

ZHEJIANG CANGNAN INSTRUMENT GROUP COMPANY LIMITED

RULES OF PROCEDURES OF THE SHAREHOLDERS' GENERAL MEETING

Chapter 1 General Provisions

Article 1 The Rules of Procedures of the Shareholders' General Meeting (hereinafter referred to as the "Rules of Procedures") are formulated in accordance with requirements in the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Listing Rules") and other laws and regulations, rules as well as normative documents, and the Articles of Association of Zhejiang Cangnan Instrument Group Company Limited (hereinafter referred to as the "Articles of Association"), for the purposes of protecting the legitimate rights and interests of the shareholders, further clarifying the responsibilities and authorities of the shareholders' general meeting of Zhejiang Cangnan Instrument Group Company Limited (hereinafter referred to as the "Company"), standardizing its organization and behaviors, ensuring that the shareholders' general meeting perform their functions according to laws, and improving the procedure efficiency of the shareholders' general meeting.

Article 2 The Rules of Procedures applies to general meetings and extraordinary general meetings of the Company and shall be binding on the Company, all shareholders, proxies of shareholders attending the general meetings, directors, supervisors, senior managements and other relevant personnel presenting at the meetings.

Chapter 2 General Meeting Regime

Article 3 The general meetings shall consist of annual general meetings and extraordinary general meetings. The annual general meetings shall be convened once a year, and shall be held within six months after the prior accounting year ends.

In case of the occurrence of the event as stipulated in the Articles of Association of the Company shall convene class shareholders' meetings. Apart from class shareholders, holders of domestic shares and holders of overseas listed shares shall be regarded as different classes of shareholders.

Article 4 The extraordinary general meetings shall be convened aperiodically. In case of the following situations, the Company shall convene an extraordinary general meeting within two (2) months after the occurrence of the relevant facts:

(I) when the number of directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;

(II) the uncovered loss of the Company reaches one-third of the total paid-in share capital of the Company;

(III) an extraordinary general meeting is requested in writing to be convened by a shareholder individually or shareholders collectively holding at least 10% of the shares of the Company;

(IV) the board considers it is necessary;

(V) when the supervisor committee proposes to convene such a meeting;

(VI) other situations as provided by the laws, administrative regulations, department regulations, the listing rules of the stock exchange in the place where the shares of the Company are listed and the Articles of Association.

Article 5 The places to convene the general meeting shall be domicile of the Company or such other places as stated in the notices of general meetings.

The general meetings shall normally be convened as on-site meetings, but it may also be convened in other ways approved or required by the securities regulators when permitted by the securities regulators. The shareholders shall be deemed as present when participating in the general meeting via the above-mentioned methods.

Chapter 3 Functions and Powers of Shareholders' General Meeting

Article 6 The general meetings exercises the following functions and powers:

(I) to decide the management policies and investment plans of the Company;

(II) to elect and replace directors and supervisors who are not staff representatives, and to decide on matters relating to their remuneration;

(III) to consider and approve the reports of the board of directors;

(IV) to consider and approve the reports of the supervisory committee;

(V) to consider and approve the proposed annual preliminary financial budgets and final account proposals;

(VI) to consider and approve the profit distribution plans and plans for loss recovery of the Company;

(VII) to determine increases or reductions in the registered capital of the Company;

(VIII) to determine the issuance of corporate bonds by the Company;

(IX) to determine matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;

(X) to amend the Articles of Association;

(XI) to adopt resolutions on the appointments, reappointments or non-reappointments of accounting firms;

(XII) to consider matters relating to the purchases and disposals of material assets, which are more than 30% of the latest audited total assets of the Company, within one year;

(XIII) to consider and approve matters relating to changes in the use of proceeds;

(XIV) to consider share incentive plans;

(XV) to consider proposed resolutions from shareholders holding 3% or more of the voting shares of the Company;

(XVI) to consider other matters required to be resolved by the shareholders' general meeting as prescribed by laws, administrative regulations, department regulations, the listing rules of the stock exchanges in the place where the shares of the Company are listed and the Articles of Association.

