

Set out below is a summary of the principal provisions of the Articles of Association, the main objective of which is to provide investors with an overview of the Articles of Association. As the information contained below is in summary form only, it may not contain all the information that may be important to potential investors. Copies of the full English and Chinese texts of the Articles of Association are available for inspection as mentioned in “Appendix VIII—Documents Delivered to the Registrar of Companies and Available for Inspection.”

The Articles of Association were passed at the extraordinary general meetings on 8 August 2019 and were amended at the extraordinary general meetings on 6 January 2020.

POWER OF DIRECTORS, SUPERVISORS AND OTHER SENIOR OFFICERS TO ALLOT AND ISSUE SHARES

There is no provision in the Articles of Association empowering the Directors, Supervisors or other senior officers to allot and issue shares.

Proposals to increase registered capital of the Company must be formulated by the Board of Directors and submitted for approval by an affirmative vote of at least two thirds or more of the voting rights at the shareholders’ general meeting. Any such increase is subject to the formal formalities prescribed by relevant laws and administrative regulations.

POWER TO DISPOSE OF FIXED ASSETS OF THE COMPANY

Without the prior approval of the shareholders’ general meeting, the Board of Directors may not dispose or agree to dispose of the fixed assets where the sum of the expected value of the consideration for the proposed proposal and the value of the consideration for disposed fixed assets within four months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the last balance sheet presented at the shareholders’ general meeting.

A disposal of fixed assets referred herein shall include the transfer of certain interest in assets other than by way of providing security interest by using fixed assets as collaterals.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of above-mentioned restrictions contained in the Articles of Association.

EMOLUMENTS, COMPENSATION OR PAYMENTS FOR LOSS OF OFFICE

The Company shall enter into a written contract with each Director and Supervisor of the Company concerning his/her emoluments. Such contracts shall be approved by the shareholders’ general meeting before they are entered into. The above-mentioned emoluments shall include:

1. emoluments in respect of his/her service as a Director, Supervisor or senior management member of the Company;
2. emoluments in respect of his/her service as a Director, Supervisor or senior management member of a subsidiary of the Company;
3. other emoluments in connection with the provision of management or other services to the Company or any subsidiary thereof;
4. funds as compensation for his/her loss of office or retirement to the aforementioned Directors and Supervisors.

A Director or Supervisor shall not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under a contract as mentioned above.

The contract entered into between the Company and each Director or Supervisor of the Company in respect of his/her emolument should provide that in the event of a takeover of the Company, a Director or Supervisor of the Company shall, subject to prior approval of the shareholders' general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement.

The term "a takeover of the Company" in the above paragraph shall refer to any of the following circumstances:

1. anyone makes a tender offer to all the shareholders;
2. anyone makes a tender offer so that the offeror will become a controlling shareholder as defined in the Articles of Association.

If the relevant Director or Supervisor fails to comply with the abovementioned provisions, any fund received by him/her shall belong to those persons who have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant Director or Supervisor and may not be paid out of such fund.

LOANS TO DIRECTORS, SUPERVISORS AND OTHER SENIOR OFFICERS

The Company shall not, directly or indirectly, provide a loan or loan guarantee to its Directors, Supervisors, general manager or other senior officers or the Directors, Supervisors, general manager or other senior officers of its Controlling Shareholder; and shall not provide a loan or loan guarantee to the related persons of any of the aforementioned personnel.

The above provisions shall not apply where:

1. the Company provides a loan to its subsidiaries or provides a loan guarantee for the benefits of its subsidiaries;
2. pursuant to the service contract upon approval of the shareholders' general meeting, the Company provides a loan, loan guarantee or other funds to any of its Directors, Supervisors, general manager or other senior officers to pay any expenditures incurred or to be incurred by him/her for the purpose of the Company or for the purpose of enabling him/her to perform his/her duties properly in accordance with the terms of a service contract approved by the shareholders' general meeting, or
3. the Company may provide a loan or loan guarantee to the related Directors, Supervisors, general manager or other senior officers or any of their related persons on normal commercial terms and conditions should the provision of loan or loan guarantee be within the ordinary business scope of the Company.

FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

The Company or its subsidiaries shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Such purchasers of the Company's shares referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in the Company.

The Company or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligators in order to reduce or discharge their obligations. However, the following acts are not prohibited:

1. where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of an overall plan of the Company;
2. lawful distribution of the Company's property in the form of dividends;
3. distribution of dividends in the form of shares;
4. a reduction of registered capital, repurchase of shares, adjustment to shareholding structure effected in accordance with these Articles of Association;
5. provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same results in a reduction, the financial assistance is paid out of the Company's distributable profits);
6. the provision of funds by the Company for an employee shareholding plan (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).

For these purposes, "financial assistance" shall include but not be limited to:

1. gift;
2. guarantee (including undertaking of liability or provision of property by the guarantor to ensure the fulfilment of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company's own fault) and release or waiver of rights;
3. provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligation of performance by the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract; and
4. financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company's net assets.

"undertake obligations" shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement or by changing its financial position in any other way; whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligator individually or jointly with any other person.

DISCLOSURE OF CONTRACTUAL INTERESTS WITH THE COMPANY

In cases where a Director, a Supervisor, the general manager or other senior management of the Company has directly or indirectly vested a material interest in any contract, transaction or arrangement concluded or to be concluded by the Company (except his/her service contract with the Company), he/she shall disclose the nature and extent of his/her interest to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.

Unless the interested Director, Supervisor, general manager or other senior management of the Company has made such disclosure to the Board of Directors as required under the preceding paragraph hereof and the matter has been approved by the Board of Directors at a meeting in which he/she was not counted in the quorum and was abstained from voting, the Company shall have the right to revoke the contract, transaction or arrangement, except the other party is a bona fide party acting without knowledge of the breach of obligation by the Director, supervisor, general manager or other senior management of the Company concerned.

In cases where a related person of the Company's Director, Supervisor, general manager and other senior management has directly or indirectly vested an interest in any contract, transaction or arrangement, such Director, Supervisor, general manager and senior management shall also be deemed as having such interest.

If a Director, a Supervisor, general manager or other senior management of the Company gives a written notice to the Board of Directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he/she has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such Director, Supervisor, general manager or other senior management shall be deemed for the purposes of the above paragraphs hereof to have declared his/her interest, insofar as attributable to the scope stated in the notice.

