public welfare fund. Transfer to the statutory surplus reserve of the Company may cease once its cumulative amount exceeds 50% of the Company's registered capital. Where the statutory surplus reserve is not sufficient to cover the loss of the Company from the previous year, the profit for the current year shall be used firstly to cover such loss before transferring to the statutory surplus reserve and the statutory public welfare fund pursuant to the previous provision. The Company may transfer to the discretionary surplus reserve after transferring the profit after tax to the statutory surplus reserve and having resolved at the shareholders' general meetings. After the Company has covered losses and transferred to surplus reserve and the statutory public welfare fund, the remaining profit shall be distributed among shareholders on a pro rata basis.

If the shareholders' general meeting or the board of directors violates the preceding provisions and distributes the profit among shareholders prior to covering its losses and transferring to the statutory surplus reserve and the statutory public welfare fund, the profit distributed in violation of such provisions shall be returned to the Company.

Article 142 Capital reserve includes the followings:

(1) share premium in excess of the nominal value of the share issued;

(2) other income classified as capital reserve required by the competent financial department of the State Council.

Article 143 Purposes of the capital reserve are limited to the followings:

(1) covering losses;

(2) expanding the operation of the Company or increasing its capital.

The Company may by resolution at the shareholders' general meeting allot new shares in proportion to the shares held by the shareholders upon transferring the capital reserve to the capital, provided that statutory surplus reserve, when it is transferred to the capital, shall retain at least 25% of the registered capital.

Article 144 The amount transferred to the statutory surplus reserve by the Company shall be applied to the collective benefits of the employees of the Company.

Article 145 Dividends shall be paid, in proportion to the shares held by the shareholders within 6 months after the end of each accounting year. The board of directors may, with the authorisation of the shareholders' general meeting, pay interim dividends unless otherwise determined by the shareholders' general meeting.

Article 146 Dividends shall be paid by the Company in the following forms:

(1) in cash;

(2) by shares.

Article 147 Payment of dividends or otherwise which is denominated and declared in RMB by the Company to the shareholders of the domestic shares shall be made in RMB within three months since the date of such declaration; the payment of dividends or otherwise which is denominated and declared in foreign currencies by the Company to the shareholders of the foreign invested shares shall be made in foreign currencies within three months since the date of such declaration.

If any shareholder does not collect the declared dividends after declaring such dividends, the Company has the right to forfeit such uncollected dividends, provided that such power can only be exercised upon the expiration of applicable period.

The Company shall make payments in foreign currency to the shareholders of foreign shares subject to the regulations of the related foreign exchange management of the Chinese law.

Article 148 The Company shall charge and pay the amount of tax payable arisen from the dividend income of individual shareholders on behalf of such persons pursuant to the PRC tax law.

Article 149 The Company shall appoint a receiving agent on behalf of the shareholders holding overseas listed foreign invested shares. The receiving agent shall receive the dividend and other payables distributed in respect to the overseas listed foreign invested shares on behalf of the related shareholders.

The receiving agent appointed by the Company shall comply with laws or all related requirements provided by the stock exchange where it is listed.

The receiving agent appointed by the Company for the shareholders of H shares shall be a registered trust company under the Trustee Ordinance of Hong Kong.

Chapter 15 Appointment of Auditors

Article 150 The Company shall appoint a qualified independent accounting firm in accordance with the related provision of the PRC Law to audit the annual financial reports and other financial reports of the Company.

The first auditor may be appointed prior to holding the first annual general meeting and its term of service shall expire at the conclusion of the first annual general meeting.

Where the power as set out in the preceding articles has not been exercised at the time holding the first annual general meeting, the Board may exercise such power.

Article 151 Terms of service of the accounting firm appointed by the company shall commence after the conclusion of the then annual general meeting until the conclusion of next annual general meeting.

Article 152 The accounting firm appointed by the Company is entitled with the rights:

(i) to examine the books, records and evidences of the Company at any time and request the provision of related information and explanation by the directors, general managers and other senior management members of the Company;

(ii) to request reasonable measures to be adopted by the Company such that the information and explanation, which are considered necessary for the performance of duties by the accounting firm, shall be obtained from the subsidiaries of the Company;

(iii) to attend shareholders' general meetings and, as if in the manner any shareholder shall be entitled to, to receive notice of meeting or other related information about the meeting as well as to speak for any matters in connection with it as the accounting firm of the Company at any shareholders' general meeting.

