
APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Set out herein is a summary of the Articles of Association for the main purpose of providing an overview of the Articles of Association to potential investors. As the information contained herein is only a summary, it may not contain all the information that is important to potential investors.

GENERAL

Our Company is a joint stock limited company in perpetual existence.

The Articles of Association shall, from the date when it comes into force, constitute a legally binding document regulating the organization and activities of our Company, the rights and obligations between our Company and each Shareholder and among the Shareholders, and shall be binding on our Company and its Shareholders, Directors, Supervisors, general manager and other senior management officers.

SHARES AND REGISTERED CAPITAL

Our Company shall have ordinary shares at all times. Our Company may according to its needs create shares of other classes upon approval of the approving authority authorised by the State Council.

The stock of our Company shall take the form of shares. All shares issued by our Company shall have a par value denominated in Renminbi, with each share having a par value of RMB1.

Our Company shall issue shares under the principles of openness, fairness and equality and shares of the same class shall carry same rights. The issuance conditions and price per share of the same class in the same issuance shall be the same; the same price shall be paid for each share of the same class in the same issuance subscribed for by any entities or individuals.

Domestic shares and overseas listed foreign shares issued by our Company shall have the same right in any distribution in the form of dividend or any other forms. Our Company shall not exercise any right to freeze or otherwise impair any of the rights attached to any shares only on the ground that the person who is interested directly or indirectly therein has failed to disclose his interests to our Company.

Our Company may offer its shares to both domestic and foreign investors with the approval of the competent securities regulatory authority under the State Council. The shares issued by our Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. The shares issued by our Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares listed overseas shall be referred to as overseas listed foreign shares. Shareholders of both domestic shares and foreign shares are ordinary shareholders and shall have the same rights and obligations.

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INCREASE, REDUCTION AND REPURCHASE OF SHARES

Our Company may increase or reduce its registered capital according to law upon resolutions being passed at the general meetings.

Capital Increase

Our Company may, based on its business and development needs and in accordance with laws and regulations, increase its registered capital in the following manners upon respective resolutions being adopted at the general meetings:

- (I) by public offering of shares;
- (II) by non-public offering of shares;
- (III) by placing new shares to its existing Shareholders;
- (IV) by allotting bonus shares to its existing Shareholders;
- (V) by capitalizing its capital common reserve;
- (VI) by any other means which is permitted by laws and administrative regulations.

Our Company may dispose of the shares of any untraceable Shareholder and retain the proceeds, if:

- (I) during a period of 12 years at least three times dividends in respect of the shares in question have become payable and no dividend during that period has been received by Shareholders; and
- (II) on expiry of the 12 years, our Company shall give notice of its intention to sell the shares by way of an advertisement in newspapers upon approval from the securities regulatory authority of the State Council, and notify such authority and relevant overseas stock exchanges and securities regulatory authorities where our shares are listed of such intention.

Capital Reduction

Our Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and the Articles of Association.

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Repurchase of Shares

Our Company may not repurchase the shares of our Company, except in any of the following situations:

- (I) its registered capital is reduced;
- (II) merging with another company that holds shares of our Company;
- (III) the shares are used for the employee share scheme or equity incentives;
- (IV) when requested by any Shareholder to purchase his shares because this Shareholder objects to any resolution of merger or division made by our Company at general meetings;
- (V) the shares are used for conversion of convertible corporate bonds issued by the listed company;
- (VI) any necessary action is taken to protect the value of the listed company and shareholders' interests;
- (VII) other circumstances permitted by laws, administrative regulations or regulatory authorities.

If our Company repurchases its own shares under the circumstances set out in items (1) and (2) of the preceding paragraph, resolutions related thereto shall be adopted at a general meeting. If our Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at the meeting of Board of Directors with more than two-thirds of the Directors attending in accordance with the Articles of Association or a mandate by the general meeting.

