

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

This appendix contains a summary of the Articles of Association of the Company for the purpose of providing an overview of the Articles of Association to potential investors.

As this appendix is only a summary, it does not contain all the information of importance to potential investors. The Articles of Association is available for inspection in the section headed "Appendix VII — Documents Delivered to the Registrar of Companies and Available on Display".

The summary of the Articles of Association of the Company was passed or approved by the Shareholders at the general meeting on December 20, 2021 according to applicable laws and regulations, including the PRC Company Law, the Securities Law, the Special Regulations, the Mandatory Provisions, the Letter on Opinions Concerning the Supplements and Amendments to the Articles of Association by Companies to Be Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》), the Opinions on Further Promoting Standard Operation of Overseas Listed Companies and Deepening Reform (《關於進一步促進境外上市公司規範運作和深化改革的意見》) jointly issued by the former State Economic and Trade Commission and the China Securities Regulatory Commission on March 26, 1999, the Official Reply of the State Council on Adjusting the Application of Provisions to Matters Including the Notification Period for Convening Shareholders' Meetings by Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》), the Hong Kong Listing Rules and other regulations, and will come into effect on the date when the H Shares of the Company are [REDACTED] on the Hong Kong Stock Exchange.

1. GENERAL PROVISIONS

From its effective date, the Articles of Association has constituted a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and its Shareholders and among the Shareholders, with a legal binding effect on the Company and its Shareholders, Directors, Supervisors and senior management. All of them have the rights to refer to the Articles of Association for claims regarding affairs related to the Company. In accordance with the Articles of Association, Shareholders may sue other Shareholders; Shareholders may sue Directors, Supervisors, general manager (known as "Chief Executive Director (CEO)" in the Company and the same hereinafter) and other senior management of the Company; Shareholders may sue the Company; the Company may sue Shareholders, Directors, Supervisors, general manager and other senior management of the Company. The term "sue" mentioned above shall include commencing court proceedings and applying for arbitration proceedings.

2. OBJECTIVES AND SCOPE OF BUSINESS

- Business objectives of the Company: the Company upholds the values of "user-centric, integrity, responsibility, efficiency and innovation" and is committed to providing users with highly cost-effective products and travel experience to create a leading global new energy vehicle enterprise.
- Business scope of the Company: development and design of new energy vehicles and vehicle accessories, production of new energy vehicles,

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production of vehicle accessories, sales of vehicles and vehicle accessories, development, technical services and sales of computer software, electronic products and communications products, technical consultation of computer application, training services (excluding organizing training classes), development, system integration and sales of network products as well as the engagement in import and export businesses. (Projects which require approval according to the law can commence operation once approved by relevant authorities.)

The term business scope referred in the preceding paragraph is subject to review by company registration authorities.

The Company may adjust its business scope based on domestic and overseas market changes, business development and its capacity, and shall complete relevant procedures for industrial and commercial registration change in accordance with regulations.

3. SHARES

3.1 Issuance of Shares

- The Company's stock takes the form of Shares.

The Company shall have ordinary Shares at any time. Ordinary Shares issued by the Company include domestic Shares and foreign Shares. Subject to approval by the authorized company registration department of the State Council, the Company may create other classes of Shares as needed in accordance with the provisions under relevant laws and administrative regulations.

- Issuance of Shares of the Company shall adopt the principles of fairness and impartiality. Shares of the same class shall rank *pari passu* with one another. For the same class of Shares issued in the same tranche, each Share shall be issued at the same price and subject to the same conditions. For Shares subscribed by any entity or individual, the amount paid for each Share shall be the same.
- All the Shares issued by the Company shall have a par value denominated in Renminbi which shall be RMB1 for each Share.
- The Company may, upon approval by the securities regulators of the State Council, issue Shares to domestic investors and overseas investors.

Overseas investors in the preceding paragraph refer to investors in foreign countries, the Hong Kong Special Administrative Region ("**Hong Kong**"), the Macao Special Administrative Region and Taiwan who subscribe for the Shares issued by the Company. Domestic

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investors in the preceding paragraph refer to investors residing in the territory of the People's Republic of China other than the places referred to above who subscribe for the Shares issued by the Company.

Overseas listed foreign shares listed in Hong Kong and issued by the Company are known as H Shares. H Shares refer to the Shares approved to be listed on the Hong Kong Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

After issuance and Listing of Shares overseas by the Company and upon approval by the State Council or its securities regulators, Shareholders of the domestic Shares of the Company may transfer the Shares held by them to overseas investors, and may convert such Shares into overseas listed Shares. If such Shares are listed and traded on overseas stock exchanges, the regulatory procedures, provisions and requirements of the overseas stock markets shall also be complied with. No class Shareholders' meeting needs to be convened in respect of the listing and trading of such Shares on overseas stock exchanges. If the domestic Shares held by the Shareholders of the Company are listed and traded overseas upon approval, the class of such Shares shall be changed to overseas listed Shares.

Shareholders of domestic Shares and Shareholders of foreign Shares who hold the ordinary Shares of the Company shall be entitled to the same rights in any distribution made by dividends or in other forms.

3.2 Increase, Reduction and Repurchase of Shares

Increase in Shares

- Based on its operation and development needs and in accordance with provisions under laws and administrative regulations, the Company may increase its capital in the following manners upon separate resolutions at the general meeting:
 - (I) public issue of Shares;
 - (II) non-public issue of Shares;
 - (III) placing new Shares to existing Shareholders;
 - (IV) bonus issue of Shares to existing Shareholders;
 - (V) conversion of reserve into equity;
 - (VI) other means as permitted by laws and administrative regulations or as approved by relevant regulators.

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The Company's issuance of new Shares to increase capital shall, upon approval according to the Articles of Association and the listing rules of the place where the Company's Shares are listed, be carried out in accordance with the procedures stipulated by relevant national laws, administrative regulations, departmental rules and the listing rules of the place where the Company's Shares are listed.

Reduction of Shares

- The Company may reduce its registered capital. The Company's reduction of registered capital shall be carried out in accordance with the Company Law and other relevant requirements, and the procedures set forth in the Articles of Association.

Acquisition of the Company's Shares

- The Company may acquire the Shares of the Company in accordance with provisions under laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association under the following circumstances:
 - (I) to reduce the registered capital of the Company;
 - (II) to merge with another company that holds the Shares of the Company;
 - (III) to use Shares for the Employee Shareholding Plan or as equity incentives;
 - (IV) a Shareholder requesting the Company to purchase its shares held by him/her since he/she objects to a resolution of the general meeting on the combination or division of the Company;
 - (V) to use Shares for conversion into such corporate bonds issued by the listed company that can be converted into stocks;
 - (VI) as deemed necessary by the Company to protect its corporate value and the rights and interests of Shareholders;
 - (VII) other circumstances prescribed by laws, administrative regulations, departmental rules, The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong, the Hong Kong Listing Rules and the regulatory rules of the place where the Company's Shares are listed.

The Company shall not engage in activities of trading in the Shares of the Company except in the circumstances described above.

- The Company purchasing its own Shares under any of the circumstances set forth in items (I) and (II) of the preceding paragraph

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shall be subject to a resolution at the general meeting; and the Company purchasing its own Shares under any of the circumstances set forth in items (III), (V) and (VI) of the preceding paragraph may, pursuant to the provisions under the Articles of Association or the authorization of the general meeting, be subject to a resolution of a meeting of the Board at which more than two-thirds of Directors are present.

After purchasing its own Shares pursuant to the provisions of the preceding paragraph, the Company shall, under the circumstance set forth in item (I), cancel them within 10 days after the purchase; while under the circumstance set forth in either item (II) or (IV), transfer or cancel them within six months.

Where the Company purchases its Shares under the circumstance set forth in item (III), (V) or (VI) of the preceding paragraph, it shall not hold in aggregate more than 10% of all the Shares issued by the Company, and shall transfer or cancel them within three years; and the funds used for the acquisition shall be paid out of the Company's profit after tax.

- The Company may choose one of the following means to acquire its Shares upon approval by relevant competent authorities:
 - (I) to issue a repurchase offer to all Shareholders in the same proportion;
 - (II) to repurchase the Shares by means of public trading on the stock exchange;
 - (III) to repurchase the Shares by agreement outside the stock exchange;
 - (IV) other means approved by national laws, administrative regulations and relevant competent authorities.
- The repurchase of Shares by agreement outside the stock exchange shall be approved in advance by the general meeting in accordance with the provisions of the Articles of Association. With the prior approval of the general meeting in the same manner, the Company may cancel or change the contract already entered into by the aforementioned means, or waive any of its rights of the contract.

The contract for the repurchase of Shares referred to in the preceding paragraph includes (but is not limited to) an agreement for assuming the obligation to repurchase Shares and to acquire the right to repurchase Shares.

The Company may not assign the contract for the repurchase of its Shares or any of the rights therein.

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In the case of redeemable Shares of the Company, as far as the Company has the right to repurchase the redeemable Shares, the price of the Shares must be limited to a certain maximum price if the Shares are not repurchased through the market or bidding; if the Shares are purchased through bidding, the relevant tenders must be made to all Shareholders without discrimination.

- If the Company has to cancel the Shares after the repurchase in accordance with the law, it shall cancel such part of the Shares within the period prescribed by laws and regulations and apply to the company registration authority to amend the registration as to registered capital.

The aggregate par value of the cancelled Shares shall be deducted from the Company's registered capital.

- Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its outstanding Shares:

(I) where the Company repurchases Shares at nominal value, payment shall be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of Shares made for that purpose;

(II) where the Company repurchases Shares at a premium to its nominal value, payment equivalent to the nominal value may be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of Shares made for that purpose. Payment of the portion in excess of the nominal value shall be effected as follows:

(1) if the Shares being repurchased were issued at nominal value, payment shall be made out of the book surplus on the distributable profits of the Company;

(2) if the Shares being repurchased were issued at a premium to its nominal value, payment shall be made out of the book surplus on the distributable profits of the Company or out of the proceeds of the new issue of Shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the Shares repurchased or the Company's capital common reserve account at the time of the repurchase (including the number of premiums on the new issue);

(III) the Company shall make the following payments out of the Company's distributable profits:

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- (1) payment for the acquisition of the right to repurchase its own Shares;
 - (2) payment for the variation of any contract for the repurchase of its Shares;
 - (3) payment for the release of its obligation(s) under any contract for the repurchase of Shares;
- (IV) after the Company's registered capital has been reduced by the aggregate nominal value of the cancelled Shares in accordance with the relevant provisions, the amount deducted from the distributable profits for payment of the nominal value of the repurchased Shares shall be included in the Company's capital common reserve account.