REMUNERATION

The remuneration of Directors and Supervisors shall be approved by the shareholders of the Company at the shareholders' general meeting, as referred to in "— Emoluments, Compensation or Payments for Loss of Office" above.

RETIREMENT, APPOINTMENT AND REMOVAL

The Company shall establish a board of directors, which shall comprise of six to nine Directors. The Board of Directors shall have one chairman.

Directors shall be elected or replaced by the shareholders' general meeting and serve a term of office of three years. Except for independent non-executive Directors, who are limited to a maximum term of nine years, a Director may serve consecutive terms if re-elected upon the expiration of his/her term. Subject to the requirement of relevant laws and administrative regulations, the shareholders' general meeting may remove any Directors by ordinary resolution (but without prejudice to any claims for damages under any contracts) prior to the expiration of the term of such Directors.

None of the following persons may serve as a Director, supervisor, general manager or other senior management of the Company:

1. persons without capacity or with limited capacity for civil acts;
2. persons who have been sentenced for crimes for corruption, bribery, encroachment or embezzlement of property or disruption of the social or economic order;
3. Directors, or factory directors or managers who bear personal liability for the bankruptcy or liquidation of their companies or enterprises where three years have not lapsed of following the date of completion of such bankruptcy or liquidation;

4. the legal representatives of companies or enterprises that had their business licences revoked or that had been shut down for violation of law(s), where such representatives bear individual liability therefore and three years have not lapsed following the date of revocation of such business licences;
5. persons with relatively heavy individual debts that have not been settled upon maturity;
6. persons who is under criminal investigation by the judicial authorities, and such cases have not been closed;
7. persons who shall not act as leaders of enterprises by virtue of laws and administrative regulations;
8. non-natural persons;
9. persons convicted of violating relevant securities laws and regulations by the competent regulatory authority, and such conviction involves a finding that he or she has acted fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;
10. other contents stipulated by listing rules for stock exchanges where the Company's Share are listed.

The validity of an act of a Director, Supervisor, general manager or other senior management of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his/her current position, election or qualifications.

Shareholders holding individually or jointly at least 3% of the shares of the Company with the right to vote shall have the right to nominate candidates for election to the Board of Directors or the Board of Supervisors (except for directorship or supervisorship representing employees) at a shareholders' general meeting by submission of a written proposal, provided that the number of the nominated candidates shall be in compliance with the Articles of Association and no more than the membership to be elected.

There is no provision in the Articles of Association regarding retirement or nonretirement of Directors under an age limit.

DUTIES

In addition to obligations imposed by laws or listing rules of the stock exchange(s) on which shares of the Company are listed, the Company's Directors, Supervisors, general manager and other senior management members shall have the following obligations to each shareholder in the exercise of the functions and powers granted 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 honestly in the best interests of the Company;
3. not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favourable to the Company; and
4. not to deprive any shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring plan of the Company submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association.

The Company's Directors, Supervisors, general manager and other senior management shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with due care, diligence and skills as a reasonable and prudent person should do under similar circumstances.

The Company's Directors, Supervisors, general manager and other senior management must, in the exercise of their duties, abide by the principle of loyalty and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfilment of the following obligations:

1. to act honestly in the best interests of the Company;
2. to exercise powers within the scope of their functions and powers and not to act beyond such powers;
3. to personally exercise the discretion vested on him/her, not to allow himself/herself to be manipulated by another person and, not to delegate the exercise of his/her discretion to another party unless permitted by laws or with the consent of the shareholders' general meeting that has been informed;
4. to be impartial from shareholders of the same category and fair to shareholders of different categories;
5. not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in the Articles of Association or with the informed consent of the shareholders' general meeting;
6. not to use the Company's property for his/her own benefit in any way without the informed consent of the shareholders' general meeting;
7. not to use his/her positions and powers as a means to accept bribes or other forms of illegal income, and not to appropriate the Company's property in any way, including (but not limited to) any opportunities that are favourable to the Company;
8. not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders' general meeting;
9. to abide by the Articles of Association, perform his/her duties faithfully, protect the interests of the Company and not to seek personal gain with his position, functions and powers in the Company;
10. not to compete with the Company in any way without the informed consent of the shareholders' general meeting;
11. not to embezzle the Company's funds, not to deposit the Company's assets or funds in accounts opened in his/her own or in another person's name;
12. not to lend the Company's funds to others or use the Company's assets to provide security interest for the debts of the Company shareholders or other individuals in violation of the Articles of Association and in the absence of the approval by the shareholders' general meeting or the Board of Directors;
13. not to use his/her connected relationship to impair the interests of the Company;
14. not to disclose confidential information relating to the Company that was acquired by him/her during his/her term of office without the informed consent of the shareholders' general meeting, and not to use such information except for the interests of the Company;

however, such information may be disclosed to the court or other government authorities if:

- (a) required by laws;
- (b) required in the public interest;
- (c) required in the own interest of such Director, supervisor, general manager or other senior management.

A Director, a Supervisor, the general manager or other senior management of the Company may not procure the following persons or organisations (“**Related Persons**”) to do what such Director, supervisor, general manager or other senior management may not do:

1. the spouse or minor children of such Director, Supervisor, general manager or other senior management member of the Company;
2. the trustee of a Director, Supervisor, general manager or other senior management of the Company or of any person referred in the aforesaid item above;
3. the partner of a Director, Supervisor, general manager or other senior management of the Company or of any person referred in aforesaid two items above;
4. a company in which a Director, Supervisor, general manager or other senior management of the Company, individually or jointly with any person referred to in aforesaid three items above or any other Director, Supervisor, general manager or other senior management of the Company, has actual control; and
5. a Director, a Supervisor, the general manager or other senior management of a company being controlled as referred to in aforesaid item above.

The fiduciary duty of a Director, Supervisor, general manager and other senior management of the Company does not necessarily cease with the termination of his/her term of office. His/her confidentiality obligation in relation to the Company’s trade secrets shall remain upon termination of their term of office. The term for continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates.