If our Company repurchases its own shares in accordance with paragraph one under the circumstances set forth in item (1), the shares so repurchased shall be cancelled within 10 days of the repurchase and shall proceed to register the change in the registered capital with the competent administration for industry and commerce; in the event of the circumstances set forth in items (2) and (4), the shares so repurchased shall be transferred or cancelled within 6 months; in the event of the circumstances set forth in items (3), (5) and (6), the repurchase shall be carried out through open and centralised transactions, the aggregate number of shares of our Company held by itself shall not exceed 10% of its total shares in issue, and the shares so repurchased shall be transferred or cancelled within three years.

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

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Our Company may repurchase its shares in one of the following manners with the approval from relevant national competent authorities:

- (I) by making a general offer for the repurchase of shares to all its Shareholders on a pro-rata basis;
- (II) by repurchasing shares through public dealing on a stock exchange;
- (III) by repurchasing shares by means of an off-market agreement; or
- (IV) in other circumstances permitted by laws, administrative regulations and regulatory authorities.

Our Company must obtain the prior approval of the Shareholders at a general meeting in accordance with the Articles of Association before it can repurchase shares by means of an off-market agreement. Our Company may, upon the prior approval of the Shareholders at a general meeting, release or vary any contract which has been entered into by our Company in a manner set forth above, or waive its rights thereunder.

The agreement for the repurchase of shares referred to in the preceding paragraph includes, but not limited to, an agreement to assume the obligations of repurchasing shares or acquire the rights of repurchasing shares.

Our Company may not assign an agreement for the repurchase of its shares or any right contained in such agreement.

For the purpose of the redeemable shares which our Company has the right to repurchase, the repurchase prices shall be limited to a certain maximum price if they are not repurchased through the market or by tender. In case of repurchase by tender, tenders shall be offered to all Shareholders on equal conditions and a relevant announcement shall be made.

FINANCIAL ASSISTANCE FOR THE ACQUISITION OF OUR COMPANY'S SHARES

Our Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of our Company. The said acquirer of shares includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of our Company.

Our Company or its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This Article shall not apply to the circumstances referred to in Article 39 in the Articles of Association.

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SHARE CERTIFICATES AND REGISTER OF MEMBERS

Share Certificates

The share certificates of our Company shall be in registered form.

In addition to those provided in the Company Law, a share certificate of our Company shall contain any other items required to be specified by the stock exchange on which the shares of our Company are listed.

Register Of Members

Our Company shall keep a register of members which shall contain the following particulars:

- (I) the name, address (place of domicile), occupation or nature of business 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 entered in the register as a shareholder; and
- (VI) the date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the Shareholders' shareholding in our Company.

Subject to the Articles of Association and other applicable requirements, upon transfer of our Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of members.

All instruments of transfer and other documents related to the ownership of any H shares or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Stock Exchange.

Where two or more than two persons are registered as joint holders of any shares, they should be deemed as joint owners of such shares and subject to the following restrictions:

- (I) our Company shall register no more than four persons as the joint holders of any shares;
- (II) all joint holders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;

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(III) if one of the joint holders dies, only the surviving joint holders shall be deemed by our Company to be such persons as having the ownership of the relevant shares. The Board shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and

(IV) for joint holders of any shares, any of joint holders may attend a general meeting of our Company or exercise the voting rights of the shares (regardless of attendance in person or by proxy). In case more than one joint holder attends the general meeting in person or by proxy, only the attender whose name appears first in the register of members among such joint holders is entitled to vote for such shares.

The shares of our Company held by promoters may not be transferred within one year after our Company's establishment. The shares of our Company issued before the initial public offering shall not be transferred within one year since the listing and trading of our Company's shares on the stock exchange(s).

The Directors, Supervisors and senior management officers of our Company shall report to our Company the number of shares held by them in our Company and the subsequent changes in their shareholdings. The number of shares which such persons may transfer every year during their terms of office shall not exceed 25% of the total number of our Company's shares in his or her possession. Such personnel shall not transfer our Company's shares in their possession within half year after they have terminated their employment with our Company.

If the transfer restriction involves H shares, then the relevant provisions of the Listing Rules of the Stock Exchange shall apply.