Where laws, administrative regulations, departmental rules and the listing rules of the place where the Company's Shares are listed provide otherwise for the financial treatment involved in the aforementioned Share repurchase, such provisions shall prevail.

3.3 Share Transfer

- Except as otherwise provided for by laws, administrative regulations or the listing rules of the place where the Company's Shares are listed, the paid-up Shares of the Company's share capital may be freely transferred without any lien.

The transfer of H Shares listed in Hong Kong is subject to registration with the local stock registration agency entrusted by the Company in Hong Kong.

- All overseas listed Shares listed on the Hong Kong Stock Exchange with paid-up capital may be freely transferred in accordance with the Articles of Association, provided that the Board may refuse to recognize any instrument of transfer without statement of any reason therefor unless the following conditions are met:
 - (I) the instrument of transfer involves solely overseas listed Shares listed on the Hong Kong Stock Exchange;
 - (II) the instrument of transfer is subject to the payment of stamp duty as required by the laws of Hong Kong;
 - (III) the share certificate(s) concerned shall be provided, together with such evidence as the Board may reasonably require to prove the right of the transferor to transfer the Shares.

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If the Board refuses to register the transfer of the Shares, the Company shall give the transferor and the transferee a notice of refusal to register the transfer of such Shares within 2 months from the date on which the transfer application is duly made.

- All transfers of H Shares listed in Hong Kong shall be effected by an instrument of transfer in writing in the usual or common form or in any other form acceptable to the Board (including the standard form of transfer or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument of transfer may be executed by hand only or, if the transferor or transferee is a company, under its seal. If the transferor or transferee is a recognized clearing agency as defined in the relevant regulations in force from time to time under the laws of Hong Kong or its nominee, the transfer form may be executed by hand or by machine imprint.

All instruments of transfer shall be placed at the legal address of the Company or at such address as the Board may designate from time to time.

- The Company does not accept the Company's Shares as a pledge right object.
- The Shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company.

The Directors, Supervisors and senior management personnel of the Company shall declare to the Company the number of its Shares held by them and the alternation of such Shares. During their term of office, they shall not transfer more than 25% of the total number of the Company's Shares they held for a year or transfer any Shares of the Company within one year from the date when the Company's Shares are listed for trading. Within six months of their departure, the aforesaid personnel shall not transfer the Company's Shares held by them. Where such transfer restriction involves H Shares, the relevant provisions under the Hong Kong Listing Rules shall be complied with.

- Where the Directors, Supervisors and senior management personnel of the Company and any Shareholders who hold more than 5% of the Company's Shares, sell his/her Shares in the Company within six months of his/her purchase, or purchase the Shares again within six months of the sale, the profits thus made shall accrue to the Company and the Board shall collect all such profits. Where such transfer restriction involves H Shares, it is subject to the approval of the Hong Kong Stock Exchange. If a securities company, however, as the underwriter, purchases all the unsold Shares and therefore holds more than 5% of the Shares, it is not subject to the six months restriction for selling such Shares.

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3.4 Financial Assistance for the Acquisition of Shares of the Company

- 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. Purchasers of Shares in the Company as 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 financial assistance in any form to the above obligors in order to reduce or discharge their obligations.

- The following actions shall not be deemed to be activities prohibited by the preceding paragraph of the Articles of Association:
 - (I) the provision of financial assistance by the Company is given in good faith and in the interests of the Company, and the principal purpose of which is not for the acquisition of Shares in the Company, or the giving of such financial assistance is an incidental part of a master plan of the Company;
 - (II) the lawful distribution of the Company's assets by way of dividend;
 - (III) the distribution of share dividends in the form of Shares;
 - (IV) a reduction of registered capital, repurchase of Shares or adjustment of the equity structure in accordance with the Articles of Association;
 - (V) the provision of loans by the Company within its scope of business and for its normal business activities, provided that the net assets of the Company are not thereby reduced or that the financial assistance is provided out of the distributable profits of the Company despite the ensuing reduction of the assets;
 - (VI) contributions made by the Company to the Employee Shareholding Plan, provided that the net assets of the Company are not thereby reduced or that the financial assistance is provided out of the distributable profits of the Company despite the ensuing reduction of the assets.

- In the Articles of Association, financial assistance includes (but is not limited to) assistance by way of:
 - (I) gift;

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- (II) guarantee (including the provision of any undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company's default), release or waiver of rights;
- (III) provision of loans, or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party to the contract, or the change of such loans and parties to the contract, or the assignment of rights under such loans or contracts;
- (IV) financial assistance provided in any other manner where the Company is unable to pay its debts, has no net assets or in situations where its net assets would be reduced to a material extent.

In this Article, undertaking of obligations includes the obligations incurred by changing one's financial position by entering into a contract or arrangement (whether enforceable or otherwise and whether made on one's own account or with any other person) or by any other means.

3.5 Share Certificates and Register of Shareholders

- Share certificates are certificates issued by the Company to certify the Shares held by Shareholders. The Company's Shares are registered shares.

The share certificates of the Company shall contain the following items:

- (I) the name of the Company;
- (II) the date of establishment of the Company;
- (III) the type and par value of Shares and the number of Shares represented;
- (IV) the serial number of the share certificate;
- (V) other items required by the Company Law and the stock exchange where the Company's Shares are listed.

The overseas listed Shares issued by the Company may take the form of depositary receipts or other derivatives of Shares in accordance with the laws of the place where the Company's Shares are listed and the practice of the registration and depository of securities.

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- During the period in which the H Shares are listed in Hong Kong, the Company shall ensure that its documents relating to the H Shares include the following statements and shall instruct and cause its share registrar to refuse to register the subscription, purchase or transfer of its Shares in the name of any individual holder unless and until such individual holder submits to the share registrar a duly signed form in respect of such Shares, which shall include the following statements:
 - (I) the purchaser of the Shares and the Company and each of its Shareholders, and the Company and each of the Shareholders, agree to comply with and conform to the provisions of the Company Law, the Special Provisions and other relevant laws, administrative regulations and the Articles of Association.
 - (II) the purchaser of the Shares and the Company, each Shareholder, Director, Supervisor, general manager and other senior management personnel of the Company agree, and the companies acting on behalf of the Company and each Director, Supervisor, general manager and other senior management personnel, agrees with each Shareholder, that any dispute or claim arising out of the Articles of Association or out of rights and obligations under the Company Law or other relevant laws or administrative regulations relating to the affairs of the Company shall be submitted to arbitration for settlement in accordance with the provisions of the Articles of Association, and that any arbitration request submitted shall be deemed to authorize the arbitral tribunal to conduct a public hearing and publish its award, which shall be final.
 - (III) The purchaser of the Shares agrees with the Company and each of its Shareholders that the Shares of the Company are freely transferable by their holders.
 - (IV) The purchaser of the Shares authorizes the Company to enter into a contract with each of the Directors, general manager and other senior management personnel on its behalf, whereby such Directors, general manager and other senior management personnel undertake to observe and perform their duties to the Shareholders as provided in the Articles of Association.
- The share certificates shall be signed by the chairman of the Board. If the securities regulatory authority or the stock exchange of the place where the Company's Shares are listed requires the signature of other senior management personnel of the Company, it shall also be signed by other relevant senior management personnel. The Share certificate shall become effective after the Company's seal is affixed or stamped in printed form. The affixing of the Company's seal on the Share

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certificates shall be authorized by the Board. The signature of the chairman of the Board or other relevant senior management personnel on the share certificates may also be in printed form.

Under the conditions of paperless issuance and trading of the Company's Shares, separate regulations of the securities regulatory authority and the stock exchange of the place where the Company's Shares are listed shall apply.

- The Company shall establish a register of Shareholders based on the certificates provided by the security registration authority. The register of Shareholders shall be the sufficient evidence of the Shareholders' shareholding in the Company, unless there is evidence to the contrary.

The Company shall keep a register of Shareholders containing the following particulars:

- (I) the name, address (or domicile), occupation or nature of each Shareholder;
 - (II) the class and number of Shares held by each Shareholder;
 - (III) the amount paid-up or payable in respect of Shares held by each Shareholder;
 - (IV) the share certificate numbers of the Shares held by each Shareholder;
 - (V) the date on which each Shareholder was registered in the register as a Shareholder;
 - (VI) the date on which any Shareholder ceased to be a Shareholder.
- The Company may, in accordance with the mutual understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, maintain its register of Shareholders of H Shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of Shareholders of H Shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate of the register of Shareholders of H Shares shall be made and maintained at the Company's domicile. The appointed overseas agent(s) shall ensure at all times that the original and the duplicate registers of Shareholders of H Shares are consistent.

In the case of inconsistencies between any information recorded in the original register of Shareholders of H Shares and that of the duplicate register, the original register shall prevail.

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- The Company shall have a complete register of Shareholders.

The register of Shareholders shall comprise the following parts:

- (I) a register of Shareholders maintained at the Company's domicile, which shall be the register of all Shareholders other than those registered in accordance with paragraphs (II) and (III) of this Article;
- (II) a register of Shareholders of H Shares maintained at the stock exchange of the place of overseas listing;
- (III) such registers of Shareholders maintained in such other places as the Board may deem necessary for listing purposes.

- Different parts of the register of Shareholders shall not overlap. No transfer of Shares registered in one part of the register of Shareholders shall, during the continuance of the registration of those Shares, be registered in any other parts of the register of Shareholders.

Alteration or rectification of each part of the register of Shareholders shall be made in accordance with the laws of the place where that part of the register of Shareholders is kept.

- Where laws, regulations, the security regulatory authority or the stock exchange of the place where the Company's Shares are listed provide otherwise for the period during which the registration of the transfer of Shares is suspended before the general meeting or the base date of the Company's decision to distribute dividends, such provisions shall apply.
- Any person who has objection in relation to the register of Shareholders and seeks to register his/her name on the register of Shareholders or to delete his/her name from the register of Shareholders may in each case apply to a court of competent jurisdiction to rectify the register of Shareholders.
- Any Shareholder who is registered on the register of Shareholders or any person who seeks to register his/her name on the register of Shareholders may, if he/she has lost his/her share certificate (the "**Original Certificate**"), apply to the Company for a new share certificate in respect of the Shares (the "**Relevant Shares**").

A Shareholder of domestic Shares who has lost his/her share certificate and applies for a replacement certificate to be issued shall comply with the relevant provisions of the Company Law.

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A Shareholder of H Shares who has lost his/her share certificate and applies for a replacement certificate to be issued may do so in accordance with the laws, the rules of the stock exchange or other relevant requirements of the place where the original register of Shareholders of H Shares is maintained.