If a Director, a Supervisor, the general manager or other senior management of the Company breaches his/her obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws, have a right to:

1. require the relevant Director, Supervisor, general manager or other senior management of the Company to compensate for the losses sustained by the Company as a consequence of his/her dereliction of duty;
2. rescind any contract or transaction concluded by the Company with the relevant Director, Supervisor, general manager or other senior management of the Company and contracts or with a third party (where such third party is aware or should be aware that the Director, Supervisor, general manager or other senior management representing the Company was in breach of his/her obligations to the Company);
3. require the relevant Director, Supervisor, general manager or other senior management of the Company to surrender the gains derived from the breach of his/her obligations;

4. recover any funds received by the relevant Director, Supervisor, general manager or other senior management of the Company that should have been received by the Company, including (but not limited to) commissions;
5. require the relevant Director, Supervisor, general manager or other senior management of the Company to return the interest earned or possibly earned on the funds that should have been given to the Company; and
6. recover any property obtained by the Director, Supervisor, general manager, and other senior management member convicted of the breach of his duties by legal proceedings.

BORROWING POWERS

The Articles of Association do not specifically provide for the manner in which borrowing powers may be exercised nor do they contain any specific provision in respect of the manner in which such borrowing powers may be amended, except for:

1. provisions which authorise the Board of Directors to formulate proposals for the issuance of debentures and other securities by the Company;
2. provisions which provide that the issuance of debentures and other securities shall be approved by the shareholders' general meeting by a special resolution.

AMENDMENTS TO CONSTITUTIONAL DOCUMENTS

The Company may amend the Articles of Association in accordance with laws and the provisions of the Articles of Association.

An amendment to the Articles of Association in connection with the Mandatory Provisions shall be subject to approval of the relevant supervisory and regulatory authorities of the State Council or CSRC. Where an amendment in the Articles of Association shall be subject to registration, the Company shall register the amendment according to the applicable law.

VARIATION OF RIGHTS OF EXISTING SHAREHOLDERS OF DIFFERENT CLASSES

Shareholders who hold different categories of shares in the Company shall be shareholders of different classes. Shareholders of different classes shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association.

In addition to shareholders of other categories of shares, shareholders of domestic-listed shares and foreign-listed shares shall be deemed as shareholders of different classes of shares.

Upon the approval by securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer, in whole or in part, the shares held by them to overseas investors and list and trade such shares on an overseas stock exchange; all or part of domestic shares of the Company may be converted into foreign shares and upon such conversion, the foreign shares may be listed and traded on an overseas stock exchange. The listing of shares so transferred or converted on an overseas stock exchange shall be in compliance with relevant supervisory regulations, rules and requirements effective at the place of listing. Neither the listing of transferred shares on an overseas stock exchange nor the conversion of domestic shares into foreign shares or the listing of such foreign shares on an overseas stock exchange requires approval at a general meeting of shareholders or a class shareholders' meeting. Domestic shares, after being converted into overseas listed foreign shares, are of the same class as the original overseas listed foreign shares.

Any proposal by the Company to change or abrogate the rights of any class of shareholders shall be approved by the shareholders' general meeting by a special resolution and by a separate shareholders' general meeting convened by the affected shareholders of that classes conducted in accordance with the Articles of Association.

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

1. an increase or decrease in the number of shares of a class or an increase or decrease in the voting rights, distribution rights or other privileges of shares of a class;
2. conversion of all or part of the shares of a class into shares of another class, or *vice versa* or the grant of a right to convert;
3. cancellation or reduction of rights to accrued dividends or cumulative dividends attached to shares of a class;
4. cancellation or reduction of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of a class;
5. an addition, cancellation or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights of placing or rights to acquire securities of the Company attached to shares of a class;
6. cancellation or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of a class;
7. creation of a new class of shares with voting rights, distribution rights or other privileges which are equal or superior to shares of a class;
8. imposition of restrictions or additional restrictions on the transfer or ownership of shares of a class;
9. issue of rights to subscribe for, or convert into, shares of a class or another class;
10. an increase in the rights and privileges of shares of another class;
11. restructuring of the Company which causes shareholders of different classes to bear liability on a disproportionate basis during the restructuring; or
12. an amendment or cancellation of "special voting procedures for shareholders of different classes" as contained in the Articles of Association.

Interested shareholders (as defined below) shall not have the right to vote at meetings of shareholders of different classes.

Resolutions of a class shareholders' general meeting may be passed only by way of poll by two-thirds or more of the voting rights of that class represented at that meeting who are entitled to vote at that meeting.

When the Company is to convene a class shareholders' general meeting, the period for giving written notice regarding convening a class shareholders' meeting shall be the same as the period for giving written notice regarding a non-class meeting of shareholders proposed to be convened with such class shareholders' meeting concurrently. Written notices specifying the date and place of the meeting and the matters to be reviewed thereat shall be delivered to all registered shareholders of the corresponding class.

Notice regarding convening a class shareholders' general meeting needs to be delivered only to the shareholders who are entitled to vote thereat.

The procedures pursuant to which a class shareholders' general meeting is held shall, to the extent possible, be identical to the procedures according to which a shareholders' general meeting is held. Provisions of the Articles of Association in relation to procedures for the holding of a shareholders' general meeting shall be applicable to class shareholders' general meetings.

The special voting procedures for shareholders of different classes shall not apply in the following circumstances:

1. where, as approved by way of a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, domestic investment shares listed within the PRC and foreign investment shares listed outside the PRC every 12 months, and the number of the domestic investment shares and foreign investment shares listed outside the PRC intended to be issued does not exceed 20% of the issued and outstanding shares of the respective categories;
2. where the plan for, issuance of domestic investment shares listed within the PRC and foreign investment shares listed outside the PRC upon the incorporation of the Company is completed within 15 months since being approved by the securities regulatory authorities of the State Council;
3. where the domestic shareholders transfer their shares to the foreign investors and such shares are listed on the offshore stock exchange after approval from the securities regulatory authorities of the State Council;
4. where all or part of the Domestic Shares are converted into foreign shares and upon such conversion, the foreign shares are listed and traded on an overseas stock exchange.

For the purposes of the provisions of the rights of shareholders of different classes, the "interested shareholders" shall have the following meanings:

1. if the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on a stock exchange in accordance with the Articles of Association, the controlling shareholders as defined in the Articles of Association shall be "interested shareholders";
2. if the Company has repurchased its own shares by an agreement outside a stock exchange in accordance with the Articles of Association, shareholders in relation to such an agreement shall be "interested shareholders";
3. under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest that is different from the interest of other shareholders of the same class shall be "interested shareholders."