Upon obtaining approval from the competent securities regulatory authority of the State Council, shareholders of domestic shares of our Company can transfer their shares to foreign investors, and trade on an overseas stock exchange. All or part of the domestic shares may be converted into foreign shares, and the foreign shares so converted may be listed and traded on an overseas stock exchange. When transferred or converted shares are listed and traded on an overseas stock exchange, the shares are subject to the supervision procedures, regulations and requirements of the overseas stock exchange. No general meeting or class meeting is required to be held to vote for the listing and trading of the transferred shares on an overseas stock exchange or the conversion of domestic shares into foreign shares and the listing and trading of such shares on an overseas stock exchange. After the conversion of domestic shares into overseas-listed foreign shares, it shall be in the same class of shares as the original overseas-listed foreign shares.

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SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Shareholders

A Shareholder of our Company is a person who lawfully holds shares of our Company and has his name recorded in the register of members.

A Shareholder of our Company shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

All classes of Shareholders of our Company shall have equal rights in any distribution in the form of a dividend or any other forms.

Where legal persons become Shareholders of our Company, their legal representatives or nominees of their legal representatives shall exercise relevant rights on their behalf.

Our Company shall not exercise its rights to freeze or otherwise impair any of the rights attached to the shares based on the ground that the person who is interested directly or indirectly therein has failed to disclose his interests to our Company.

Rights and Obligations of Shareholders

The ordinary shareholders of our Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to request, convene, chair, attend or appoint a proxy to attend general meetings and to exercise corresponding voting rights in accordance with laws;
- (III) the right to supervise our Company's operations, to present proposals or to raise enquires;
- (IV) the right to transfer, bestow or pledge the shares held by them in accordance with laws, administrative regulations and the Articles of Association;

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(V) the right to obtain relevant information in accordance with the Articles of Association, including:

1. the right to obtain a copy of the Articles of Association, subject to payment of cost;
2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (1) all parts of the register of members;
 - (2) personal particulars of each of our Company's Directors, Supervisors and senior management officers, including (i) present and former name or alias; (ii) principal address (place of residence); (iii) nationality; (iv) full-time and all other part-time occupations and duties; (v) identification document and its number;
 - (3) reports on the status of our Company's issued share capital;
 - (4) latest audited financial statements of our Company and the reports of the Board of Directors, auditors and the Supervisory Committee;
 - (5) special resolutions of our Company;
 - (6) reports showing the number and par value of each class of shares repurchased by our Company since the last fiscal year, total amount paid therefor, and the highest and lowest prices paid for each class of securities repurchased (breakdown by domestic shares and foreign shares);
 - (7) minutes of general meetings;
 - (8) counterfoils of corporate bonds, resolutions of the Board of Directors and the Supervisory Committee;
 - (9) annual report/inspection form of the previous year that has been filed with the Administration for Market Regulation or other competent authorities.

The above documents of items (3), (4), (5), (6) and (9) shall be published by our Company on the websites of the Stock Exchange and our Company.

The above documents of item (1) and (7) and other applicable documents shall be kept by our Company, according to the requirements of the Listing Rules of the Stock Exchange, at a place in Hong Kong for inspection by shareholders free of charge, and for copying by shareholders at reasonable charges.

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If the information to be inspected and photocopied involves trade secrets or inside information of our Company and the personal privacy of relevant personnel, our Company may refuse to provide the same;

- (VI) in the event of the termination or liquidation of our Company, to participate in the distribution of remaining assets of our Company in accordance with the shareholdings;
- (VII) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of our Company, the right to demand our Company to buy back their shares;
- (VIII) shareholders who individually or collectively hold more than 3% of our Company's shares shall have the rights to propose interim resolutions and submit them in writing to the Board of Directors 10 days prior to the general meeting;
- (IX) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

When a Shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he shall provide our Company with such written documents evidencing the class and amount of his shareholding in our Company. Our Company may provide such information per the Shareholder's request after verifying his identity. Shareholders shall keep the confidentiality of the information and materials to be inspected.