Article 153 If the position of the accounting firm is vacated, the board of directors may, before convening the shareholders' general meetings, appoint an accounting firm to fill the place but whenever the aforesaid position remains vacated and provided that other accounting firm(s) is/are in service for the Company, such persons can still act alike.

Article 154 The Company may by ordinary resolution at the shareholders' general meeting dismiss the accounting firm before its term of service expires notwithstanding the terms under the contract between the accounting firm and the Company. Rights to claim against the Company due to its dismissal by such accounting firm shall not be thus affected.

Article 155 The remuneration and the means of determining remuneration to the accounting firm shall be decided by the shareholders' general meeting and the remuneration of the accounting firm appointed by the board of directors is determined by the board of directors.

Article 156 The appointment, dismissal or discontinuance of the accounting firm by the Company is determined at the shareholders' general meeting and such decision is filed to the competent authorities for securities of the State Council.

Where a resolution at a shareholders' general meeting of shareholders is passed to appoint as accounting firm a person other than an incumbent accounting firm, to fill a casual vacancy in the office of accounting firm, to reappoint as accounting firm a retiring accounting firm who was appointed by the board of directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

(1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the accounting firm proposed to be appointed or the accounting firm proposing to leave its post or the accounting firm who has left its post (leaving includes leaving by removal, resignation and retirement).

(2) If the accounting firm leaving its post makes representations in writing and requests their notification to the shareholders, the Company shall (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 to every shareholder as an attachment of the notice in the manner provided by the Articles of the Company.

(3) If the accounting firm's representations are not sent by the Company under (2) of this article the accounting firm may (in addition to the right to be heard) require that the representations be read out at the meeting.

(4) An accounting firm who is leaving its post shall be entitled to attend:

1. the shareholders' general meeting at which his term of office would otherwise have expired;

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

3. any shareholders' general meeting convened on his resignation;

and 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 it as former accounting firm of the Company.

Article 157 If the Company removes or terminates the appointment of the accounting firm, prior notice shall be given to such accounting firm and the accounting firm is entitled to make representations at the shareholders' general meeting. Where resignation is tendered by the accounting firm, representation shall be made to the shareholders' general meeting to state whether there are inappropriate matters.

The accounting firm may, by depositing its resignation in writing at the legal place of residence of the Company, leave its office. Notice shall be effective from the date on which it is deposited at the legal place of residence or such later date as specified on the notice. Such notice shall contain:

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

2. a statement of any 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 competent authority. If the notice contained a statement under paragraph 2 of the preceding article, a copy of the notice shall be available at the Company for Shareholders' inspection. The Company shall notify every Shareholder of H shares by means of an announcement published on the website of HKEx.

Where the notice of resignation from the accounting firm contains a statement for any circumstances which should be made, the accounting firm may require the board of directors to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

Chapter 16 Insurance

Article 158 All kinds of insurance of the Company shall be taken out with the designated institutions or the People's Insurance Company (Group) of China Limited or other insurance companies that are registered in the PRC and are permitted by the PRC laws to provide insurance to Chinese companies in the designated manner. The types of coverage, the insured amounts and periods shall be discussed and decided by the board of directors by reference to the practices of peer companies in other countries and the practices and legal requirements in the PRC.

Chapter 17 Labor System

Article 159 The Company establishes a labour and personnel regime that is applicable to the actual conditions of the Company, based on the relevant requirements under the Labour Contract Law of the PRC (中華人民共和國勞動合同法).

Chapter 18 Trade Union

Article 160 The Company organises and carries out trade union activities in accordance with the Trade Union Law of the PRC (中華人民共和國工會法).

Article 161 2% of the actual gross salaries of the employees of the Company are transferred to the trade union reserve each month which shall be used by the trade union of the Company in accordance with Measures for the Application of Trade Union Funds (工會基金使用辦法) formulated by All-China Federation of Trade Unions.

Chapter 19 Merger and Division of the Company

Article 162 In the event of the merger or spin-off of the Company, a plan shall be proposed by the board of directors of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association before processing the relevant examining and approving formalities as required by law. Shareholders who oppose the plan of merger or spin-off of the Company shall have the right to request that the Company or the Shareholders who consent to such plan purchase their shares at a fair price.

A special document of the Company's resolution on the merger or spin-off shall be published on the website of HKEx.

Article 163 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

The merger of the Company shall be held under the agreement signed by all parties of the merger and a balance sheet and property list shall be prepared in respect of this. The Company shall notify its creditors within 10 days since the date of resolution on merger, and publish such announcement in newspaper at lease thrice within 30 days since the aforesaid date. Within 30 days since the date on receipt of written notice, or within 45 days since the date of the first announcement (if such notice is not received), the creditor is entitled to request the Company for the settlement of its debts or the provision of the related guarantee. No merger shall proceed unless the debts are settled or guarantee is provided.