RESOLUTIONS-MAJORITY REQUIRED

Resolutions of shareholders' general meeting are divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by shareholders' general meeting shall be adopted by more than half of voting shares represented by the shareholders attending the shareholders' general meeting (including their proxies).

Special resolutions made by shareholders' general meeting shall be adopted by two-thirds or more of voting shares represented by the shareholders attending the shareholders' general meeting (including their proxies).

VOTING RIGHTS (GENERALLY, THE RIGHT ON A POLL AND TO DEMAND A POLL)

Shareholders (including their proxies) exercise voting rights according to the voting shares they hold, and each share shall have one voting right. However, the shares of the Company held by the Company shall not carry voting right and shall not be calculated into the aggregate amount of shares carrying voting right in attendance of the shareholders' general meeting.

The matters of the shareholders' general meeting shall be resolved by show of hands.

A poll demanded on a vote regarding the election of the chairman of the meeting or an adjournment of the meeting, shall be taken immediately. A poll demanded on any other matters shall be taken at the time as the chairman of the meeting decides and the meeting may proceed to other matters. The result of the poll shall still be a resolution of the meeting.

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

In case of an equality of votes, the chairman of the meeting shall be entitled to a casting vote.

REQUIREMENTS FOR ANNUAL SHAREHOLDERS' GENERAL MEETING

Annual general meeting shall be held once every year within six months after the end of the last financial year.

ACCOUNTS AND AUDIT

The Company shall formulate its accounting system in compliance with laws, administrative regulations and relevant stipulations of PRC formulated by the relevant regulatory authorities.

The Board of Directors of the Company shall submit to its shareholders at every annual general meeting such financial reports as are required by the laws and regulations.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place outside China where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the aforesaid accounting standards, such difference shall be stated and explained in the financial statements. For the purposes of distribution of the Company's after-tax profits in a financial year, the lower of the after-tax profits as shown in the different set of financial statements shall be adopted.

The financial reports of the Company shall be made available at the Company for inspection by shareholders 20 days before the annual general meeting. Each shareholder of the Company is entitled to a copy of the financial reports.

A copy of the above financial reports shall, at least 21 days before the date of the general meeting, be delivered or sent by pre-paid post to the registered address of every holder of Foreign Shares.

The interim result or financial information that the Company announces or discloses shall be compiled according to both PRC accounting standards, laws and regulations, and international accounting standards or accounting standards of the place at which shares of the Company are listed.

The Company shall disclose its financial reports two times in each accounting year, that is, its interim financial reports within sixty days of the end of the first six months of a financial year and its annual financial reports within 120 days of the end of its financial year.

NOTICE OF MEETINGS AND BUSINESS TO BE CONDUCTED THEREAT

There are two types of shareholders' general meetings: the annual shareholders' general meetings and the extraordinary shareholders' general meetings.

The extraordinary shareholders' general meeting shall be convened within two months upon the occurrence of any of the following events:

1. the number of Directors is less than the number stipulated by PRC Company Law or less than two-thirds of the number required by the Articles of Association;
2. the outstanding balance of the Company's loss that had not been made-up reaches one-third of the Company's total paid-in share capital;
3. shareholders holding severally or jointly 10% or more of the Company's shares presents a written request to convene an extraordinary shareholders' general meeting (the percentage of shareholding shall be calculated in accordance with the shareholdings on the date of the presence of such request);
4. the Board of Directors deems it as necessary or the Board of Supervisors proposes that the meeting be convened;
5. two or more independent non-executive Directors propose in writing that the meeting be convened; and
6. other situations, as stipulated in laws and the Articles of Association.

When the Company is to convene a general meeting of shareholders, the shareholders holding, individually or aggregately, 3% or more of all the shares of the Company may propose and submit in writing to the board of directors special proposals ten days prior to the proposed date of such meeting; the board of directors shall, within two days upon receipt of such proposals, notify the other shareholders thereof and submit the proposals to the general meeting of shareholders for review. The special proposals shall fall within the scope of duties of the general meeting of shareholders and include specific subject and particular matters to be resolved.

When the Company is to convene a general meeting of shareholders, it shall notify each shareholder of the date and place of the meeting and the matters to be reviewed at the meeting 20 days prior to the proposed date of such meeting. When the Company is to convene an extraordinary meeting of shareholders, it shall give such notice to each shareholder 15 days prior to the proposed date of such meeting.

The notice of a shareholders' general meeting shall be delivered to the shareholders (whether or not entitled to vote on the shareholders' general meeting) by courier or pre-paid mail to the recipient's address shown in the register of shareholders or by public announcement. The public announcement referred to in the preceding paragraph shall be published in one or more newspapers or periodicals designated by the securities regulatory authorities of the State Council as well as the website of the Company and the stock exchange during the period between 20 and 25 days prior to the convening of any general meeting of shareholders or between 15 and 20 days prior to the convening of any extraordinary meeting of shareholders. Once the announcement is made, all shareholders of Domestic Shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

For shareholders of foreign shares, notice of the shareholders' general meeting, shareholders' circulars and relevant documents may be issued on the website of the Company and the website of

the Stock Exchange provided that the requirements of laws, administrative regulations, and the listing rules of the jurisdictions where the shares of the Company are listed as well as the Articles of Association are complied with.

A meeting and the resolutions adopted to thereof shall not be invalidated as a result of accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice.

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

1. it shall be made in writing;
2. it shall specify the time, place and period of the meeting;
3. it shall describe the matters to be discussed at the meeting;
4. it shall provide necessary information and explanations to the shareholders so as to enable them fully understand the matters to be discussed and make decisions accordingly. This principle shall apply (but not limited to) when the Company proposes a merger, repurchase of shares, reorganisation of share capital or other restructuring, it shall provide the specific conditions and contracts (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;
5. it shall disclose the nature and extent of material interests, if any, of any Director, Supervisor, general manager or other senior management of the Company in any matter to be discussed; and provide an explanation of the differences, if any, between the way in which the matter to be discussed would affect such Director, Supervisor, general manager or other senior management of the Company in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
6. it shall contain the full text of any special resolutions proposed to be voted at the meeting;
7. it shall contain a conspicuous statement that the shareholders are entitled to attend and vote have the right to appoint one or more proxies to attend and vote on their behalf and that such proxy is not required to be a shareholder;
8. it shall state the time and place for the delivery of the meeting's proxy forms.