- After the Company has issued a replacement share certificate in accordance with the Articles of Association, the name of a bona fide purchaser who obtains the new share certificate or a person (if a bona fide purchaser) whose name is subsequently entered in the register of Shareholders in respect of such Shares shall not be removed from the register of Shareholders.
- The Company shall not be liable for any damages suffered by any person by reason of the cancellation of the Original Certificate or the issue of the replacement share certificate, unless the claimant can prove that the Company has acted fraudulently.

4. SHAREHOLDERS AND GENERAL MEETING

4.1 Shareholders

- The Company's Shareholders are persons who lawfully hold Shares of the Company and whose names are registered on the register of Shareholders.

Shareholders shall enjoy rights and assume obligations according to the class of Shares held by them. Shareholders holding the same class of Shares shall enjoy equal rights and assume the same obligations.

If more than two persons are registered as joint holders of any of the Shares, they shall be deemed joint owners of the Relevant Shares, but shall be subject to the following terms:

- (I) the Company shall not register more than 4 persons as the joint holders of any Shares;
- (II) all joint holders of any Shares shall assume joint liability to pay for all amounts payable in respect of the Relevant Shares;
- (III) If any of the joint holders dies or is deregistered, only the other surviving joint holders shall be deemed to be entitled to the Relevant Shares. However, the Board has the power to require a death or deregistration certificate as it thinks fit for the purpose of revising the register of Shareholders;
- (IV) in respect of the joint Shareholders of any Shares, only the joint Shareholder whose name stands first in the register of

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Shareholders has the right to receive certificates of the Relevant Shares from the Company or receive notices of the Company. Any notice delivered to the aforementioned Shareholder shall be deemed to have been delivered to all the joint Shareholders of the Relevant Shares. Any of the joint Shareholders may sign a proxy form, provided that if more than one joint Shareholders attend a meeting in person or by proxy, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint Shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of Shareholders of the Company in respect of the Relevant Shares.

- When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require the confirmation of shareholdings, the Board shall fix a date as the date for the determination of shareholdings. Shareholders whose names appear on the register of Shareholders at the end of that date will be the Shareholders of the Company.
- The Company shall, in accordance with the provisions of the Articles of Association, protect the Shareholders' rights to know, participate, vote and inquire on the necessary affairs of the Company to the maximum extent.
- The holders of ordinary Shares of the Company shall enjoy the following rights:
 - (I) to receive dividends and other forms of profit distribution in proportion to the number of Shares held by them;
 - (II) to request, convene, host, attend or appoint proxies to attend general meetings and exercise corresponding voting rights in accordance with laws;
 - (III) to supervise the operation of the Company and to put forward proposals or raise inquiries;
 - (IV) to transfer, donate, or pledge Shares held by them in accordance with the provisions of laws, administrative regulations and the Articles of Association;

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- (V) to obtain relevant information in accordance with the provisions of the Articles of Association, including:
1. to receive a copy of the Articles of Association upon payment of charges at cost;
 2. to inspect and photocopy upon payment of a reasonable charge, of:
 - (1) copies of all parts of the registers of Shareholders;
 - (2) personal information of the Directors, Supervisors, Managers and other senior management of the Company, including:
 - (a) current and previous names and aliases;
 - (b) main address (domicile);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and duties;
 - (e) identification documents and their numbers.
 - (3) the status of the Company's share capital;
 - (4) the latest audited financial statements of the Company, and the report of the Board of Directors, auditor's report and report of the Board of Supervisors;
 - (5) special resolutions of the Company;
 - (6) reports of the aggregate par value, number of Shares, and the highest and lowest prices paid by the Company in respect of each class of Shares bought back since the last accounting year, as well as all the expenses paid by the Company therefore (with a breakdown of domestic Shares and foreign Shares);
 - (7) minutes of general meetings, and resolutions of meetings of both the Board of Directors and the Board of Supervisors (for Shareholders' inspection only);
 - (8) corporate bond counterfoils.

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The Company shall keep at its address in Hong Kong the aforesaid documents in items (1) to (8) other than those in item (2) above and other applicable documents in accordance with the requirements of the Hong Kong Listing Rules for free inspection by the public and holders of H Shares.

The Company may refuse any inspection or reproduction request which involves commercial secrets and insider information of the Company and personal privacy of relevant personnel.

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of the residual property of the Company in proportion to the number of Shares held;
- (VII) to demand the Company to acquire their Shares (for Shareholders who disagree with the resolutions adopted at a general meeting in relation to the merger or division of the Company);
- (VIII) such other rights as stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's Shares are listed or the Articles of Association.

The Company shall not, with the sole reasons that a person who owns direct or indirect interests therein has failed to disclose his/her interests to the Company, exercise any power to freeze or otherwise impair any of the rights attached to the Shares held.

- Where Shareholders request for inspection of the relevant information or demand for materials as mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of Shares of the Company they hold. Upon verification of the Shareholder's identity, the Company shall provide information requested by such Shareholder.
- Shareholders shall have the rights to protect their lawful rights through civil action or other legal means in accordance with laws and administrative regulations.
- If a resolution passed at the general meeting or meeting of the Board of Directors of the Company violates laws or administrative regulations, Shareholders shall have the right to submit a petition to the People's Court to render the same invalid.

If the convening procedures or voting method of a general meeting or meeting of the Board of Directors violate laws, administrative regulations or the Articles of Association, or the contents of any resolution violate the Articles of Association, Shareholders shall have the right to submit a petition to the People's Court to revoke the resolution within 60 days from the date on which such resolution is adopted.

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- If a Director or a senior management member contravenes the provisions of laws, administrative regulations or the Articles of Association when carrying out his/her duties in the Company and results in losses to the Company, Shareholders individually or collectively holding more than 1% of Shares for 180 consecutive days, have the right to request the Board of Supervisors in writing to commence litigation at the People's Court. If a Supervisor contravenes the provisions of laws, administrative regulations and the Articles of Association when carrying out his/her duties in the Company and results in losses to the Company, Shareholders can request the Board of Directors in writing to commence litigation at the People's Court.

If the Board of Supervisors or the Board of Directors refuses to commence litigation after receiving the Shareholders' written request in the preceding paragraph or fails to commence litigation within 30 days of receiving the request, or the situation is so urgent that no immediate commencement of litigation will cause irreparable losses to the Company, the Shareholders under the previous paragraph may commence litigation in their own names at the People's Court in the interest of the Company.

If any other person contravenes the legal interests of the Company and leads to the losses of the Company, a Shareholder under the first paragraph of this Article may commence litigation at the People's Court in accordance with the two preceding paragraphs.

- If a Director or a senior management member contravenes the provisions of laws, administrative regulations or the Articles of Association and results in losses to Shareholders, Shareholders may commence litigation at the People's Court.
- Holders of ordinary Shares of the Company shall undertake the following obligations:
 - (I) to abide by laws, administrative regulations and the Articles of Association;
 - (II) to pay subscription fees based on the Shares subscribed by them and the method of capital contribution;
 - (III) not to withdraw Shares except in such circumstances as prescribed by laws and regulations;
 - (IV) not to abuse Shareholders' rights to damage the interests of the Company or other Shareholders; and not to abuse the independent status of the Company as a legal person and the limited liabilities of the Shareholders to damage the interests of the creditors of the Company;

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Shareholders of the Company who abuse their Shareholders' rights and result in losses to the Company or other Shareholders shall bear compensation in accordance with laws.

Shareholders of the Company who abuse the independent status of the Company as a legal person and the limited liabilities of the Shareholders to escape from debts and thereby seriously damage the interests of the Company's creditors shall jointly and severally bear the Company's debts.

- (V) Other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to by the subscriber of such Shares on subscription.

- Where a relevant Shareholder and a de facto controller pledges any Shares of the Company in his/her possession, he/she shall notify the Company in a timely manner and report the same to the stock exchange where the Shares of the Company are listed under the listing rules of the place where the Shares of the Company are listed for disclosure.
- The controlling Shareholder or the de facto controller of the Company shall not use their connected relationship to prejudice the interests of the Company. Where he/she violates such provisions and results in loss to the Company, he/she shall be liable to compensate the Company for the losses thereof.

The controlling Shareholder and the de facto controller of the Company have the obligation of honesty towards the Company and other Shareholders of the Company. The controlling Shareholder shall exercise his/her rights as a capital contributor strictly in accordance with laws. The controlling Shareholder shall not make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, guarantee for borrowings to damage the legal rights and interests of the Company and other Shareholders of the Company, and he/she shall not make use of his/her controlling position to damage the interests of the Company and other Shareholders of the Company.

- In addition to the obligations imposed by laws, administrative regulations or the Hong Kong Listing Rules, controlling Shareholders may not, in the exercise of their Shareholders' rights, make decisions prejudicial to the interests of all or part of the Shareholders as a result of the exercise of their voting rights on the issues set forth below:
 - (I) to relieve a Director or Supervisor of his/her duty to act honestly in the best interest of the Company;

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- (II) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person), in any form, of the Company's assets, including (without limitation to) any opportunities beneficial to the Company;
- (III) to approve the expropriation by a Director or Supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation to) rights to distributions and voting rights save pursuant to a restructuring of the Company submitted at a general meeting for approval in accordance with the Articles of Association.

4.2 General Meeting

General Provisions of the General Meeting

- The general meeting is the organ of authority of the Company and shall exercise the following powers:
 - (I) to decide on the Company's operational objectives and investment plans;
 - (II) to elect and replace the Directors and Supervisors that are not employee representatives, and to decide on the matters relating to the remuneration of Directors and Supervisors;
 - (III) to consider and approve the reports of the Board of Directors;
 - (IV) to consider and approve the reports of the Board of Supervisors;
 - (V) to consider and approve the Company's annual financial budgets and final accounts;
 - (VI) to consider and approve the Company's profit distribution and loss recovery plans;
 - (VII) to resolve on any increase or reduction of the registered capital and the issuance of any kind of Shares, warrants and other similar securities by the Company;
 - (VIII) to resolve on the issuance of debentures by the Company;
 - (IX) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;
 - (X) to amend the Articles of Association;

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- (XI) to consider the proposal by a Shareholder who holds, individually or in aggregate, more than 3% of the Shares with voting rights of the Company;
- (XII) to resolve on the appointment or dismissal of accounting firms by the Company;
- (XIII) to consider and approve the guarantee matters specified in the following Article;
- (XIV) to consider the acquisition or disposal of significant assets within one year which accounts for more than 30% of the latest audited total assets of the Company;
- (XV) to consider and approve the changes in the use of proceeds;
- (XVI) to consider the equity incentive scheme;
- (XVII) to consider other matters which, according to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association, should be resolved by the Shareholders at general meetings.