Article 7 The matters that should be decided by the general meetings according to the laws, regulations, the listing rules in the place where the shares of the Company are listed and Articles of Association, must be considered by the general meeting, in order to ensure the decision-making power of the shareholders on such matters. Save as the above-mentioned matters, the shareholders' general meeting may authorize the board of directors to make decisions within the scope of the functions and powers of the shareholders' general meeting where necessary, reasonable and legal.

As to the authorities granted by the shareholders' general meeting to the board of directors, if the authorized matter falls into the matters subject to ordinary resolution passed at the general meetings as stipulated by the Articles of Association, the grant shall be approved by more than 1/2 of the voting rights held by the shareholders (including the shareholder's agent) present at the meeting; if the matters are subject to special resolution passed at the general meetings as stipulated by the Articles of Association, the grant shall be approved by more than 2/3 of the voting rights held by the shareholders (including the shareholder's agent) present at the meeting. The authorized content shall be definite and specific.

Chapter 4 Proposals of and Convening the General Meetings

Article 8 An extraordinary general meeting shall be convened at the request of two or more independent non-executive directors in writing to the board of directors. For the proposal of the independent non-executive directors to convene an extraordinary general meeting, the board of directors shall provide written feedback on whether it approves to convene the extraordinary general meeting in 10 days after receiving the proposal according to the provisions of the relevant laws, administrative regulations and the Articles of Association.

When the board of directors agrees to convene the extraordinary general meeting, the board shall, within five days after its resolution is made, issue notice calling for the meeting. If the board of directors does not agree to convene such meeting, the reasons shall be stated and announced.

Article 9 The Board of Supervisors is entitled to propose to the Board of Directors to convene the extraordinary general meeting, provided that the proposal shall be made in written form. The board of directors shall provide written feedback on whether it approves to convene the extraordinary general meeting in ten days after receiving the proposal according to the provisions of the relevant laws, administrative regulations and the Articles of Association.

When the board of directors agrees to convene the extraordinary general meeting, the board will, within five days after its resolution is made, issue a notice calling for the meeting. Changes in the original proposals in the notice shall be subject to the approval of the supervisors committee.

When the board of directors does not agree to convene the extraordinary general meeting, or does not provide feedback within ten days upon receipts of the proposal, the board shall be considered to be unable or failing to perform the duty of convening an extraordinary general meeting. Under this circumstance, the supervisors committee can convene and preside over the meeting on their own.

Article 10 The shareholder(s) who individually or jointly hold more than 10% of the shares of the Company shall have the right to propose to the board of directors to convene an extraordinary general meeting, and shall make such request to the board of directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and Articles of Association, submit a written feedback on approval or disapproval of the convening of an extraordinary general meeting of shareholders within 10 days after receiving the request.

When the board of directors agrees to convene an extraordinary general meeting, the Board shall, within five days after the Board resolution is made, issue notice calling for a meeting. Changes in the original request in the notice shall be subject to the approval of the relevant shareholders.

In case the board of directors refuses to convene an extraordinary general meeting, or does not give any response within ten days upon receipt of the request, the shareholders who individually or jointly hold more than 10% of the shares of the Company at such proposed meeting shall have the right to propose to the supervisory committee for convening of such meeting, and shall make such request to the supervisory committee in writing.

If the supervisory committee agrees to convene an extraordinary general meeting, a notice of the meeting shall be issued within five days upon receipt of the request. Changes made to the original request in the notice shall be approved by relevant shareholders.

If the supervisory committee fails to give the notice of such a meeting within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, the shareholders who either individually or jointly hold more than 10% of the Company's shares for more than ninety consecutive days may convene and preside over the meeting by themselves.

Article 11 For a shareholder requests to convene a class shareholders' general meeting, the following procedures should be adopted:

(I) Two or more shareholders holding more than 10% of the shares with voting right at the proposed meeting separately or jointly may sign one or several written requests of the same format and content to ask the board of directors to convene an extraordinary general meeting or class meeting and describe the meeting topics. The board shall, pursuant to the laws, administrative regulations, and the Articles of Association, give a written reply on whether to convene the extraordinary general meeting or class meeting or not within 10 days after receipt of the proposal. The aforesaid shareholdings of the proposed shareholders shall be calculated as of the day on which the written request is made by such shareholders.