At a general meeting of shareholders, no resolution shall be made in respect of any matter which is not specified in the notices set out in the Articles of Association.

Without the prior approval of the shareholders' meeting by the Company shall not enter into any contract with any party other than the Directors, Supervisors, general manager or other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Resolutions on the following items shall be adopted in the form of ordinary resolutions by a shareholders' general meeting:

1. working report of the Board of Directors and the Board of Supervisors;
2. plans made by the Board of Directors on profit distribution and loss make-up;
3. election and removal of members of the Board of Directors and the shareholder representative supervisors and their remunerations and methods of payment;
4. annual budget and final accounts plans;

5. annual reports of the Company;
6. matters other than those stipulated by laws, administrative regulations or the Articles of Association to be adopted by special resolutions.

The following items shall be adopted in the form of special resolutions:

1. increase or reduction of the Company's registered capital or issuance of any class of shares, warrants of share subscription or other similar securities;
2. issuance of bonds;
3. division, merger, dissolution, liquidation or change of organisational form of the Company;
4. amendment to the Articles of Association;
5. determining on loan (both within the annual budget and extra-annual budget), investment, purchase or sale of asset, lease, mortgage or pledge of asset or any other matters in relation to asset disposal and guarantee with an amount of more than 30% of the Company's audited total assets value for the latest period;
6. share option incentive plans;
7. other matters stipulated by laws, administrative regulations or the Articles of Association, and other matters decided in the form of ordinary resolutions adopted by the shareholders' general meeting as having significant impact on the Company and requiring adoption by way of special resolutions;
8. other matters which should be adopted in the form of special resolutions required by the Listing Rules.

TRANSFER OF SHARES

Upon the approval by securities regulatory authorities of the State Council, holders of domestic shares of the Company may transfer, in whole or in part, the shares held by them to overseas investors and list and trade such shares on an overseas stock exchange; all or part of domestic shares of the Company may be converted into foreign shares and upon such conversion, the foreign shares may be listed and traded on an overseas stock exchange. The listing of shares so transferred or converted on an overseas stock exchange shall be in compliance with relevant supervisory regulations, rules and requirements effective at the place of listing. Neither the listing of transferred shares on an overseas stock exchange nor the conversion of domestic shares into foreign shares or the listing of such foreign shares on an overseas stock exchange requires approval at a general meeting of shareholders or a class shareholders' meeting. Domestic shares, after being converted into overseas listed foreign shares, are of the same class as the original overseas listed foreign shares.

Unless otherwise provided by laws and administrative regulations, the Company's shares may be transferred free of any encumbrances, provided that H shares listed in Stock Exchange shall be registered at the share registration institution in Hong Kong entrusted by the Company.

Any changes to or correction of any parts of the register of shareholders shall be conducted in accordance with the laws of the place where such parts of the register of shareholders are kept.

No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or five days prior to the record date set by the Company for the purpose of distribution of dividends.

POWER OF THE COMPANY TO REPURCHASE ITS OWN SHARES

After being approved under the procedures stipulated by laws and the Articles of Association and obtaining approvals from administrative authorities authorised by the State Council, the Company may repurchase shares of the Company in the following circumstance:

1. to cancel the shares for the purpose of reducing the registered capital of the Company;
2. to merge with other companies holding the shares of the Company;
3. to give the shares for employee stock ownership plan or stock ownership incentive;
4. to be requested to repurchase the shares held by the shareholders who object to the resolutions adopted at the shareholders' general meeting concerning consolidation and division of the Company;
5. to convert the shares to corporate bonds that are issued by the Company and convertible to stocks;
6. to be necessary to safeguard the value of the Company and the interests of its shareholders;
7. other circumstances where laws and administrative regulations so permit.

The purchase by the Company of its own shares for the reasons set forth in items (1) and (2) above shall be subject to the resolutions adopted at the shareholders' general meeting; the purchase of shares under items (3), (5) and (6) above, shall be subject to the resolutions adopted at the board meeting where over two-thirds of the directors are present, in accordance with provisions of the Articles of Associations or the authorisation by the Board.

Where laws, administrative regulations, department regulations, the Articles of Association as well as the stock exchange and securities regulatory authority of the place where the stocks of the Company are listed require otherwise with respect to matters relating to repurchase of shares stated above, such requirements shall be complied with.

The repurchase of the Company's shares, upon the approval by the relevant competent governmental authorities, may be conducted in any of the following manners:

1. making a repurchase offer pro rata to all shareholders;
2. repurchase through open transactions in a stock exchange;
3. repurchase through contractual arrangements outside a stock exchange;
4. other means approved by laws, administrative regulations or administrative departments authorised by the State Council.

When the Company is to repurchase shares through contractual arrangements outside a stock exchange, prior approval shall be obtained from the shareholders' general meeting in accordance with the Articles of Association. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

1. for the purposes of the above paragraph, contracts for the repurchase of shares shall include (but not limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

2. the Company may not assign contracts for the repurchase of its own shares or any of its rights thereunder.
3. the Company shall apply to the original registration authority for the change of the registered capital registration in the event that the repurchased shares are cancelled due to the repurchase thereof.
4. the amount of the Company's registered capital shall be reduced by the total par value of the shares so cancelled.

Unless the Company has already entered the liquidation stage, it must comply with the following provisions in buying back its issued and outstanding shares:

1. where the Company buys back shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to repurchase the old shares;
2. where the Company buy backs shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares. The portion in excess of the par value shall be handled according to the following methods:
 - (a) where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profit;
 - (b) where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and from the proceeds of a new share issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new share issuance may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in the Company's share premium account (or capital reserve funds account) (including the premiums from the new share issuance) at the time of buy-back;
3. the amount paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
 - (a) acquisition of the right to repurchase its own shares;
 - (b) modification of any contract for repurchase of its own shares;
 - (c) release from any of its obligations under any repurchase contracts.
4. after the par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profit and used to buy back shares at the par value shall be included in the Company's share premium account (or capital reserve account).

DIVIDENDS AND OTHER METHODS OF PROFITS DISTRIBUTION

The Company may distribute the dividends in the form of cash or shares (or a combination of both).