The abovementioned powers of the general meeting may not be exercised by the Board of Directors or other bodies and individuals on its behalf by delegation, but the Board of Directors or Directors may be authorized to handle or implement relevant resolutions when the general meeting votes on and approves relevant resolutions.

- The following external guarantees to be provided by the Company shall be considered and approved at the general meeting:
 - (I) Any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;
 - (II) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
 - (III) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;
 - (IV) Any guarantee, the amount of which on a cumulative basis for twelve consecutive months, exceeds of 30% of the latest audited total assets of the Company;

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- (V) Provision of guarantee to Shareholders, de facto controllers and their connected parties;
- (VI) Other guarantees required to be considered at the general meeting according to laws, administrative regulations, normative documents and the Articles of Association;
- (VII) Other guarantees provided by the stock exchange where the Company's Shares are listed or the Articles of Association.

When the general meeting considers the matters related to the guarantee in item (IV) of the preceding paragraph, it shall be approved by more than two-thirds of the voting rights held by Shareholders present at the meeting.

When the general meeting considers the matters related to providing guarantee for any Shareholders, de facto controller or connected persons, the said Shareholder or the Shareholders controlled by the said de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights held by the other attending Shareholders.

The "**external guarantee**" mentioned in the Articles of Association refers to the guarantee provided by the Company for other parties, including the guarantee provided by the Company to its controlling subsidiaries. The "**total amount of the external guarantees provided by the Company and its controlling subsidiaries**" refers to the sum of the total amount of the external guarantees provided by the Company (including the guarantees provided to its controlling subsidiaries) and the total amount of the external guarantees provided by the controlling subsidiaries.

Where the Company provides a guarantee for its wholly-owned subsidiary, or for a holding subsidiary and other Shareholders of the holding subsidiary provide a guarantee in the same proportion of their rights and interests, without prejudice to the interests of the Company, application of the provisions of the items (I) to (III) of this Article may be exempted.

- The Company shall not, without the prior approval of the general meeting, enter into any contract with any person other than a Director, a Supervisor, general manager and other senior management personnel whereby the management of the whole or any substantial part of the business of the Company is to be handed over to such person.

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- General meetings comprise annual general meetings and extraordinary general meetings. Annual general meetings shall be convened once every year within six months after the conclusion of the previous accounting year.
- The Board shall convene an extraordinary general meeting within two months upon the occurrence of any of the following circumstances:
 - (I) when the number of Directors is less than the number as stipulated in the Company Law or two-thirds of the number prescribed in the Articles of Association;
 - (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
 - (III) when Shareholder(s) individually or in aggregate holding more than 10% of the Company's shares request(s);
 - (IV) when the Board of Directors considers necessary;
 - (V) when the Board of Supervisors proposes to convene a meeting;
 - (VI) when more than 2 independent non-executive Directors so request;
 - (VII) other circumstances as stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

Convening of General Meetings

- A general meeting shall be convened by the Board of Directors, and presided over by the chairman of the Board of Directors. In the event that the chairman cannot or does not perform his/her duties, a Director nominated by more than half of the Directors shall preside over the meeting.

Where the Board of Directors cannot or does not perform its duties to convene the general meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner. If the Board of Supervisors fails to convene and preside over such meeting, Shareholders individually or in aggregate holding 10% or more of the Company's shares for more than 90 consecutive days may unilaterally convene and preside over a general meeting.

The Board of Directors, or the Board of Supervisors or Shareholders responsible for convening the general meeting in accordance with the

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provisions of the Company Law or the Articles of Association, shall be the convener of the general meeting.

- The Board of Supervisors shall be entitled to make a proposal in writing to the Board of Directors on convening an extraordinary general meeting. The Board of Directors shall give a written reply on whether to agree to convene such meeting within 10 days upon receipt of the proposal in accordance with laws, administrative regulations and the Articles of Association.

Where the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the Board of Supervisors.

Where the Board of Directors disagrees to convene such a meeting, or fails to reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors cannot or does not perform its duty of convening the general meeting, and the Board of Supervisors may convene and preside over it by itself.

- Shareholder(s) individually or in aggregate holding more than 10% of Shares of the Company are entitled to request the Board of Directors in writing to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the requirements of laws, administrative regulations and the Articles of Association, reply with a written opinion to state whether it agrees to convene an extraordinary general meeting within 10 days upon receipt of the request.

Where the Board of Directors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days after the date of the resolution of the Board of Directors. Any changes made to the original proposal in the notice shall be agreed by the Relevant Shareholders.

Where the Board of Directors disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, Shareholders individually or in aggregate holding more than 10% of the Shares of the Company are entitled to request the Board of Supervisors in writing to convene an extraordinary general meeting.

Where the Board of Supervisors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receiving the request. Any changes made to the original proposal in the notice shall be agreed by the Relevant Shareholders.

If the Board of Supervisors fails to issue a notice of general meeting within the prescribed time limit, it shall be deemed that the Board of

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Supervisors does not convene and preside over the general meeting, and Shareholders holding individually or in aggregate more than 10% of the Shares of the Company for more than 90 consecutive days can convene and preside over the general meeting by themselves.

- Where the Board of Supervisors or Shareholders decide to convene a general meeting on their own, they must notify the Board of Directors in writing. Before the resolution of the general meeting is made, the Shareholders convening the meeting shall hold no less than 10% of the Shares.

Proposal and Notice of General Meeting

- When the Company convenes a general meeting, the Board of Directors, the Board of Supervisors and the Shareholders individually or in aggregate holding more than 3% of the Company's Shares shall have the right to make proposals to the Company.

Shareholders individually or in aggregate holding more than 3% of the Company's Shares may submit an interim proposal to the convener in writing 10 days before the general meeting. The convener shall issue a supplementary notice of general meeting within two days after receiving the proposal with the contents of the interim proposal attached.

Except for the circumstances specified in the preceding paragraph, the convener shall not modify the proposals listed in the notice of general meeting or add new proposals after issuing the notice of general meeting.

For proposals that are not listed in the notice of general meeting or that do not meet the requirements of Article 77 of the Articles of Association, the general meeting shall not vote and make resolutions thereon.

- Where the general meeting is convened by the Company, it shall issue a written notice at least 20 clear working days prior to the annual general meeting or at least 10 clear working days or 15 days (whichever is longer) prior to the extraordinary general meeting, to notify all the registered Shareholders of the matters proposed to be considered as well as the date and place of the meeting.

Where laws, regulations, the securities regulatory authority of the place where the Company's Shares are listed or the stock exchange provide otherwise, such provisions shall prevail.

- Unless otherwise stipulated in the Articles of Association, the notice of general meeting shall be sent to Shareholders (regardless of whether they have voting rights at the general meeting) by hand or mail with

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prepaid postage, and the address of the recipient shall be the address registered in the register of Shareholders.

For domestic Shareholders, the notice of general meeting may also be made by public announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority of the State Council. Once the announcement is made, all domestic Shareholders shall be deemed to have received the notice of the relevant general meeting.

The notice of general meeting served on the holders of H Shares may be published through the websites of the Hong Kong Stock Exchange and the Company. Once the announcement is made, all holders of overseas listed foreign Shares shall be deemed to have received the notice of the relevant general meeting.

- The notice of general meeting shall be in writing and include the following information:
 - (I) the time, place and duration of the meeting;
 - (II) matters and proposals to be submitted to the meeting for consideration;
 - (III) provision to Shareholders with information and explanations necessary for them to make sound decisions on the matters to be discussed; this principle includes (but is not limited to) the provision of the specific terms and contracts (if any) of the proposed transactions and detailed explanations about the causes and effects when the Company proposes mergers, repurchase of Shares, capital reorganization or other reorganization;
 - (IV) a disclosure of the nature and extent of the material interest of any Director, Supervisor, manager and other senior management personnel in the matters to be discussed and the difference of the effects of the proposed matters on them in their capacity as Shareholders from the effects on other Shareholders of the same class;
 - (V) the full text of any special resolutions to be passed at the meeting;
 - (VI) a conspicuous statement that all Shareholders are entitled to attend and vote at the meeting and may appoint proxies to do so on their behalf, and such proxies need not to be Shareholders;
 - (VII) the equity registration date of Shareholders entitled to attend the general meeting;

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(VIII) the name and phone number of the permanent contact person for conference affairs;

(IX) the time and place of delivering the power of attorney for proxy voting at the meeting.

The interval between the equity registration date and the meeting date shall be no more than 7 working days.

- After giving the notice of general meeting, the meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled. In case of a delay or cancellation, the convener shall make announcement at least 2 working days prior to the original date of convening the meeting and explain the reasons.

Convening of General Meetings

- All Shareholders listed in the register on the Share registration date or the proxies thereof shall be entitled to attend the general meeting, and exercise voting rights pursuant to relevant laws, regulations, the Hong Kong Listing Rules and the Articles of Association.

Shareholders may attend a general meeting in person, or may entrust other proxies to attend and vote on their behalf.

Any Shareholders entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether or not a Shareholder) as their proxies to attend and vote on their behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that Shareholder:

- (I) the Shareholder's right to speak at the meeting;
- (II) the right to demand a poll, whether on his/her own or together with others;
- (III) unless otherwise required by applicable securities listing rules or other securities laws and regulations, to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a Shareholder, such proxies shall only exercise the right to vote on a poll.

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- Legal person Shareholders who attend the meeting in person shall present their ID cards or other valid identification proofs; if a proxy is entrusted to attend the meeting, the proxy shall present his/her ID card and the Shareholder's power of attorney.

Non-legal person Shareholders shall be represented at the meeting by the legal representative/executive partner or the proxy authorized by the resolution of the Board of Directors/other decision-making bodies. To attend the meeting, legal representatives/executive partners shall present their ID cards and valid certificate proving their qualification as legal representatives/executive partners; if a proxy is entrusted to attend the meeting, the proxy shall present his/her ID card and the written power of attorney issued by the Board of Directors/other decision-making bodies of the Shareholder according to law.

Voting and Resolutions of General Meetings

- The resolutions of the general meeting are classified as ordinary resolutions and special resolutions.

An ordinary resolution made by the general meeting shall be passed by more than half of the voting rights held by the Shareholders with voting rights (including proxies) present at the general meeting.

A special resolution made by the general meeting shall be passed by more than two-thirds of the voting rights held by the Shareholders with voting rights (including proxies) present at the general meeting.