(II) Should the board of directors fail to deliver the notice for convening such meeting within thirty(30) days of receipt of the foregoing written request, the shareholders who put forward such request shall have the right to may convene on their own the meeting within four(4) months of the receipt of the request by the board of directors. The procedures for convening shall be the same, to the greatest possible extent, as those for convening shareholders' general meeting by the board of directors.

Article 12 In the event that the Supervisory Committee or the shareholder(s) decide(s) to convene the general meeting on its or their own, the Supervisory Committee or the shareholder(s) shall notify the Board in writing and file with the relevant securities regulatory authority where the Company resides and the stock exchange. The board of directors and the secretary to the board of directors shall cooperate. The board of directors shall provide the register of shareholders as of the record date for shares. All the necessary costs incurred shall be borne by the Company and shall be deducted from any amount that the Company may owe such directors who are negligent.

Chapter 5 Proposal and Notice for General Meetings

Article 13 The proposals for general meetings shall be submitted or delivered to the board of directors in writing. The contents of a proposal shall be within the scope of the functions and powers of the shareholders' general meeting, have definite topics and specific matters for resolution, as well as be in compliance with the laws, administrative regulations and the Articles of Association.

Article 14 Where a shareholders' general meeting is convened by the Company, the board of directors, the supervisory committee or shareholders individually or jointly holding an aggregate of 3% or more of the Company's shares are entitled to submit proposals in writing to the Company.

Shareholders individually or jointly holding 3% or more of the Company's shares may submit ad hoc proposals to the convener of a general meeting in writing ten(10) days prior to the general meeting. The convener shall issue a supplementary notice of the general meeting and announce the content of such ad hoc proposals within two (2) days after receipt thereof. The contents of a proposal shall be within the scope of the functions and powers of the shareholders' general meeting, have definite topics and specific matters for resolution.

Shareholders holding 5% or more of the Company's total voting shares have the right to put up additional proposals in writing to the Company, and the Company shall include such proposals into the agenda for such general meeting if they are within the terms of reference of general meeting.

Except for circumstances provided in the preceding paragraph, the convener of a shareholders' general meeting shall not amend the proposals set out in the notice of the shareholders' general meeting or add any new proposals subsequent to the issue of the notice of the shareholders' general meeting.

The shareholders' general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice or are inconsistent with Article 13 hereof.

Article 15 A forty-five(45) days' prior written notice for convening the shareholders' general meeting shall be given to shareholders whose names appear in the register of shareholders to notify all of those shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies to the Company twenty(20) days prior to the date of the meeting.

The date on which the meeting is convened shall not be included in the notice period.

Article 16 The Company shall, based on the written replies received twenty(20) days prior to the date of the shareholders' general meeting from the shareholders, calculate the number of shares carrying voting rights represented by shareholders who intend to attend the meeting. In the event that the number of shares carrying voting rights represented by the shareholders who intend to attend the meeting reaches more than one half of the Company's total shares carrying voting rights, the Company may hold the meeting. If not, the Company shall within five(5) days notify the shareholders again by public notice of the matters to be considered, the place and the date of the meeting. The Company then may hold the meeting after the publication of such notice.

The extraordinary general meeting shall not make resolutions on the proposals that are not stated in the notice.

Article 17 A notice of general meeting shall meet the following requirements:

- (I) it shall be in written form;
- (II) it shall specify the time, place, and period of the meeting;
- (III) it shall state the matters to be discussed at the meeting;

(IV) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions on the matters to be discussed. This principle shall include but not be limited to where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization, the specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and results of the same must be properly explained;

(V) if any directors, supervisors, managers and other senior management officer(s) have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such directors, supervisors, managers and other senior management officer(s) in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;

(VI) it shall set out the full text of the special resolutions proposed for approval at the meeting;

(VII) it shall contain a clear statement, stating that a shareholder who is entitled to attend and vote at the meeting shall have the right to appoint one proxy or more to attend and vote at the meeting on his/her behalf and such proxy or proxies need not be shareholder(s) of the Company;

(VIII) it shall state the record date of the shareholders who are entitled to attend the general meeting;

(IX) it shall state the names and contact telephone numbers of the contact persons in connection with the meeting;

(X) it shall state the date and place for serving the proxy form for voting at the meeting.