The Company shall appoint recipient agents for shareholders of foreign investment shares listed outside the PRC. The recipient agents shall collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of foreign investment shares listed outside the PRC, and to keep such amounts for the future payment to the relevant shareholders.

The recipient agents appointed by the Company for shareholders of foreign investment shares listed in Hong Kong shall be a company which is registered as a trust company under the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong).

After complying with PRC laws, the Company may expropriate dividends no one claimed for, but such right of expropriation shall only be exercised upon the expiration of the applicable statutory limitation.

PROXIES

Any shareholders entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his/her proxies to attend and vote on his/her behalf. Such proxy may exercise the following rights according to his/her entrustment by the shareholder:

1. the shareholder's right to speak at the shareholders' general meeting;
2. the exercise of voting right by ballot.

Shareholders shall entrust the proxy in writing, and the proxy shall be signed by the appointer or the agent authorised by the shareholders in writing. If the appointer is a legal person, the instrument shall be sealed with the legal person's stamp or signed by its Director or formally authorised agent.

Legal person shareholders shall be represented by its legal representative or proxy entrusted by its legal representative to attend the meeting. When a proxy is entrusted to attend the meeting, he/she shall present his/her identification card and written proxy or authorisation letter signed by the legal person shareholder or legal representative of the legal person shareholder. Legal representative attending the meeting shall present his/her identification card and effective proof to his/her qualification as a legal representative appointed by the board of the legal person or other authority of the legal person or any effective proof permitted by the Company.

The proxy letter issued by a shareholder to entrust proxy to attend shareholders' general meeting shall contain in the following contents:

1. name of the principal and the proxy;
2. the number of shares held by the principal;
3. proxy's voting right;
4. instructions on each item to be discussed on the agenda of shareholders' general meeting, stating whether the shareholder agrees to, object to or abstain from voting the resolution respectively;
5. instructions on the voting right in respect of the special proposals to be discussed on the agenda of shareholders' general meeting, including detailed instructions on the exercise of such voting right, if any;
6. the issuing date of proxy letter and its effective period;
7. signature or seal of the appointer; if the appointer is a legal person, the proxy letter shall be sealed by it.

Any form issued by the Board of Directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an

affirmative, negative or abstention vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The proxy letter shall specify that in the absence of instructions from the shareholder, the proxy may vote as he/she thinks fit.

If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorisation to sign the proxy form, or transferred all his/her shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.

CALLS ON SHARES AND FORFEITURE OF SHARES

Shareholders are entitled to the interests of any payment for shares prior to the making of calls on such shares, but cannot claim any dividend in respect of such shares that is declared after that prepayment.

The Company has right to sell the foreign investment shares listed outside the PRC, the holders of which are unable to get into contact with for a prescribed period of time subject to satisfaction of the following conditions:

1. the Company has declared dividend in respect of such shares of at least three times within 12 years, but such dividend has never been collected by any person during that period; and
2. after the expiration of the 12 year period, the Company shall publish an announcement in one or more magazines of the jurisdiction where the Company is listed, stating its intention to sell such shares, and notify the Stock Exchange.

RIGHTS OF SHAREHOLDERS (INCLUDING INSPECTION OF REGISTER)

Shareholders of ordinary shares of the Company shall enjoy rights pursuant to the applicable laws and the Articles of Association as follows:

1. collect dividends and other kinds of interests distributed based on the number of shares held by them;
2. attend or entrust a proxy to attend shareholders' meetings and exercise relevant voting right in accordance with the applicable laws;
3. supervise and administrate the business operation of the Company, and make suggestions and enquiries accordingly;
4. transfer, donate or pledge shares held by the shareholders in compliance with laws, administrative regulations, relevant requirements of securities regulatory authorities in the places where the shares are listed and the Articles of Association, shareholders holding 5% or more of the Company's shares pledge shares shall report to the Company within 3 business days after the pledge occurs;
5. obtain relevant information in accordance with the Articles of Association, including: the right to obtain the Articles of Association, subject to payment of costs; the right to inspect the following documents for free and make copies of the documents subject to payment of costs:
 - (1) all parts of the register of shareholders;

- (2) personal materials of a Director, Supervisor, general manager and other senior management of the Company;
 - (3) status of share capital of the Company;
 - (4) latest audited financial statements of the Company and the Reports of the Directors, auditors and the Board of Supervisors;
 - (5) extraordinary general meeting of the Company;
 - (6) minutes of shareholders' general meetings;
 - (7) reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last accounting year as well as all the expenses paid by the Company therefor;
 - (8) copy of the latest annual report filed with the PRC State Administration for Industry and Commerce or other competent PRC authority;
6. participate in the distribution of the Company's remaining assets based on the number of shares held by the shareholders when the Company is terminated or liquidated;
 7. request the Company to purchase its shares if they object to the resolutions adopted by the shareholders' general meeting on merger or separation;
 8. other rights conferred by laws, administrative regulations and the Articles of Association.

RIGHTS OF MINORITY SHAREHOLDERS IN RELATION TO FRAUD OR OPPRESSION

In addition to obligations imposed by laws, administrative regulations or the listing rules of the stock exchange(s) on which the shares of the Company are listed, while exercising shareholder's rights, the controlling shareholders shall not make such decisions by exercising their voting rights to the detriment of all or part of the shareholders' interests as below:

1. relieving a Director or Supervisor of the responsibility to act honestly in the best interest of the Company;
2. approving a Director or a Supervisor for his/her own or other person's benefit to deprive the Company of its property in any form, including (but not limited to) any opportunities that are favourable to the Company; or
3. approving a Director or a Supervisor for his/her own or other person's benefit to deprive other shareholders of their rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association.

The term "controlling shareholder(s)" in the Articles of Association shall refer to the person(s) satisfying any of the following conditions:

1. acting alone or in concert with others, has the power to elect half or more number of the Directors;
2. acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's voting rights;
3. acting alone or in concert with others, hold 30% or more of shares of the Company;
4. acting alone or in concert with others, can obtain actual control of the Company in any other manner.