- The following matters require the sanction of an ordinary resolution at a general meeting:
 - (I) the work reports of the Board of Directors and the Board of Supervisors;
 - (II) the profit distribution and loss recovery plans proposed by the Board of Directors;
 - (III) the election and removal of the members of the Board of Directors and the Board of Supervisors(except for employee representative supervisors), their remuneration and method of payment;
 - (IV) the annual budget and final account, balance sheet, profit and loss statement and other financial statements of the Company;
 - (V) the annual reports of the Company;

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- (VI) the Company's appointment, removal or non-reappointment of an accounting firm;
- (VII) other matters, except those required to be adopted by way of a special resolution as required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association.
- The following matters require the sanction of a special resolution at a general meeting:
 - (I) the increase or reduction of registered capital, issue of any class of Shares, warrants and other similar securities of the Company;
 - (II) the issue of debentures by the Company;
 - (III) the division, merger, dissolution and liquidation or change of corporate form of the Company;
 - (IV) the amendments to the Articles of Association;
 - (V) the amount of the Company's purchase or disposal of material assets or guarantee within one year exceeding 30% of the latest audited total assets;
 - (VI) equity incentive schemes;
 - (VII) the repurchase of the Company's Shares;
 - (VIII) other matters required by laws, administrative regulations, the Hong Kong Listing Rules or the Articles of Association, and those considered by way of an ordinary resolution at a general meeting with a material impact on the Company and in need of approval by way of a special resolution.
- Shareholders (including their proxies) shall exercise their voting rights according to the number of Shares carrying voting rights they represent, with one vote for each Share.

Shares of the Company held by the Company do not carry any voting rights, and shall not be counted in the total number of Shares carrying voting rights represented by Shareholders attending a general meeting.

The Board, independent non-executive Directors and Shareholders who meet the relevant requirements are entitled to solicit Shareholders' voting rights.

- Voting is conducted by open ballot at the general meeting.

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- Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for or against or abstain from voting.

Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as a waiver of voting rights by the voter, and the outcome of votes carried with the Shares held by such voters shall be counted as "abstain from voting".

Where any Shareholder is required to abstain from voting on any resolution or restricted to voting only for or only against it under the Hong Kong Listing Rules, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

- The resolutions of the general meeting shall specify the number of the Shareholders and proxies attending the meeting, the total number of Shares carrying voting rights held by them and such Shares as a percentage of the total number of Shares of the Company carrying voting rights, the means of voting, the voting result of each resolution and the details of the resolutions passed.

Special Procedures for Voting by Class Shareholders

- 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, the listing rules where the Shares of the Company are listed and the Articles of Association.

- The following circumstances shall be deemed to be a variation or abrogation of the rights of a certain class of Shareholders:
 - (I) to increase or decrease the number of Shares of such class, or increase or decrease the number of Shares of another class carrying rights to voting, distribution or other privileges equal or superior to those of Shares of such class;
 - (II) to convert all or part of Shares of such class into Shares of other classes, or to convert or grant a right of conversion of all or part of 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;

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- (IV) to reduce or remove the rights to a dividend preference or a liquidation preference in distribution of property attached to Shares of such class;
 - (V) to add, remove or reduce the rights of conversion, options, voting and transfer, pre-emptive rights to placement and the right of acquisition of securities of the Company attached to Shares of such class;
 - (VI) to remove or reduce the rights to receive payables from the Company in particular currencies attached to Shares of such class;
 - (VII) to create a new class of Shares carrying rights of 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 grant 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 in such a way as to cause different classes of Shareholders to bear a disproportionate burden of obligations of such restructuring;
 - (XII) to amend or abrogate the terms provided in this Article.
- Shareholders of the affected class, whether or not having the right to vote at general meetings, shall have the right to vote at class meetings on matters referred to in items (II) to (VIII) and (XI) to (XII) above, but interested Shareholders shall not be entitled to vote at class meetings.
 - A resolution of a class meeting shall only be passed in accordance with the aforementioned provisions by Shareholders attending the class meeting who represent more than two-thirds of voting rights.
 - When convening a class meeting, the Company shall issue a written notice of the meeting within the same period as that of a non-class meeting to be convened together, and notify all registered Shareholders of the relevant class, stating the matters to be considered at the meeting and the date and venue of the meeting. If the Hong Kong Listing Rules have special provisions, such provisions shall prevail.

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5. BOARD OF DIRECTORS

5.1 Directors

- Directors of the Company comprise executive Directors, non-executive Directors and independent non-executive Directors. Executive Directors refer to Directors who assume operation and management duties within the Company. Non-executive Directors refer to Directors who do not assume operation and management duties within the Company and do not have independence pursuant to laws. Independent non-executive Directors refer to Directors who satisfy the requirements of the Articles of Association.

Directors shall be elected or replaced at the general meeting and each has a term of three years unless otherwise required by the Articles of Association. The Directors shall be eligible for re-election upon the expiry of their term.

Directors shall not be dismissed for no reason at the general meeting before the expiry of their terms. On the premise of complying with relevant laws and administrative regulations, the general meeting may remove any Director whose term does not expire by passing an ordinary resolution (but claims under any contract shall not be affected by such removal).

The term of a Director shall be calculated from the date upon which the Director assumes office to the expiry of the current Board. If the term of a Director expires but re-election is not made timely, the original Director shall perform the duties as Director pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new Director is elected.

A Director may serve concurrently as the general manager or other senior management, but the total number of Directors serving concurrently as the general manager or other senior management as well as employee representative Directors (if any) shall not be more than half of the Directors of the Company.

Directors are not required to hold any Shares of the Company.

- Directors shall fulfill the following obligations of loyalty in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association:
 - (I) not abusing their powers to accept bribes or other unlawful income or misappropriating the Company's properties;

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- (II) not misappropriating the Company's capital;
- (III) not depositing the Company's assets or capital into accounts under his/her own name or the name of other individuals;
- (IV) not loaning the Company's funds to others or providing guarantees in favor of others supported by the Company's assets in violation of the Articles of Association or without approval of the general meeting or the Board;
- (V) not entering into contracts or deals with the Company in violation of the Articles of Association or without approval of the general meeting;
- (VI) not using their position and powers to procure business opportunities for themselves or others that should have otherwise been available to the Company or operating for their own benefits or managing on behalf of others businesses similar to that of the Company without approval of the general meeting;
- (VII) not accepting and possessing commissions paid by another person for transactions conducted with the Company;
- (VIII) no unauthorized divulgence of confidential information of the Company;
- (IX) not using their associated relationships to harm the interests of the Company;
- (X) other obligations of loyalty stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Any income earned by Directors in violation of the Articles of Association shall belong to the Company; any loss caused to the Company shall be liable for compensation.

- Directors shall fulfill the following obligations of diligence in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association:
 - (I) to exercise the rights conferred by the Company with due discretion, care and diligence to ensure that the business operations of the Company comply with the requirements of the laws, administrative regulations and various economic policies of the country and not exceed the business scope specified in the business license of the Company;

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- (II) to treat all Shareholders impartially;
 - (III) to keep informed of the operation and management conditions of the Company;
 - (IV) to sign a written confirmation for the securities offering documents and periodic reports of the Company, to ensure the truthfulness, accuracy and completeness of the information disclosed by the Company;
 - (V) to provide the Board of Supervisors with truthful information and not prevent the Board of Supervisors or Supervisors from exercising their duties and functions;
 - (VI) other obligations of diligence stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.
- Directors who fail to attend two consecutive meetings of the Board of Directors either in person or entrust other Directors to do so shall be deemed incapable of performing their duty, and the Board shall make a proposal to the general meeting to replace such Directors.
 - Directors may submit their resignation upon the expiry of their term. The resigning Directors shall submit a resignation report to the Board in writing.

In the event that the resignation of a Director will result in the Board of the Company falling below the quorum, the original Directors shall perform their duties as Directors pursuant to laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association until a new Director assume his/her post.

Save for the aforesaid circumstances, the Director's resignation takes effect upon delivery of his/her resignation report to the Board.

On the premise of not violating relevant laws and regulations as well as regulatory rules in Hong Kong, any Director appointed to fill a casual vacancy or as an addition to the Board (as permitted by applicable laws and regulations) shall hold office only until the first general meeting after acceptance of the appointment and shall be eligible for re-election.

- When a Director's resignation takes effect or his/her term of service expires, the Director shall complete all transfer procedures with the Board. His/her obligation of loyalty towards the Company do not necessarily cease immediately after the end of his/her term of service. The obligation of confidentiality in respect of trade secrets of the

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Company shall remain in effect after the end of his/her term of office, until such trade secrets become publicly available information. Other obligations may continue for such period as the principle of fairness may require, depending on the duration between the occurrence of the event concerned and the termination of tenure, and the circumstances and conditions under which the relationships between them and the Company have been terminated.

- No Director shall act in his/her own name on behalf of the Company or the Board, without the legal authorization provided in the Articles of Association or from the Board. Where the Director acts in his/her own name, but where a third party may reasonably assume such Director to act on behalf of the Company or the Board, such Director shall state his/her position and capacity.

5.2 Independent Non-executive Directors

- The Company establishes an independent non-executive Director system. Independent non-executive Directors refer to Directors who do not assume other posts in the Company except directorship and have no relationship with the Company and its substantial Shareholders that may impede them from exercising independent judgment.

Independent non-executive Directors shall serve a term of three years and be eligible for re-election, but in any case not exceeding a total of nine years unless otherwise provided in relevant laws, regulations and the listing rules of the stock exchange where the Shares of the Company are listed.

- Independent non-executive Directors have the following special powers in addition to the powers conferred on the Directors by the Company Law, other relevant laws and regulations, the listing rules of the stock exchange where the Shares of the Company are listed and the Articles of Association:
 - (I) proposing to the Board with respect to the engagement or dismissal of accounting firms;
 - (II) proposing to the Board with respect to the convening of extraordinary general meetings;
 - (III) proposing the convening of Board meetings;
 - (IV) with the consent of all independent non-executive Directors, independently engaging external auditing and consultancy firms with respect to the auditing and consulting of specific matters of the Company. The costs so incurred shall be borne by the Company.

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Except for item (IV), to exercise the above-mentioned powers, independent non-executive Directors shall obtain consent from more than half of all independent non-executive Directors. In the event that the above proposal is not adopted or the above powers cannot be normally exercised, the Company shall disclose the relevant information.