If a Director or any other senior management officer has violated the laws, administrative regulations or the Articles of Association in the course of performing his duties to our Company, and thereby caused our Company to incur a loss, Shareholders individually or jointly holding 1% or more of our Company's shares for more than 180 consecutive days may request in writing the Supervisory Committee to initiate proceedings in the people's court in respect thereof. If the Supervisory Committee has violated the laws, administrative regulations or the Articles of Association in the course of performing its duties to our Company, and thereby caused our Company to incur a loss, Shareholders may request in writing the Board of Directors to initiate proceedings in the people's court in respect thereof.

If the Supervisory Committee or the Board of Directors refuses to initiate proceedings after receipt of a written request from the Shareholders as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days of the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to our Company's interests, the Shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the people's court in their own name in the interests of our Company.

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If any third party infringes the lawful rights of our Company and has caused a loss to our Company, the Shareholders mentioned in the first paragraph of this Article may initiate proceedings in the people's court according to the provisions of the two preceding paragraphs.

If a Director and any other senior management officer violates laws, administrative regulations or the Articles of Association and prejudices the interests of the Shareholders of our Company, the Shareholders may initiate proceedings in the people's court in respect thereof.

The shareholders of ordinary shares of our Company shall assume the following obligations:

- (I) to comply with the laws, administrative regulations and Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) be liable to our Company to the extent of the shares held by the shareholders;
- (IV) not to withdraw their capital contribution after approval and registration by our Company, except under the circumstances as stipulated in laws and regulations;
- (V) not to abuse their shareholders' rights to harm our Company's or other shareholders' interests; not to abuse the status of our Company as an independent legal person or the limited liability of shareholders to harm the interests of our Company's creditors. If any shareholder abuses the shareholders' rights and causes losses to our Company or other shareholders, such shareholder shall be held liable for damages in accordance with laws. If any shareholder abuses the status of our Company as an independent legal person or his limited liability as a shareholder to evade debts and thereby seriously harms the interests of our Company's creditors, such shareholder shall bear joint and several liability for the debts of our Company;
- (VI) other obligations imposed by laws, administrative regulations and the Articles of Association.

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

- (I) to relieve a Director or Supervisor of his duty to act honestly in the best interests of our Company;
- (II) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of our Company's assets in any way, including (without limitation) opportunities which are beneficial to our Company;

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- (III) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights (save for our company restructuring which has been approved by the shareholders in a general meeting in accordance with the Articles of Association).

Where a Shareholder who holds 5% or more of the voting shares of our Company pledges the shares he holds, such Shareholder shall report in writing to our Company on the date on which the pledge happens.

The controlling shareholder and the de facto controller of our Company shall not take advantage of their affiliated relationship to harm the interests of our Company, and shall be held liable for damages if they cause any loss to our Company in violation of the preceding provisions.

“Controlling shareholder” referred to in the Articles of Association means a person who satisfies one of the following conditions:

- (I) a person who, acting alone or in concert with others, has the power to elect more than half members of the Board of Directors;
- (II) a person who, acting alone or in concert with others, has the power to exercise 30% or more of the voting right of our Company or control the exercise of 30% or more of the voting right of our Company;
- (III) a person who, acting alone or in concert with others, holds 30% or more of the outstanding shares of our Company;
- (IV) a person who, acting alone or in concert with others, has de facto control of our Company by any other means.

The phrase “acting in concert” referred to in this Article means two or more persons reaching an agreement (either orally or in writing), pursuant to which any one of them shall obtain voting rights of our Company for control or consolidation of control over our Company.

GENERAL MEETINGS

General Provisions for General Meetings

The general meeting of our Company is the organ of authority of our Company, which is comprised of all Shareholders of our Company. The general meeting shall exercise its powers in accordance with the laws, administrative regulations and the Articles of Association.