PROCEDURES ON LIQUIDATION

Should any of the following circumstances occur, the Company shall be dissolved and liquidated pursuant to law:

1. if the business term has expired;
2. if the shareholders' general meeting resolves to dissolve the Company;
3. if a dissolution is necessary as a result of the merger or division of the Company;
4. if the Company's business licence is lawfully suspended, or the Company is lawfully declared to be closed or revoked;
5. if no other solutions can be pursued when the Company has significant difficulties in its operation and management, and its continued existence will cause great loss to the shareholders' interests, shareholders with 10% or more of all the voting rights of the Company may file a lawsuit with the court to dissolve the Company;
6. if a people's court declare the Company's bankrupt due to the assets are insufficient to settle the debts.

If the Board of Directors decides that the Company should be liquidated (except the liquidation as a result of the Company's declaration of insolvency), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board of Directors has made full investigation into the position of the Company and that the Board of Directors holds the opinion that the Company can pay its debts in full within 12 months after the announcement of liquidation.

The functions and powers of the Board of Directors shall terminate immediately after the general shareholders' general meeting has adopted a resolution regarding liquidation.

During the period of liquidation, the Company still exists but shall not engage in any business activities irrelevant to such liquidation.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, an income and expenditure statement and financial account for the period of liquidation and, after they are certified by a PRC certified public accountant, submit to the shareholders' general meeting or the people's court for confirmation.

OTHER PROVISIONS MATERIAL TO THE COMPANY OR ITS SHAREHOLDERS**General provisions**

The Company is a joint stock limited company. From the date on which the Articles of Association came into effect, the Articles of Association constitute a legally binding public document regulating our organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders themselves.

In light of the demands of operation and business development and based on relevant laws and regulations, after obtaining separate resolutions of the shareholders' general meeting, the Company may increase its capital through the following ways:

1. offering new shares to the public;
2. private placing of shares;

3. allotment of new shares to existing shareholders;
4. offering new shares to employees by option;
5. transferring capital reserve funds;
6. other methods provided by laws and administrative regulations or permitted by the administrative authorities authorised by the State Council.

The Company's issuance of new shares shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations after having been approved in accordance with the Articles of Association.

The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The reduction of registered capital shall follow the procedures set forth in the PRC Company Law and other regulations and provisions of the Articles of Association.

When the Company is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish an announcement about the resolution in the newspapers designated by the relevant regulatory authorities in the jurisdiction where the Company is listed at least three times within 30 days and on the website of the Company and the relevant stock exchange. Creditors shall, within 30 days since receiving a written notice or within 90 days since the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay off its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum.

Shareholders of ordinary shares of the Company shall undertake the following obligations:

1. abide by laws, administrative regulations and the Articles of Association;
2. contribute share capital according to the number of shares subscribed by them and the methods of capital contribution;
3. the liability of the Shareholders to the Company is limited to the extent of the shares subscribed by them;
4. unless otherwise stipulated by laws and administrative regulations, shareholders shall not withdraw their share capital;
5. shall not abuse shareholders' rights to cause damage to the Company or the interests of other shareholders or abuse the independent legal person status of the Company and limited liability of the shareholders to cause damage to the interests of the creditors of the Company. Shareholders of a company who abuse their shareholders' rights and cause the company or other shareholders to suffer damages shall bear compensation liability in accordance with the law. Shareholders of the Company who abuse the independent legal person status of the Company and limited liability of shareholders to evade debts and cause damage to the interests of the creditors of the company shall bear joint liability for the Company's debt.
6. other obligations imposed by laws and the Articles of Association.

SECRETARY OF THE BOARD OF DIRECTORS

The Board of Directors has a secretary who shall be appointed by the chairman and dismissed by the Board. The secretary of the Board of Directors is a member of senior management of the Company.

The major duties of the secretary of the Board of Directors shall include:

1. to ensure the Company keep the relevant documents and records of our organisation and activities;
2. to keep and administrate the relevant documents of shareholders;
3. to assist the routine of the Board of Directors for the directors;
4. to organise and prepare for the meetings of the Board of Directors and shareholders' general meetings, take minutes of the meetings and take care of the documents and minutes of the meetings;
5. to organise, prepare and submit the reports and documents required by the relevant supervisory and regulatory authorities and to be responsible for all relevant task from regulatory authorities as the contact person between the Company and the relevant supervisory and regulatory authorities of the State Council or CSRC;
6. to ensure the Company set up the register of shareholders. to ensure the persons entitled to access to the relevant documents and records are furnished with such documents and records without delay;
7. to be responsible for the information disclosure of the Company, attending all the relevant meetings, and timely acquisition of information on material operation decisions and relevant materials;
8. to coordinate with visits and reception work, maintain relationship with the media, coordinate public relationship;
9. to exercise other powers conferred by the Board of Directors and other powers as may be required or provided for under laws of the places where the Company's shares are listed.

BOARD OF SUPERVISORS

The Company shall have a Board of Supervisors, which shall comprise three supervisors, one of whom shall be elected as the chairman of the Board of Supervisors. The chairman of the Board of Supervisors shall be elected and replaced by two-thirds or more of all the Supervisors. The term of office of each supervisor shall be 3 years. A Supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. Directors, general manager and other senior management members of the Company may not serve as Supervisors concurrently.

The Board of Supervisors shall perform the following duties:

1. to supervise the financial activities of the Company;
2. to exam the financial reports, operating reports, profit distribution plans and other financial documents which the Board of Directors intend to submit to the shareholders' general meeting, and to entrust certified accountant or certified auditor on behalf of the Company to review these relevant financial documents in case of any doubt;
3. to supervise the performance of duties by the Directors, the general manager and senior management members of the Company, and dismissal of the Directors and senior

management of the Company who violate laws, the Articles of Association or resolutions of the shareholders' general meeting;

4. to require the Directors, the general manager, and other senior management of the Company to correct any act that is harmful to the Company's interests;
5. to propose to hold an extraordinary shareholders' general meeting, and to convene and preside over a shareholders' general meeting when the Board of Directors fails to perform its duty of convening and presiding over such meeting pursuant to the laws;
6. to make proposals to the shareholders' general meetings;
7. to propose to hold an extraordinary Board meeting;
8. to bring legal proceedings against the Directors, the senior management members in accordance with laws;
9. other authority prescribed by laws, administrative regulations and the Articles of Association.

A Supervisor can attend the meetings of the Board of Directors as a non-voting attendee.