5.3 Board of Directors

- The Company shall have a Board of Directors accountable to the general meeting.
- The Board comprises 7 Directors (including 3 independent non-executive Directors), all elected at the general meeting. The Board shall have one chairman, who shall be a Director of the Company and elected by more than half of the Directors of the Board.
- The Board of Directors shall exercise the following duties and functions:
 - (I) to convene general meetings and report to the general meeting;
 - (II) to implement resolutions of the general meeting;
 - (III) to resolve on the Company's operational plans and investment plans;
 - (IV) to prepare the annual financial budgets and final accounts of the Company;
 - (V) to prepare the profit distribution and loss recovery plans of the Company;
 - (VI) to formulate proposals for the Company in respect of increase or reduction of registered capital, issue of Shares, bonds or other securities and the listing thereof;
 - (VII) to formulate plans for material acquisitions, purchase of Shares of the Company, or merger, division and dissolution of the Company as well as change of corporate form;
 - (VIII) to decide on, within the authority granted by the general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management and connected transactions;
 - (IX) to decide on the establishment of internal management organizations of the Company;
 - (X) to appoint or dismiss the general manager and secretary to the Board of Directors of the Company based on the nominations by the chairman; to appoint or dismiss senior management officers

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including deputy general manager and chief financial officer of the Company based on the nominations by general manager, and to determine their remuneration, rewards and punishments;

- (XI) to propose and submit plans regarding the amounts of Directors' remuneration and payment methods;
- (XII) to set up the basic management system of the Company;
- (XIII) to formulate proposals for any amendment to the Articles of Association;
- (XIV) to propose to the general meeting the appointment or replacement of accounting firms which provide audit services to the Company;
- (XV) to listen to the work reports of general manager and other senior management and review their work;
- (XVI) to consider guarantees other than those that require approval by the general meeting, subject to the consideration and approval by more than two-thirds of the attending Directors;
- (XVII) to exercise other duties and functions as stipulated by laws, administrative regulations, department rules, the Hong Kong Listing Rules or the Articles of Association.

The Board of Directors may resolve on the above issues with approval by more than half of the Directors, save for the issues specified in items (VI), (VII) and (XIII), for which approval by more than two-thirds of the Directors is required.

- The Company's Board of Directors shall explain to the general meeting regarding the non-standard auditors' advice given by a certified accountant in respect of the financial report of the Company.
- The Board of Directors shall formulate the rules of procedure for meetings of the Board of Directors in compliance with laws, administrative regulations and requirements of the relevant competent authority, to ensure the implementation by the Board of Directors of the resolutions of the general meeting, higher efficiency and scientific decision-making.
- The Board of Directors shall determine the scope of authority in respect of external investment, acquisition or sale of assets, asset mortgage, external guarantees, entrusted financial management and connected transactions in accordance with the provisions of the stock exchange where the Company's Shares are listed, and establish strict examination and decision-making procedures.
- The Board of Directors shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting, if the sum of the

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expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.

The validity of the Company's transaction concerning fixed asset disposal shall not be affected by any breach of the foregoing provisions.

- The Board of Directors meets regularly at least four times every year (roughly on a quarterly basis) and it shall be convened by the chairman. All Directors and Supervisors shall be informed in writing 14 days prior to the convening of the meeting. The responsible authority of the Company shall give the written notice of the meeting to all Directors and Supervisors by direct delivery, fax, speedpost or other electronic communication methods. For non-direct delivery, confirmation shall be made by telephone with records made accordingly.
- The Board meeting shall be held upon the attendance by more than half of Directors. Unless otherwise stipulated in the Articles of Association, a resolution of the Board shall be passed by more than half of all Directors. For external guarantees that shall be approved by the Board, a resolution of the Board of Directors shall be approved by more than two-thirds of Directors present at the meeting and passed by more than half of all Directors.

Resolutions of the Board are voted by way of poll with each Director having one vote.

Where there is a tie in votes cast for and against a resolution, the chairman of the Board of Directors shall have a casting vote.

- If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself/herself or on behalf of another Director. The Board meeting may be held when more than half of the non-connected Directors attend the meeting. The resolutions of the Board meeting shall be passed by more than half of the non-connected Directors. If the number of non-connected Directors attending the meetings is less than three, the issue shall be submitted to the general meeting for consideration.

Save for the exceptions specified in the Hong Kong Listing Rules, in case a Director or his/her close associate (as defined in the Hong Kong Listing Rules applicable from time to time) is interested in a resolution of the Board meeting, that Director shall avoid attending the meeting and have no voting right. The Director will also be excluded in the calculation of quorum for the Board.

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- Directors shall attend the meetings of the Board in person. Directors shall attend the Board meeting in a careful and responsible manner, and express clear opinions on the matters considered. Where a Director is unable to attend a meeting for any reason, he/she may, by a written power of attorney, appoint another Director to attend the meeting on his/her behalf. The power of attorney shall set out the name of the attorney, issues under authorization, scope of authorization and valid period, which will be signed or sealed with the chop by the appointing Director. A Director appointed as a proxy of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a meeting of the Board of Directors and has not appointed a proxy to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

5.4 Secretary to the Board of Directors

- The Company has a secretary to the Board of Directors who shall be appointed or dismissed by the Board of Directors and serve as a senior management officer of the Company.
- The secretary to the Company's Board of Directors shall be a natural person with requisite professional knowledge and experience, and shall be appointed by the Board of Directors. The primary responsibilities are:
 - (I) ensuring the Company has complete organization documents and records, keeping and managing the Shareholders' information and assisting to handle the daily affairs of the Board;
 - (II) organizing and arranging for Board meetings and general meetings; preparing meeting materials, handling relevant meeting affairs; taking minutes of the meetings and ensuring their accuracy and completeness; keeping documents and minutes of meetings; taking the initiative to monitor the implementation of relevant resolutions; reporting to the Board important issues that occur during the implementation and giving relevant advice to the Board;
 - (III) acting as the liaison officer of the Company with the securities regulatory authorities, responsible for organizing, preparing and timely submitting the documents required by the regulatory authorities, accepting and finishing any relevant assignment from the regulatory authorities;
 - (IV) responsible for coordinating and organizing the Company's disclosure of information, establishing and implementing the

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information disclosure system, participating in all of the Company's meetings involving the disclosure of information, and keeping informed of the Company's material operational decisions and related information in a timely manner;

- (V) ensuring that the Company's registers of members are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents in time;
- (VI) exercising other duties and functions as conferred by the Board, as well as those required by laws, regulations and the listing rules of the stock exchanges where the Company's Shares are listed.

6. GENERAL MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL

- The Company shall have one general manager.

The general manager, deputy general manager, chief financial officer and secretary to the Board are the senior management personnel of the Company, all of whom shall be appointed or dismissed by the Board.

- The general manager shall be accountable to the Board and exercise the following functions and powers:
 - (I) to take charge of the production operations and management of the Company, organize the implementation of the Board's resolutions, and report his/her work to the Board;
 - (II) to organize the implementation of the Company's annual operational plans and investment plans;
 - (III) to decide on the setup of the Company's internal management organs;
 - (IV) to formulate the basic management system of the Company;
 - (V) to formulate the specific rules and regulations of the Company;
 - (VI) to propose to the Board the appointment or dismissal of the deputy general manager, chief financial officer and other senior management personnel of the Company;
 - (VII) to appoint or dismiss management personnel, other than those required to be appointed or dismissed by the Board of Directors;
 - (VIII) other functions and powers as granted by the Articles of Association and the Board.

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The general manager shall perform his/her duties diligently and take charge of the daily operations and management of the Company. If the general manager is unable to perform his/her duties due to special circumstances, he/she shall designate a person to perform the duties of the general manager on his/her behalf; if the general manager cannot designate a person to perform the duties on his/her behalf, the Board shall designate one.

7. BOARD OF SUPERVISORS

7.1 Supervisors

- The Supervisors shall be shareholder representatives and employee representatives of the Company. The number of employee representative Supervisors shall be no less than one-third of all Supervisors.
- Directors, the general manager and other senior management personnel may not concurrently serve as Supervisors.
- Supervisors shall perform their supervisory duties faithfully in accordance with laws, administrative regulations and the Articles of Association, and bear fiduciary and diligent duties to the Company. Supervisors shall not abuse their powers to accept bribes or other illegal income or misappropriate the Company's property.
- The term of office of a Supervisor is three years. Upon expiration of the term of office, the Supervisors can be re-elected and re-appointed.

7.2 Board of Supervisors

- The Company shall have a Board of Supervisors. The Board of Supervisors shall consist of three Supervisors, including two shareholder representative Supervisors and one employee representative Supervisor.

The Board of Supervisors shall have one chairman, whose appointment or dismissal shall be subject to the affirmative vote of at least two-thirds of the members of the Board of Supervisors. The chairman of the Board of Supervisors shall convene and preside over meetings of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall convene and preside over the meeting.

The shareholder representative Supervisor shall be elected at the general meeting, and the employee representative Supervisor shall be elected at the employee representative assembly of the Company.

- The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers:

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- (I) to review and express its view in writing on corporate securities issuance documents and periodic reports prepared by the Board, with signatures of the Supervisors to be affixed on such written confirmations;
- (II) to examine the Company's finance;
- (III) to supervise the Directors and senior management personnel in the performance of their duties, and to propose the removal of the Directors and senior management personnel that violate laws, administrative regulations, the Articles of Association or resolutions of the general meeting;
- (IV) to require rectification by Directors and senior management personnel if their acts are detrimental to the Company's interests;
- (V) to have the right to be informed of matters within the terms of reference of the Board of Supervisors as stipulated by laws, administrative regulations and the Articles of Association of the Company;
- (VI) to propose the convening of an extraordinary general meeting, and to convene and preside over a general meeting in the event of the Board failing to perform such duties as stipulated in the Company Law;
- (VII) to submit proposals to the general meeting;
- (VIII) to be present at the Board meetings;
- (IX) to initiate legal proceedings against the Directors and senior management personnel in accordance with Article 151 of the Company Law;
- (X) to propose to convene an interim Board meeting;
- (XI) to review the financial information such as financial reports and profit distribution plans to be submitted by the Board to the general meeting and, to investigate and, if necessary, to engage professional organizations, such as accounting firms and law firms, to assist its work if queries arise or it discovers any irregularities in the Company's operations. The expenses thereof shall be borne by the Company;
- (XII) such other functions and powers as granted by the Articles of Association or the general meeting.

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Supervisors shall be present at the Board meetings.

8. QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT PERSONNEL

Qualifications of Directors, Supervisors and Senior Management Personnel

- A person shall be disqualified for being a Director, Supervisor, general manager or other senior management personnel of the Company in any of the following circumstances:
 - (I) persons without capacity or with limited capacity for civil acts;
 - (II) persons who were convicted and sentenced to penalty for corruption, bribery, encroachment or embezzlement of property or disruption of social or economic order, or persons who were deprived of political rights for committing a crime, and in each case, where five years have not lapsed following the serving of the penalty;
 - (III) directors, factory heads or managers who bear individual responsibility for the bankruptcy of their companies or enterprises dissolved or put into liquidation as a result of mismanagement, where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
 - (IV) the legal representatives of companies or enterprises that had their business licenses revoked for violation of law, where such representatives bear individual responsibility and three years have not lapsed following the date of revocation of such business licenses;
 - (V) persons with relatively significant individual debts that have not been settled upon maturity;
 - (VI) persons whose cases have been established for investigation by judicial authorities due to violation of the criminal law, and such cases have not been closed;
 - (VII) persons who may not serve as chief executives of enterprises by virtue of laws or administrative regulations;
 - (VIII) artificial persons;
 - (IX) persons adjudged by relevant competent authorities to have violated securities-related regulations, where such violation involves fraudulent or dishonest acts and five years have not lapsed following the date of the ruling;
 - (X) persons prohibited from participating in the securities market by the CSRC, and such barring period has not lapsed;

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(XI) other circumstances specified by the relevant laws and regulations of the place where the Company's Shares are listed.

- The validity of an act of a Director, general manager and other senior management personnel on behalf of the Company for a bona fide third person is not affected by any irregularity in his/her office, election or any defect in his/her qualification.

Disclosure of Interests in Contracts, Transactions or Arrangements with the Company

- Where a Director, Supervisor, general manager and other senior management personnel of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement entered into or proposed to be entered into with the Company (other than an employment contract of each Director, Supervisor, general manager and other senior management personnel with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the Board.

Excluding such exceptions stipulated by the securities listing rules, no Directors shall vote on any contract, transaction or arrangement or any other relevant proposal in which they or any of their close associates (as defined in the applicable securities listing rules effective from time to time) have material interests. When determining whether a quorum for the meeting is attained, relevant Directors shall not be counted in.

Unless the interested Director, Supervisor, general manager and other senior management personnel of the Company so interested have made a disclosure of his/her interests to the Board as required in the preceding paragraph of this Article and the Board has approved the same at a meeting where such persons have not been counted in the quorum nor have voted, the Company has the power to revoke such contract, transaction or arrangement except where the other party is a bona fide third party without knowledge of the breach of the obligations of such Director, Supervisor, manager and other senior management personnel.

Each Director, Supervisor, general manager and other senior management personnel of the Company shall be deemed to be interested in a contract, transaction or arrangement in which any associate of the Director, Supervisor, general manager and other senior management personnel is interested.

Loans or Loan Guarantees to Directors, Supervisors and Senior Management Personnel

- The Company shall not, directly or indirectly, provide loans or any loan guarantees to the Directors, Supervisors, general manager and other senior management personnel of the Company or of its parent, or provide loans or any loan guarantees to any associate(s) of the above-mentioned persons.

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

- (I) the provision by the Company of a loan or a loan guarantee to its subsidiary;
 - (II) the provision by the Company of a loan, a loan guarantee or any other funds to the Directors, Supervisors, general manager and other senior management personnel of the Company to pay the expenditures incurred by him/her for the purposes of the Company or for enabling him/her to properly perform his/her duties, in accordance with the terms of an employment contract approved at a general meeting;
 - (III) the Company may provide a loan or a loan guarantee to any of the relevant Directors, Supervisors, general manager and other senior management personnel and their respective associates within the normal scope of its business and on normal commercial terms, provided that such scope includes the provision of loans or loan guarantees.
- A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.
 - A loan guarantee provided by the Company in breach of the foregoing provisions of the Articles of Association shall not be enforceable against the Company, unless:
 - (I) at the time the loan was provided to an associate of any of the Directors, Supervisors, general manager and other senior management personnel of the Company or of its parent, the lender was not aware of the relevant circumstances;
 - (II) the collateral provided by the Company was lawfully disposed of by the lender to a good will purchaser.

Duties of Directors, Supervisors and Senior Management Personnel

- In addition to various rights and remedies provided by laws and administrative regulations, where a Director, Supervisor, general manager and other senior management personnel of the Company breaches his/her duties to the Company, the Company shall have the right to:
 - (I) claim damages from the Director, Supervisor, general manager and other senior management personnel in compensation for the losses sustained by the Company as a result of such breach;
 - (II) rescind any contract or transaction which has been entered into between the Company and such Director, Supervisor, managers and other senior

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management or between the Company and a third party (where such third party knows or should have known that such Director, Supervisor, general manager or other senior management representing the Company has breached his/her duties to the Company);

- (III) demand an account of the profits made by the Director, Supervisor, general manager and other senior management personnel in breach of his/her obligations;
 - (IV) recover any monies received by the Director, Supervisor, general manager and other senior management personnel which should otherwise have been received by the Company, including but not limited to commissions;
 - (V) request such Director, Supervisor, general manager and other senior management personnel to return the interests accrued or may be accrued on the monies which otherwise should have been paid to the Company;
 - (VI) to request for adjudication through legal proceedings that the property acquired by Directors, Supervisors, general manager and other senior management personnel through their breach of duties shall belong to the Company.
- In addition to the obligations imposed by laws and administrative regulations or required by the Hong Kong Listing Rules, the Directors, Supervisors, general manager and other senior management personnel of the Company shall, in the exercise of their functions and powers entrusted by the Company, bear the following duties towards each Shareholder:
 - (I) not to cause the Company to exceed the scope of business stipulated in its business license;
 - (II) to act in good faith and in the best interests of the Company;
 - (III) not to expropriate the Company's property in any way, including but not limited to opportunities beneficial to the Company;
 - (IV) not to expropriate the individual rights of Shareholders, including but not limited to the rights of distribution and voting, save pursuant to a restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.
 - The Directors, Supervisors, general manager, and other senior management personnel of the Company shall, in exercising their powers and discharging their duties, exercise care, diligence and skills that a reasonably prudent person would exercise in similar circumstances.
 - The Directors, Supervisors, general manager and other senior management personnel of the Company shall exercise their powers or perform their duties

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in the principle of good faith, and shall not put themselves in a position of possible conflict between their interests and duties. This principle includes (but is not limited to) the performance of the following obligations:

- (I) to act in good faith and in the best interests of the Company;
- (II) to exercise powers within the scope of powers and not to exceed the authorizations;
- (III) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another person and, unless and to the extent permitted by laws and administrative regulations or with the informed consent of Shareholders at a general meeting, without delegating the exercise of his/her discretion;
- (IV) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (V) except otherwise stipulated by the Articles of Association or otherwise consented by Shareholders on an informed basis at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) without the informed consent of Shareholders at a general meeting, not to use the Company's property for his/her own benefits;
- (VII) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including but not limited to opportunities beneficial to the Company;
- (VIII) without the informed consent of Shareholders at a general meeting, not to accept commissions in connection with any of the Company's transactions;
- (IX) to abide by the Articles of Association, perform his/her duties faithfully and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own personal benefits;
- (X) not to compete with the Company in any way unless with the informed consent of Shareholders at a general meeting;
- (XI) not to misappropriate the Company's funds or lend such funds to others, not to open accounts in his/her own name or in the names of others for the deposit of the Company's assets, and not to provide a guarantee for the debts of a Shareholder of the Company or other individual(s) with the Company's assets;
- (XII) unless otherwise permitted on an informed basis at a general meeting, to keep information acquired by him/her in confidentiality in the

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course of his/her tenure and not to use the information other than in furthering the interests of the Company, save and except that disclosure of such information to the court or other competent government authorities is permitted if such disclosure is made:

1. by operation of law;
2. for public interests;
3. for the interests of the Director, Supervisor, general manager and other senior management personnel.

Any gains arising from the breach of this Article by the personnel mentioned in this Article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.

- The Directors, Supervisors, general manager and other senior management personnel of the Company shall not cause the following persons or institutions (the "Associates") to do what they are prohibited from doing:
 - (I) the spouse or minor children of the Company's Directors, Supervisors, general manager and other senior management personnel;
 - (II) a person acting in the capacity of a trustee of the Company's Directors, Supervisors, general manager and other senior management personnel or any person referred to in item (I) of this Article;
 - (III) a person acting in the capacity of a partner of the Company's Directors, Supervisors, general manager and other senior management personnel or any person referred to in items (I) and (II) of this Article;
 - (IV) a company in which the Company's Director(s), Supervisor(s), general manager and other senior management personnel, individually or jointly with the personnel referred to in items (I), (II) and (III) of this Article or other Directors, Supervisors, general manager and other senior management personnel of the Company having de facto joint control;
 - (V) the Directors, Supervisors, general manager and other senior management personnel of the controlled entities referred to in item (IV) of this Article.

Except as provided in the Articles of Associations, the Directors, Supervisors, general manager and any other senior management personnel of the Company may be relieved of liability for specific breaches of his/her duties with the informed consent of Shareholders at a general meeting.

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Remuneration of Directors and Supervisors

- The Company shall enter into a written contract with the Directors and Supervisors of the Company in respect of remuneration. Such contract shall be approved by the general meeting. The abovementioned remuneration shall include:
 - (I) remuneration for serving as a Director, Supervisor or a member of senior management of the Company;
 - (II) remuneration for serving as a director, supervisor or a member of senior management of a subsidiary of the Company;
 - (III) remuneration for provision of other services for management of the Company and its subsidiaries;
 - (IV) compensation for loss of office or retirement of such Director or Supervisor.

Except pursuant to the aforementioned contract, a Director or Supervisor may not take legal actions against the Company for any benefits payable to him/her in respect of the aforesaid matters.

9. FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDITING

9.1 Financial Accounting System

Financial Accounting System

- The Company shall establish its financial accounting system in accordance with the provisions of laws, administrative regulations and relevant departments of the state.
- The Company's financial reports shall be made available for Shareholders' inspection at the Company 20 days before the date of annual general meetings. Each Shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this Article.

Unless otherwise specified in the Articles of Association, the Company shall deliver, by personal delivery or prepaid post, the abovementioned reports or the report of Directors, together with the balance sheet (including every document to be attached to the balance sheet as required by laws) and profit statement or the statement of income and expenditure (if applicable), to each Shareholder of H Shares at the address as registered in the register of members at least 21 days before such annual general meeting; subject to the compliance with laws,

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administrative regulations and the listing rules of the place where the Shares of the Company are listed, the Company can proceed by way of announcements, including announcement via the Company's website. Upon announcement and after implementation of the procedures required by the listing rules of Hong Kong, the abovementioned financial reports shall be deemed to have been served to all Shareholders.