Article 18 When the general meeting intends to discuss the election of directors and supervisors, the notice of the meeting shall fully disclose the details of the candidates for directors and supervisors, including, as a minimum, the following contents:

(I) personal particulars such as education background, working experience and any concurrently holding positions;

(II) whether he or she is affiliated with the Company or the controlling shareholder and actual controller of the Company;

(III) disclosure of the number of shares of the Company he or she holds;

(IV) whether he or she has been punished by the CSRC, other relevant securities regulatory authorities and disciplinary actions by stock exchanges.

Except for the director and supervisor elected via cumulative voting, each director or supervisor candidate shall be proposed via a single proposal.

Article 19 A notice of shareholders' general meeting shall be dispatched to shareholders (regardless of their voting rights at the general meeting) by hand or by prepaid mail to such addresses as shown in the register of shareholders, or be published at the website of the Company or the website as designated by the stock exchange where the shares of the Company are listed provided that such publication shall be subject to the applicable laws, regulations and the listing rules. For the holders of domestic shares, the notice of general meeting may also be sent via public announcement.

The announcement referred in the preceding paragraph shall be published within a period of forty-five(45) to fifty(50) days prior to the date of the general meeting in one or more newspapers designated by securities regulatory authorities of the State Council. Once an announcement is made, all holders of the domestic shares are deemed to have received the relevant notice of the shareholders' general meeting.

Article 20 Upon the issuance of the notice of shareholders' general meeting, the shareholders' general meeting shall not be postponed or cancelled without a proper reason and the proposals stated in the notice of general meeting shall not be cancelled. In the event of any postponement or cancellation, the convener shall issue an announcement and state the reasons therein at least two(2) working days prior to the original date of the shareholders' general meeting. Where the listing rules of the place where the Company's shares are listed otherwise requires in respect of the foregoing matters, its regulations shall prevail.

Article 21 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

Chapter 6 The Convening of Shareholders' General Meeting

Article 22 All shareholders registered on the shareholding record date shall be entitled to attend the general meetings, and shall exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the general meeting in person and may also appoint proxies to attend and vote at the shareholders' general meeting.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more person(s) (who may not be shareholders) as a proxy/proxies to attend and vote at the meeting on their behalf. The proxies so appointed by the shareholders may exercise the following rights:

- (I) have the same right as the shareholder to speak at the shareholders' general meeting;
- (II) have the right to demand at their own discretion or, jointly with others, a poll;

(III) save as otherwise stipulated by the applicable rules governing the listing of securities or other securities laws and regulations, have the right to vote by show of hands or a poll. Where more than one proxy is appointed, the proxies may only exercise the voting right at a poll.

Where the shareholder and/or warrant holder is a recognized clearing house (within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) or its proxy(ies), it may authorize such person or persons as it thinks fit to act as its representative(s) or proxy(ies) at any shareholders' meeting or any meeting of any class of shareholders and/or warrant holders provided that, if more than one person is so authorized, the authorization or proxy form must specify the number and class of shares and/or warrants in respect of which each such person is so authorized. The person so authorized shall be deemed to have been duly authorized without the need of producing any documents of title, notarized authorization and/or further evidence to substantiate that it is so authorized. The person so authorized will be entitled to exercise the same power on behalf of the recognized clearing house as the clearing house or its proxy(ies) could exercise as if it were an individual shareholder and/or warrant holder of the Company.

Article 23 Individual shareholders attending the shareholders' general meeting in person shall present their identity cards or other valid proof or evidence of their identities as well as stock account cards and;

In the case of attendance by proxies, the proxies shall present valid proof of their identities and proxy form from shareholders apart from the proof of identification of the shareholder the proxies represented.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend the shareholders' general meeting. In case of attendance by legal representatives, they shall present their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and written proxy form duly issued by such legal representatives.

The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such instrument shall be under its seal or under the hand of its director or attorney duly authorized.