After the merger of the Company, the creditor's right and debts of all parties of the merger shall be taken over by the continuing company or the newly established company.

Article 164 Where the Company carries out spin-off, the properties shall be split up accordingly.

The spin-off of the Company shall be held under the agreement signed by all parties of the merger and a balance sheet and property list shall be prepared in respect of this. The Company shall notify its creditors within 10 days since the date of resolution on merger, and publish such announcement in newspaper at lease thrice within 30 days since the aforesaid date. Within 30 days since the date on receipt of written notice, or within 45 days since the date of the first announcement (if such notice is not received), the creditor is entitled to request the Company for the settlement of its debts or the provision of the related guarantee. No spin-off shall proceed unless the debts are settled or guarantee is provided.

The debts before the spin-off shall be borne by the companies after the spin-off in accordance with the agreement reached.

Article 165 When the merger or spin-off of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Chapter 20 Dissolution and Liquidation of the Company

Article 166 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

(1) a resolution for dissolution is passed by the shareholders at a shareholders' general meeting;

(2) dissolution is necessary for the purpose of a merger or spin-off of the Company;

(3) the Company is unable to repay its due debts in full and is declared bankrupt in accordance with the law;

(4) the Company is ordered to close down in accordance with the law as a result of violation of laws and administrative regulations.

Article 167 Where the Company is dissolved pursuant to paragraph (1) of the preceding article, a liquidation committee shall be set up within 15 days from the event of dissolution. The composition of the liquidation committee shall be determined by an ordinary resolution at the shareholders' general meeting of the shareholders. If no liquidation committee is set up within the prescribed period to commence the liquidation, creditors may apply to the People's Court to designate relevant persons to form a liquidation committee to carry out the liquidation.

Where the Company is dissolved pursuant to paragraph (3) of the preceding article, a liquidation committee with shareholders, relevant authorities and relevant professionals shall be established by the People's Court in accordance with the provisions of the relevant laws to carry out the liquidation.

Where the Company is dissolved pursuant to paragraph (4) of the preceding article, a liquidation committee with shareholders, relevant authorities and relevant professionals shall be established by the competent authorities to carry out the liquidation.

Article 168 Where the board of directors decides to liquidate the Company (other than liquidation on account of insolvency declared by the Company), it shall be stated in its notice of convening the shareholders' general meeting of shareholders for such purposes that after making a complete inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be capable to settle its debts in full within 12 months from the commencement of the liquidation.

The liquidation committee shall be appointed by the ordinary resolution at the shareholders' general meeting of the shareholders (other than circumstances provided under paragraph 3 and 4 of Article 166 herein).

Upon passing the resolution at the shareholders' general meeting of the shareholders for liquidation, all functions and powers of the board of directors of the Company shall cease.

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

Article 169 The liquidation committee shall within 10 days since its date of establishment notify the creditors, and publish announcements for at least thrice in a newspaper within 60 days since its date of establishment. Creditors shall within 30 days upon receipt of such written notice, or within 45 days from the date of the first notice (if such notice is not received), claim its creditor's rights to the liquidation committee. Rights that remain unclaimed after the said period expires shall be deemed as renounced.

Creditors, when claiming their rights to the liquidation committee, shall explain matters in relation to their rights and provide evidence. The liquidation committee shall register the creditor's rights.

Article 170 A liquidation committee shall exercise the following functions and powers during liquidation:

(1) to thoroughly examine the property of the Company and prepare a balance sheet and a list of property, respectively;

(2) to notify creditors by notice or announcement;

(3) to dispose of and liquidate relevant unfinished business of the Company;

(4) to pay all outstanding taxes in full;

(5) to clear the claims and debts;

(6) to dispose of the property remained after full payment of the Company's debts;

(7) to represent the Company in any civil litigation activities.

Article 171 Having thoroughly examined the Company's property and prepared a balance sheet and a list of property, the liquidation committee shall set up a liquidation plan and submit to the shareholders' general meeting of the shareholders or relevant competent authorities for confirmation.

Where the Company's property is sufficient to pay its debts, liquidation expenses, the wages and workers insurance premiums and all outstanding taxes shall be paid, respectively, to settle the debts of the Company.

Any surplus assets of the Company remaining after its debts have been repaid in accordance with the preceding provisions shall be distributed to its shareholders according to the class and the proportion of shares held.