- 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 the accounting standards of the overseas place where the Shares of the Company are listed. If there is any material difference between the financial statements prepared in accordance with the two accounting standards, such difference shall be stated in the notes to the financial statements. When the Company is to distribute its after-tax profits for relevant accounting years, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.
- Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or the accounting standards of the overseas place where the Shares of the Company are listed.
- The Company shall disclose two financial reports in each accounting year, i.e., its interim financial reports within 60 days after the end of the first six months of an accounting year and its annual financial reports within 120 days after the end of the accounting year.

Other regulations of the securities regulatory authorities of Hong Kong shall prevail.

- The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Distribution of Profits

- When distributing profits after taxation of the year, the Company shall set aside 10% of its profits for the company's statutory common reserve fund until the fund has reached more than 50% of the Company's registered capital.

When the Company's statutory common reserve fund is not sufficient to make up for the Company's losses for the previous years, the profits of the current year shall first be used to cover the losses before any

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allocation is set aside for the statutory common reserve fund pursuant to the preceding provision.

After making allocations to the statutory common reserve fund from its profits after taxation, the Company may, upon passing a resolution at a general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund.

After the Company covers its losses and makes allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the Articles of Association.

Profits distributed to Shareholders by a general meeting before losses are covered and allocations are made to the statutory common reserve fund in violation of the preceding requirements must be returned to the Company.

The Company shall not distribute any profits in respect of the Shares held by it.

- The Company's common reserve fund shall be applied to cover the losses of the Company, expand its business operations or be converted to increase the capital of the Company. However, the capital reserve fund shall not be used to cover the Company's losses.

Upon the conversion of statutory common reserve fund into capital, the balance of the common reserve fund shall not be less than 25% of the registered capital of the Company before such conversion.

- After the resolution on the profit distribution plan has been adopted at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of dividends (or Shares) within two months from the convening of the general meeting.

9.2 Internal Audit

- The Company shall implement an internal audit system and assign full-time auditing staff to conduct internal audit and supervision on the incomes and expenditures and economic activities of the Company.
- The internal audit system and the duties of the auditing staff of the Company shall come into effect upon approval by the Board of Directors. The person in charge of audit shall be responsible to and report to the Board of Directors.

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9.3 Engagement of Accounting Firm

- The Company shall engage an accounting firm which is qualified under the provisions of the Securities Law to audit accounting statements, verify net assets and provide other relevant consultation services. The term of such engagement is one year, commencing from the conclusion of the current annual general meeting of the Company until the conclusion of the next annual general meeting. The engagement may be renewed.
- The engagement of an accounting firm by the Company shall be determined at the general meeting, and the Board of Directors shall not engage an accounting firm before any decision is made at the general meeting.
- Notwithstanding any terms stipulated in the contract between the accounting firm and the Company, the general meeting may, by way of an ordinary resolution, resolve to remove such accounting firm before the expiration of its term of office, without prejudice to the rights of the firm to claim for damages in respect of such removal.
- The decision on engaging, removing or not renewing the engagement of an accounting firm shall be made by the general meeting and filed with the CSRC.

A 30-day prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the engagement thereof. The accounting firm shall be entitled to make representations when the voting on a resolution regarding the removal of the accounting firm is conducted at the general meeting of the Company.

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10. NOTICE AND ANNOUNCEMENT

- A notice of the Company shall be sent by:
 - (I) hand;
 - (II) mail;
 - (III) announcement;
 - (IV) fax;
 - (V) email;
 - (VI) publishing on the Company's website or the websites designated by the stock exchange subject to laws, administrative regulations and the Hong Kong Listing Rules;
 - (VII) other means agreed between the Company and the recipient of the notice in advance or accepted by the recipient of the notice after receiving such notice;
 - (VIII) other means recognized by relevant regulatory authorities of the place where the Shares of the Company are listed or provided in the Articles of Association.
- If a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or if such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void thereby.

11. MERGER, DIVISION, INCREASE AND REDUCTION OF CAPITAL, DISSOLUTION AND LIQUIDATION

11.1 Merger, Division, Increase and Reduction of Capital

- In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution and shall publish an announcement on the information disclosure media designated by the Company within 30 days from the date of such resolution. The creditors may, within 30 days after receiving such notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

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- When the Company is divided, its assets shall be split up accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division, and shall publish an announcement on the information disclosure media designated by the Company within 30 days from the date of such resolution.

- Where the Company is required to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement on the information disclosure media designated by the Company within 30 days from the date of such resolution. The creditors may, within 30 days after receiving such notice or, for those who do not receive the notice, within 45 days from the date of the announcement, demand the Company to settle their debts or provide corresponding guarantees for such debts.

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

11.2 Dissolution and Liquidation

- The Company shall be dissolved for the following reasons:
 - (I) a resolution on dissolution is passed at a general meeting;
 - (II) dissolution as a result of a merger or division of the Company;
 - (III) the Company's business license is revoked or the Company is ordered to close down or deregistered according to law;
 - (IV) where the Company encounters major difficulties in its operation and management and its continuation may cause substantial loss to the interests of Shareholders, and no solution can be found through any other channel, Shareholders holding more than 10% of the voting rights of all Shareholders of the Company may request the People's Court to dissolve the Company;
 - (V) other events of dissolution specified in laws, regulations and the Articles of Association have occurred;
- Where the Company is dissolved in accordance with the preceding items (I), (II), (IV) or (V), a liquidation committee shall be established to

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commence liquidation within fifteen days from the date of occurrence of dissolution events. The members of the liquidation committee shall be determined by the Directors or the general meeting. In case no liquidation committee is established within the specified period to commence liquidation, creditors may apply to the People's Court to designate relevant persons to form a liquidation committee and commence liquidation.

- If the Board of Directors decides that the Company shall be liquidated (except for such liquidation as a result of the Company's declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement that the Board of Directors has made full inquiry into the conditions of the Company and is of the opinion that the Company can settle all its debts within 12 months after the liquidation has commenced.

Upon the passing of the resolution to liquidate the Company at the general meeting, the functions and powers of the Board of Directors of the Company shall cease immediately.

The liquidation committee shall take instructions from the general meeting and report to the general meeting on the liquidation committee's income and expenditure, the business of the Company and the progress of the liquidation at least once per year. The committee shall also make a final report to the general meeting upon the completion of such liquidation.

- The liquidation committee shall exercise the following functions and powers during the period of liquidation:
 - (I) sorting out the property of the Company, and preparing a balance sheet and an inventory of assets separately;
 - (II) serving notices or making announcements to creditors;
 - (III) processing the unfinished businesses of the Company related to the liquidation;
 - (IV) clearing off the outstanding taxes and the taxes incurred in the course of liquidation;
 - (V) clearing off credits and debts;
 - (VI) disposing of the residual property of the Company after settling debts;
 - (VII) participating in the civil litigation on behalf of the Company.
- The liquidation committee shall, within 10 days of its establishment, notify the creditors, and shall, within 60 days of its establishment, make

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an announcement on the information disclosure media designated by the Company. The creditors shall, within 30 days of the receipt of the notice or, for those who do not receive the notice, within 45 days from the date of the announcement, file their creditors' rights with the liquidation committee.

Creditors who file their creditors' rights shall explain about the matters related to creditors' rights and provide supporting materials. The liquidation committee shall register the creditors' rights.

The liquidation committee may not clear off any of the debts of any creditors during the period of filing creditors' rights.

- After the liquidation committee has sorted out the property of the Company and prepared the balance sheets and inventories of assets, it shall prepare a plan of liquidation and submit it to the general meeting or the People's Court for confirmation.

After settling the liquidation expenses, wages of employees, social insurance premiums and statutory compensation, the outstanding taxes and the debts of the Company, the residual property of the Company shall be distributed in proportion to shareholding of the Shareholders.

During the period of liquidation, the Company continues to exist but may not carry out any business operation unrelated to the liquidation. Before the settlement of repayments as provided in the preceding paragraphs, the Company's property shall not be distributed to Shareholders.

- Should the liquidation committee find that the property of the Company are insufficient for clearing off the debts after sorting out such property and preparing the balance sheets and inventories of assets, it shall apply to the People's Court to declare the Company's bankruptcy pursuant to laws.

Once the People's Court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the People's Court.

- Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, an income and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, such committee shall submit the same to the general meeting or relevant competent authorities for confirmation. Within 30 days from the date of the said confirmation made by the general meeting or relevant competent authorities, the Company shall submit the same to the company registration authority to apply for deregistration of the Company and announce its termination.

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12. AMENDMENT TO ARTICLES OF ASSOCIATION

- Under any of the following circumstances, the Company shall amend the Articles of Association:
 - (I) after amendment has been made to the Company Law or relevant laws or administrative regulations, the provisions of the Articles of Association will conflict with the amended laws or administrative regulations;
 - (II) the changes that the Company has undergone are not in consistency with the records made in the Articles of Association;
 - (III) the general meeting decides that the Article of Association should be amended.
- Where amendments to the Articles of Association passed by resolutions at the general meeting require examination and approval by competent authorities, such amendments shall be submitted for approval by the original competent approval authorities. Should the items registered by the Company are involved, such changes shall be registered according to law.
- The Board of Directors shall amend the Articles of Association according to the resolutions of the general meeting and the review opinions of the relevant competent authority.
- Any amendment to the Articles of Association that involves information to be disclosed as required by laws and regulations shall be announced to the public as required.

13. SETTLEMENT OF DISPUTES

- The Company shall comply with the following rules in settling disputes:
 - (I) in the event of any disputes or claims concerning the affairs of the Company based on the rights and obligations provided in the Articles of Association, the Company Law and other relevant laws and administrative regulations between a holder of overseas listed Shares and the Company, between a holder of overseas listed Shares and a Director, Supervisor or senior management personnel of the Company, and between a holder of overseas listed Shares and a holder of domestic Shares, the parties concerned shall resolve such disputes and claims through arbitration.

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Where the aforesaid dispute or claim is submitted for arbitration, the entire claim or dispute shall be resolved through arbitration; all persons who have a cause of action based on the same facts that give rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim shall accept the arbitration award if they are the Company or its Shareholders, Directors, Supervisors or senior management personnel.

Disputes related to the definition of Shareholders and Shareholders' register may be settled by methods other than arbitration.

- (II) the party seeking arbitration may opt for arbitration either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must proceed with such arbitration at the arbitral institution selected by the party seeking the arbitration.

If the party seeking arbitration opts for arbitration at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) if any disputes or claims are settled by way of arbitration in accordance with item (I) of this Article, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and regulations.
- (IV) the award of the arbitral institution is final and shall be binding on the parties thereto.