The proxy form that the shareholder presents to entrust others to attend the meeting shall contain the following contents:

- (I) name of the proxy or proxies;
- (II) whether the proxy or proxies has or have voting rights;
- (III) separate instructions as to whether to cast affirmative, negative or abstention votes on each review issue listed on the agenda of the general meeting;
- (IV) the issuing date and validity period of the proxy form;
- (V) the signature (or seal) of the principal; if the principal is a corporate shareholder, the power of attorney shall also be affixed with the corporation's seal.
- (VI) the number of shares held by the principal as represented by the shareholder's proxy or proxies;
- (VII) where more than one proxy is appointed, the number of shares represented by each proxy shall be stated in the proxy forms.

Article 24 The authorized proxy forms of voting proxies shall be deposited at the domicile of the Company or such other places designated in the notice of the meeting 24 hours before the meeting at which the proxy is authorized to vote or 24 hours before the specified voting time. Where a proxy form is signed by another person authorized by the principal, the power of attorney authorizing the signature or other authorization documents shall be notarized. A notarized copy of that power of attorney or other authorization document, together with the proxy form appointing a proxy with the authority to vote, shall be deposited at the address of the Company or such other place as may be specified in the notice of the relevant meeting.

Where the appointer is a legal person, its legal representative or any other persons authorized by resolution of its board of directors or other decision-making authority shall attend the shareholders' general meetings of the Company on its behalf.

Article 25 Any form issued to a shareholder by the board of directors for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to vote in favor of or against each resolution relating to each matter to be considered at the relevant meeting.

Such form shall contain a statement that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.

Article 26 Where the appointing shareholder has deceased or has been incapacitated, or the appointment of a proxy or the power of attorney under which a proxy form is signed has been withdrawn, or the relevant shares have been transferred prior to the relevant voting, a vote given in accordance with the proxy form shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 27 The register of the persons attending the meeting shall be prepared by the Company. The register shall set out the names of the persons attending the meeting (or names of the entity he/she is from), their identity card numbers, residential addresses, numbers of shares held or representing voting rights and names of the proxies (or names of the entity he/she is from).

Article 28 The convener shall jointly verify the qualification of the shareholders according to the register of shareholders provided by the securities registration and clearing institution, and register the name of each shareholder and the number of shares with voting rights he or she or it holds. The meeting registration shall be terminated by the time the chairman of the meeting announces the number of shareholders and proxies attending at the meeting as well as the total number of voting shares held by them.

Article 29 Where directors, supervisors, senior management officers are required by the general meeting to present at the meeting, such directors, supervisors, senior management officers shall present at the meeting and answer the questions from the shareholders.

Article 30 Where a general meeting is convened by the board of directors, the chairman of the board shall serve as chairman and preside over the meeting. Where the chairman of the board of directors is unable to or fails to fulfill his or her duties, the vice chairman of the board shall do the same (the provisions relating to the vice chairman of the board as stipulated in the Rules of Procedures shall be applicable only there is a chairman, the same below). Where there are two or more vice chairmen of the board of the Company, the vice chairman recommended jointly by the majority of directors shall preside over the meeting; while there is no vice chairman of the board or the chairman of the board is unable to or fails to fulfill his or her duties, the director recommended jointly by the majority of directors shall preside over and act as the chairman of the meeting. Where no director is recommended by the majority of directors and presides over and act as the chairman of the meeting, shareholders present at the meeting can elect one person to serve as the chairman. If the shareholders are unable to elect the chairman of the meeting for any reason, the shareholder present who holds the greatest number of voting shares (including his or her proxy) shall serve as the chairman of meeting.

At a general meeting convened by the supervisors committee, the chairman of the supervisors committee shall preside over the meeting. Where the chairman of the supervisors committee is unable to or fails to fulfill his or her duties, a supervisor recommended jointly by the majority of the supervisors shall preside over the meeting.

At a general meeting convened by a shareholder himself/herself or shareholders themselves, the convener shall recommend a representative to preside over the meeting. If, for any reason, the shareholders fail to elect one to be the chairman, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.

In the event that the chairman of the meeting violates the Rules of Procedures that results in the general meeting being unable to continue, upon approval by the shareholders representing more than half of the voting rights present at the meeting, a person may be elected to chair the general meeting and the meeting shall continue. If, for any reason, the shareholders fail to elect one to be the chairman of the meeting, the attending shareholder (or his proxy) who holds the most voting shares shall be the chairman.

Article 31 At the annual general meeting, the board of directors and the supervisors committee shall report on their work over the past year to the shareholders' general meeting. Each independent director shall also make work report.