A Supervisor shall abide by laws and the Articles of Association, and perform his/her supervising responsibilities honestly and diligently.

GENERAL MANAGER OF THE COMPANY

The general manager of the Company shall be accountable to the Board of Directors and shall have the right to exercise the following powers:

1. be in charge of business operation and management, report to the Board of Directors;
2. organise the implementation of resolution of the Board of Directors, annual operation and investment plans;
3. formulate the draft of the basic administrative system and internal management establishment structure;
4. formulate the specific regulations of the Company;
5. propose to the Board of Directors for the appointment or dismissal of the deputy general manager, the chief accountants and other senior management;
6. appoint or dismiss other management or ordinary employees that shall not be appointed or dismissed by the Board of Directors, formulate regulations of remuneration, welfare, rewards and punishment of employees;
7. propose to convene interim meeting of the Board of Directors;
8. determine loan (both within the annual budget and extra-annual budget), investment, purchase or sale of asset, lease, mortgage or pledge of asset or any other matters in relation to asset disposal and guarantee in an amount of less than 10% of the Company's audited total assets value for the latest period;
9. other duties and powers authorised by the Articles of Association and the Board of Directors.

The general manager shall abide by laws and the Articles of Association and perform his duties faithfully, honestly and diligently.

BOARD OF DIRECTORS

The Board of Directors shall be responsible to the shareholders' general meetings and exercise the following functions and powers:

1. convening shareholders' general meetings and reporting on its performance to shareholders at such meetings;
2. executing the resolutions of the shareholders' general meetings;
3. determining business plans and investment proposals;
4. formulating proposed annual budgets and final accounts;
5. formulating profit distribution plans and plans for recovery of losses;
6. formulating proposals for increases in or reductions of registered share capital, and proposals for issuance of bonds or other marketable securities and listing plans;
7. formulating proposals for material acquisition, repurchase of shares, merger, separation, dissolution, liquidation or change of the nature of the Company;
8. determining establishment of internal management system and basic administrative system;
9. appointing or dismissing the Company's general manager and secretary of the Board of Directors, appointing or dismissing the senior management members including deputy general managers based on the nomination of our general manager, and deciding on matters relating to their emoluments and on the imposition of any disciplinary measures or rewards;
10. formulating proposals for any amendment to Articles of Association;
11. managing disclosure of information of the Company;
12. propose to the shareholders' general meeting about appointment or change of accounting firm;
13. review working report of the general manager and exam performance of the general manager;
14. determining on loan (both within the annual budget and extra-annual budget), investment, purchase or sale of asset, lease, mortgage or pledge of asset or any other matters in relation to asset disposal and guarantee in an amount from 10% to 30% of the Company's audited total assets value for the latest period;
15. determining the establishment of special committees and their compositions;
16. other authorities conferred by shareholders' general meetings or prescribed by the laws or the Articles of Association.

At least four regular meetings of the Board of Directors shall be held each year. Meetings of the Board of Directors shall be convened by the chairman of the Board of Directors. The notice of a regular meeting of the Board of Directors and a special meeting of the Board of Directors shall be served in writing to all the Directors, Supervisors and the general manager 14 days and 5 days respectively before such meetings are convened. The chairman of the Board of Directors shall convene and preside a special meeting of the Board of Directors within 10 days under one of the following circumstances:

1. shareholders individually or collectively representing one tenth or more voting rights propose;

2. the Board of Supervisors proposes;
3. the chairman of the Board of Directors considers necessary;
4. one third or more of the Directors propose jointly;
5. two or more independent non-executive Directors propose;
6. the general manager of the Company proposes.

Meetings of the Board of Directors may be held only if more than half of the Directors (including proxies) attend. Resolutions of the Board of Directors shall be adopted by the affirmative votes of more than half of all the Directors except for the following matters where an affirmative vote of at least two thirds or more of all the Directors will be required:

1. formulating proposals for increases in or reductions of registered share capital, and proposals for issuance of bonds or other marketable securities and listing plans;
2. formulating proposals for material acquisition, repurchase of shares, merger, separation, dissolution, liquidation or change of the nature of the Company;
3. formulating proposals for any amendment to the Articles of Association.

Each Director shall have one vote. If the number of dissenting votes is equal to that of affirmative votes, the chairman of the Board of Directors shall have a casting vote.

The special committees set up under the Board of Directors include without limitation: Nomination Committee, Audit Committee and Remuneration Committee.

ENGAGEMENT OF AN ACCOUNTING FIRM

The Company shall engage an independent accounting firm that complies with relevant State regulations to audit the annual financial reports and other financial reports of the Company. The term of engagement of an accounting firm engaged by the Company shall be between the end of the annual shareholders' general meeting of the Company and the end of the next annual shareholders' general meeting.

The shareholders' general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding any provisions in the engagement contract between the accounting firm and the Company, without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

The engagement, dismissal or refusal of the renewal of the engagement of an accounting firm shall be decided upon by the shareholders' general meeting and reported to the securities regulatory authorities of the State Council.

DISPUTE RESOLUTION

If any disputes or claims related to the Company's business based on the rights or obligations provided in the Articles of Association, the PRC Company Law and other relevant laws arise between the shareholders of foreign investment shares listed outside the PRC and the Company, between the shareholders of foreign investment shares listed outside the PRC and the Directors, Supervisors, the general manager and other senior management members of the Company or between the shareholders of foreign investment shares listed outside the PRC and other shareholders of domestic investment shares, the parties concerned may submit such dispute or claim for arbitration.

When such disputes or claims as described above are submitted for arbitration, such disputes or claims shall be submitted in their entirety, and all persons that have a cause of action due to the same events or whose participation is necessary for the settlement of such disputes or claims, and if such persons being the Company or Shareholders, Directors, Supervisors, the general manager or other senior management members of the Company, shall abide by arbitration.

Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration.

A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic or Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party must carry out arbitration in the arbitration institution selected by the applicant.

If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Centre, either party may request arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

Unless otherwise provided by laws or administrative regulations, the laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred in the above paragraph.

The award of the arbitration institution shall be final and binding upon each party.

The said arbitration agreement is reached between the Directors or senior executives and the Company, with the Company representing both itself and its Shareholders.

Any arbitration submitted shall be deemed as authorising the arbitration tribunal to conduct public hearing and announce the arbitration award.