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

Article 172 For liquidation caused by dissolving the Company, if the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and a list of property, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the People's Court forthwith for declaration of insolvency.

After the Company is declared insolvent by the People's Court, the liquidation committee shall transfer all matters arising from the liquidation to the People's Court.

Article 173 Upon conclusion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, income and expenditure statement and financial books for the liquidation period and, after verification carried out by an accountant registered in the PRC, shall submit the same to the shareholders' general meeting or the relevant competent authority for confirmation.

The liquidation committee shall, within 30 days after obtaining confirmation from the shareholders' general meeting or the relevant competent authority, submit the aforesaid document to the company registration authority, and apply to cancel registration of the Company and announce termination of the Company.

Chapter 21 Procedures for Amending the Articles

Article 174 The Company may amend the Articles of Association in accordance with the laws, the administrative regulations and the provisions herein.

Article 175 The Company shall amend the Articles under the following procedures:

(1) the board of directors shall, by passing resolutions pursuant to the provisions in this article, propose amendments to the Article of the Company to the shareholders' general meeting and draft the amended articles;

(2) the foregoing drafts of the amended articles shall be furnished to the shareholders of the Company and convene a shareholders' general meeting to vote on the amendments;

(3) the drafted amendments to the Article shall be approved by special resolution at the shareholders' general meeting.

(4) The Articles of Association authorise the Board to resolve, within three years, to issue shares not exceeding50% of the issued shares. However, where capital contribution is made with non-monetary property, a resolution of the shareholders' meeting shall be required. Where the issue of shares resolved by the Board pursuant to the preceding paragraph results in any change to the registered capital or the number of issued shares of the Company, no further vote at a shareholders' meeting shall be required for the amendment of such particulars as recorded in the Articles of Association. Where the Articles of Association authorise the Board to resolve to issue new shares, the resolution of the Board shall be passed by more than two-thirds of all directors. In exercising this authorisation, the Board shall comply with the securities regulatory rules of the place where the shares of the Company are listed.

Article 176 Amendment of the Articles of Association related to the registered particulars of the Company including change of company's name, residence, legal representatives, registered capital, type of enterprise, scope of operation, term of operation, name of promoters, application shall be made to company registration and administration authority for change in registration in accordance with law.

Chapter 22 Dispute Resolution

Article 177 The Company shall abide by the following principles for dispute resolution:

(1) Whenever any disputes or claims arise between: shareholders of the overseas listed foreign invested shares and the Company, shareholders of the overseas listed foreign invested shares and the Company's directors, general manager or other senior management members, or shareholders of the overseas listed foreign invested shares and shareholders of domestic invested shares in respect of any rights and obligations under the Company's Articles of Association, Companies Law and any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where the said dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company or the shareholders, directors, supervisors, general managers or other senior management members of the Company, accept the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of members may not necessarily be resolved by arbitration.

(2) A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must proceed with the arbitral body elected by the claimant.

If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for the proceedings to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

(3) If any disputes or claims of rights are settled by way of arbitration in accordance with paragraph (1) of this Article, the laws of the People's Republic of China shall apply, save as otherwise provided in the laws and administrative regulations.

(4) The ruling of the arbitral body shall be final and conclusive and binding on all parties.

Chapter 23 Notice

Article 178 Notices or material issued by the Company to Shareholders of H shares shall be published by the way of an announcement on the website of HKEx, and all Shareholders of H shares shall be deemed to have received such notice upon the publication of the announcement.

Notices of the Company to the Shareholders of domestic shares shall be published by way of an announcement on the website of HKEx and all Shareholders of domestic shares shall be deemed to have received the notice upon the publication of the announcement.

Article 179 Any notices, documents, data or written statements from the shareholders or directors to the Company may be delivered personally or sent by registered mail to the legal address of the Company.

Article 180 Shareholders or directors of the Company who wish to prove that certain notices, documents, data or written statements have been sent to the Company shall provide evidential materials proving that such notices, documents, information or written statements have been sent to the Company under normal practice within a designated delivery period, and that the mailing address is correct and the postage is fully paid.

Chapter 24 Miscellaneous

Article 181 In the Company's Articles of Association, references to "accountancy firm" shall have the same meaning as "auditor".

Article 182 The appendices mentioned in the Articles of Association refer the relevant provisions contained in the appendices of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange), which are listed especially for all parties and the Hong Kong Stock Exchange as reference.

Article 183 In the Articles of Association, all numbers include themselves unless otherwise required in the context.