Article 32 The directors, supervisors and senior management officers shall make explanation and interpretation on the inquiry and suggestions of the shareholders at the general meeting.

Article 33 The chairman of the meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights they hold before voting. To determine the number of shareholders and proxies present and the total number of shares with voting rights they hold, the meeting register shall prevail.

Article 34 The general meeting shall have minutes prepared by the secretary to the board of directors. The minutes shall state the following contents:

- (I) time, place, agenda of meeting and the name of the convener;
- (II) names of the chairman of the meeting, directors, supervisors and senior management officer(s) attending or present at the meeting;
- (III) The numbers of domestic shareholders (including proxy(ies)) and holders of overseas listed shares(including proxy(ies)) attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (IV) process of consideration, key points of the speech and voting results for each proposal;
- (V) shareholders' enquiries or recommendations and respective answers or explanations;
- (VI) names of the vote counter and the scrutinizer;
- (VII) other matters which shall be recorded in the meeting minutes pursuant to the general meeting and the Articles of Association.

Article 35 The convener of the shareholders' general meeting shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, supervisors, secretary to the board, the convener of the meeting or his representative and the chairman of the meeting shall sign on the meeting minutes. The meeting minute shall be maintained together with the register of names of the shareholders present, the proxy forms for attendance, and the valid documents for the online and other forms of voting for a period of no less than 10 years.

Article 36 The convener shall guarantee the General Meeting of Shareholders continues until the final resolution has been adopted. In the event of special reasons such as force majeure resulting in the termination of meeting or the failure of resulting in resolutions, necessary measures shall be taken to resume the shareholders' general meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement and report timely made according to the laws, regulations or the listing rules of the stock exchange on which the Company' shares are listed.

Chapter 7 Voting and Resolutions at Shareholders' General Meetings

Article 37 Resolutions of shareholders' general meetings shall take the form of ordinary resolutions or special resolutions.

Ordinary resolutions adopted by the shareholders' general meeting shall be passed by more than one half of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting who are entitled to vote.

Special resolutions at a shareholders' general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the shareholders' general meeting who are entitled to vote.

Article 38 Shareholders (including their proxies) exercise their voting rights according to the number of voting shares they represent. Each share shall carry one voting right.

Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.

Subject to applicable laws, regulations or requirements of the listing rules of the market where the shares of the Company are listed, the board of directors, independence non-executive directors and shareholder(s) in compliance with relevant prescribed conditions may collect voting rights from other shareholders.

When the shareholders' general meeting considers connected transactions, the connected shareholders shall not participate in the voting provided that applicable laws, regulations or the listing rules of the stock exchange on which the Company' shares are listed requires. His/her shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the shareholders' general meeting shall fully disclose the voting results of the non-connected party shareholders.

Where any shareholder shall abstain from voting or be restricted to only vote in favor of or only vote against any individual resolution by applicable laws, regulations and the listing rules of the stock exchange on which the Company' shares are listed, the shareholders' (or their proxies') votes in violation of such requirements or restrictions shall not be counted within the voting results.

Article 39 Voting at a shareholders' general meeting shall be carried out openly either by a show of hands or by poll.

Voting at a shareholders' general meeting shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:

- (I) the chairman of the meeting;
- (II) at least two shareholders entitled to vote in person or proxies with voting rights;
- (III) one or more shareholders (including proxy) individually or jointly representing 10% or more of all shares carrying right to vote at the meeting.

Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. It is not necessary to provide evidence of the number or proportion of votes in favor of or against such resolution.

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

Article 40 A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

Article 41 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against for the relevant resolution.

Article 42 In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 43 The following matters shall be resolved by ordinary resolutions at general meetings:

- (I) working reports of the board of directors and the supervisory committee;
- (II) the profit distribution plans and loss recovery plans of the Company prepared by the board of directors;
- (III) election and replacement of the directors and supervisors appointed other than from the employee representatives;
- (IV) remuneration of directors and supervisors and the payment methods;
- (V) the Company's annual financial budget plan and final account report, the balance sheets, income statements and other financial statements;
- (VI) matters other than those required by the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association to be adopted by special resolutions.

Article 44 The following matters shall be resolved by special resolutions at shareholders' general meetings:

(I) increase or reduction in the share capital and issue of shares of any class, stock warrants or other similar securities;

(II) issuance of corporate bonds;

(III) the division, merger, dissolution and liquidation or change of corporate form of the Company;

(IV) amendments to the Articles of Association;

(V) the purchases and disposals of the Company's material assets or the amount of guarantee within one year, which reach or exceed 30% the Company's latest audited total assets;

(VI) the share incentive plan(s);

(VII) any other matters required by the laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed and the Articles of Association, or approved at a general meeting by way of an ordinary resolution that it shall be deemed to have a material impact on the Company, and subject to approval by a special resolution.

Article 45 The chairman of the meeting shall determine whether or not a resolution of the general meeting shall be adopted according to poll results. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the meeting minutes.

Article 46 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward for voting, he may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately. In the event that the votes are counted at the general meeting, the counting results shall be recorded in the meeting minutes.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the meeting minutes. The meeting minutes together with the signature book for shareholders' attendance and the letters of attorney for proxies attending the meeting shall be kept at the domicile of the Company for a period not less than ten(10) years.

Article 47 Copies of the meeting minutes shall be available for inspection during business hours of the Company by any shareholder without charge. The Company shall deliver the copy within Seven(7) days after the receipt of reasonable costs if any shareholder who demands from the Company a copy of such minutes.

Chapter 8 Special Procedures for Voting at Class Meetings

Article 48 Shareholders holding different classes of shares shall be class shareholders.

Class shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Where the share capital of the Company includes shares which do not carry voting right, the words “non-voting rights” shall appear in the designation of such shares.

Where the share capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, shall include the words “restricted voting” or “limited voting”.

Article 49 Any variation or abrogation of the rights of any class of shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a shareholders’ general meeting and approval by the affected shareholders of that class at a separate shareholders’ meeting held in accordance with Article 51 to Article 55 of the Rules of Procedures.

No approval by a general meeting or class meeting is needed for the variation or abrogation of the rights of any class of shareholders due to changes in domestic or overseas laws, regulations and the listing rules of the stock exchange where the shares of the Company are listed as well as the decisions made by the domestic or overseas regulators according to laws.

Article 50 Unless otherwise provided in laws, administrative regulations and the Articles of Association, the rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

(I) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of another class having rights to voting, distribution or other privileges equal or superior to those of the shares of such class;

(II) to effect a conversion of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of conversion of all or part of the shares of other classes into shares of such class;

(III) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;

(IV) to reduce or remove the rights to a preference dividend or preferential distribution of property in a liquidation attached to shares of such class;

(V) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;

(VI) to remove or reduce rights to receive amounts payable by the Company in particular currencies attached to shares of such class;

(VII) to create a new class of shares having rights to voting, distribution or other privileges equal or superior to those of the shares of such class;

(VIII) to restrict the transfer or ownership of the shares of such class or increase such restrictions;

(IX) to issue subscription rights or share conversion rights for shares of such class or other classes;

(X) to increase the rights and privileges of shares of other classes;

(XI) to restructure the Company where the proposed restructuring scheme will result in different classes of shareholders bearing a disproportionate burden of obligations of such restructuring;

(XII) any amendment or cancellation of the provisions of this section.

The transfer of the Company's domestic shares by its holders in whole or part to overseas investors and the listing and trading of such transferred shares on overseas stock exchanges, or the conversion of the domestic shares in whole or part into overseas listed shares and the listing and trading of such converted shares on overseas stock exchanges, shall not be deemed to be a variation or abrogation of the rights of class shareholders proposed by the Company.

Article 51 The affected class shareholders, whether or not having the right to vote at the general meeting, shall nevertheless have the right to vote at class meetings on matters referred to in clause (II) to (VIII) and (XI) to (XII) of Article 50 of the Rules of Procedures, but interested shareholders shall not be entitled to vote at class meetings.

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

(I) in the case of a repurchase of its own shares by the Company by making offers to all shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 31 of the Articles of Association, "interested shareholder" shall refer to the controlling shareholder as defined in the Articles of Association;

(II) in the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of the Articles of Association, "interested shareholder" shall refer to the shareholder to which the proposed agreement relates;

(III) in the case of a restructuring of the Company, "interested shareholder" shall refer to a shareholder within a class who bears liabilities less than the proportion burden imposed on other shareholders of that class or who has interests different from those held by shareholders of the same class.

Article 52 A resolution of the class meeting shall be passed in accordance with Article 51 of the Rules of Procedures by shareholders present at the meeting who represent not less than two-thirds of voting rights. No approval by a general meeting or class meeting is needed for the variation or abrogation of the rights of any class of shareholders due to changes in domestic or overseas laws, regulations and the listing rules of the market where the shares of the Company are listed as well as the decisions made by the domestic or overseas regulators according to laws.

Article 53 Written notice of a class meeting convened by the Company shall be dispatched forty-five(45) days prior to the date of the class meeting to all shareholders of such class whose names appear on the register of shareholders, specifying the matters to be considered and the, date and place of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend twenty(20) days prior to the date of the meeting.

In the event that the number of shares carrying voting rights at such meeting held by shareholders who intend to attend such meeting reaches one-half or more of the total number of shares carrying voting rights at such meeting, the Company may hold such class meeting; otherwise, the Company shall further notify the shareholders by way of announcement within five(5) days thereof specifying the matters to be considered, the date and place of the meeting. After such announcement is given, the Company may then hold the class meeting.

Provisions otherwise provided by the listing rules of the stock exchange where the shares of the Company are listed shall prevail.

Article 54 The notice of class meetings shall be delivered to the shareholders entitled to voting thereat.

The procedures for holding the class meeting shall, to the extent possible, be identical with the procedures of a shareholders' general meeting. Save as otherwise provided thereof, the provisions of the Articles of Association in relation to the procedures for holding a shareholders' general meeting shall be applicable to a class meeting.

Article 55 In addition to holders of other classes of shares, holders of domestic-invested shares and holders of overseas listed shares are deemed to be different classes of shareholders.

The special procedure for voting in class meeting shall not apply to the following circumstances:

(I) Where the Company issues domestic-invested shares and overseas listed shares, upon approval by a special resolution of its shareholders in a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic-invested shares and overseas listed shares of the Company;

(II) Where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is carried out within fifteen(15) months from the date of approval by the securities regulatory authorities of the State Council;

(III) Where with the approval by the securities regulatory authorities under the State Council, the domestic shareholders of the Company transfer all or part of their shares to foreign investors and such transferred shares are listed and traded on the overseas stock exchanges under the approval of the overseas securities regulatory authorities, or the domestic shareholders of the Company convert all or part of the issued domestic shares of the Company into overseas listed shares and such converted shares are listed and traded on the overseas stock exchanges.

Chapter 9 Supplementary provisions

Article 56 The “above” mentioned in the Rules of Procedures shall be inclusive of the relevant figure, while the “less than”, “over” or “more than” shall be exclusive of the relevant figure.

Article 57 The Rules of Procedures shall be formulated by the board of directors, and as an appendix attached to the Articles of Association, shall become effective on the date when the overseas listed foreign shares of the Company issued by public offering are listed and dealing in at The Stock Exchange of Hong Kong Limited upon approved at a shareholders’ general meeting. Amendments to the Rules of Procedures shall be proposed by the board of directors, and only can take effect upon it be approved by the majority of the voting rights held by shareholders present at the general meeting.

Article 58 Matters not explicitly stipulated in the Rules of Procedures shall be subject to the relevant laws and regulations, the listing rules of the stock exchange where the shares of the Company are listed, and the provisions of the Articles of Association. In the event that the Rules of Procedures conflict with the relevant laws and regulations, the Listing Rules or other relevant regulation rules of the listing exchange, or the Articles of Association, the Company would act in accordance with the laws and regulations, the Listing Rules or other relevant regulation rules of the listing exchange, or the Articles of Association, and accordingly amend the Rules of Procedures as soon as possible and seek to an approval by the majority of the voting rights held by shareholders present at the general meeting.

Article 59 Unless otherwise specified, the terms used in the Rules of Procedures shall have the same meanings as those specified in the Articles of Association.

Article 60 The Rules of Procedures shall be interpreted by the board of directors within the authorization of the shareholders’ general meeting.