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The general meeting shall exercise the following functions and powers:

- (I) to decide the business operation guidelines and investment plans for our Company;
- (II) to elect and change Directors and Supervisors who are not employees' representatives, and decide on the remunerations of Directors and Supervisors;
- (III) to consider and approve reports of the Board of Directors and the Supervisory Committee;
- (IV) to consider and approve the annual financial budgets and final accounting proposals of our Company;
- (V) to consider and approve our Company's profit distribution plans and loss recovery plans;
- (VI) to resolve on the increase or reduction of the registered capital of our Company;
- (VII) to resolve on the issuance of bonds of our Company;
- (VIII) to resolve on matters such as the merger, division, dissolution, liquidation or change in the form of our Company;
- (IX) to amend the Articles of Association;
- (X) to determine the appointment, dismissal or non-reappointment of accounting firms;
- (XI) to consider proposals raised by shareholders who represent 3% or more of the total number of voting shares of our Company;
- (XII) to consider matters relating to the purchase and disposal of material assets by our Company, within one year and with value exceeding 30% of the latest audited total assets of our Company;
- (XIII) to consider share incentive schemes;
- (XIV) other matters required to be resolved by the general meeting pursuant to laws, administrative regulations and the Articles of Association;
- (XV) other matters required by the listing rules of the stock exchange where the shares of our Company are listed.

The abovementioned functions and powers of the general meeting may not be exercised by the Board of Directors or other bodies and individuals on its behalf by delegation.

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The guarantee offered by our Company to a shareholder or de facto controller of our Company shall be resolved by the general meeting.

When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller and its affiliates, such shareholder or the shareholder controlled by the 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 of the other shareholders attending the general meeting.

If any Director, general manager or other senior management officer violates the approval authority and review procedures on external guarantees specified in the laws, administrative regulations or the Articles of Association, the aforesaid person shall be liable for compensating our Company for any loss incurred thereto, and our Company may pursue action against the said person pursuant to law.

Our Company shall not enter into contracts with a party (other than a Director, Supervisor, the general manager and other senior management officer) in relation to handover of the administration of all business or the important business of our Company to that party without prior approval of the general meeting by special resolution.

General meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous financial year. Our Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

- (I) when the number of Directors is less than the statutory minimum number stipulated in the Company Law or two thirds of the number specified by the Articles of Association;
- (II) the unrecovered losses of our Company amount to one third of the total amount of its paid-up share capital;
- (III) when any shareholder severally or jointly holding 10% or more of the total voting shares of our Company requests in writing;
- (IV) the Board of Directors considers it necessary;
- (V) the Supervisory Committee proposes to convene such meeting;
- (VI) two or more Independent Directors propose to convene such meeting;
- (VII) any other circumstances stipulated in the laws, administrative regulations, departmental rules or the Articles of Association.

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Convening of General Meeting

For a Shareholder request to convene an extraordinary general meeting or a class meeting, the following procedures should be adopted:

Two or more shareholders holding 10% or more of our Company's shares, either individually or jointly, with voting rights in such proposed meeting, may sign one or several written requests with the same format and content and submit to the Board to request convening an extraordinary general meeting or a class meeting and explain the agenda for the meeting. The Board shall deliver written reply stating its agreement or disagreement for convening such extraordinary general meeting or class meeting as soon as possible upon receipt of the proposal. The number of shares for purpose of this paragraph shall be the number of shares held on the date on which the Shareholders put forward the written request.

Should the Board fail to issue a notice of such a meeting within 30 days from the date of receipt of the requisition(s), the Shareholders may submit in writing to the Supervisory Committee and convene an extraordinary general meeting or class meeting.

Should the Supervisory Committee fail to deliver the notice for convening a general meeting within 30 days from the date of receipt of the abovementioned notice, it shall be deemed to fail to convene and chair such general meeting and Shareholders who hold more than 10% or more of the shares with voting rights on such meeting to be convened, either individually or jointly, for a consecutive period of more than ninety days may convene on their own, and chair the meeting within 4 months of the receipt of the request by the Board. The procedures for convening shall be the same, to the greatest possible extent, as those for convening a general meeting by the Board.

Our Company shall be responsible for the reasonable fees incurred by the Shareholders in convening an extraordinary general meeting due to the failure of the Board to convene the meeting. Our Company shall deduct such fees from the amount owed by our Company to the Directors and Supervisors who have neglected their duties.

Proposals and Notices of General Meeting

When our Company convenes a general meeting, Shareholders holding 3% or more of our Company's voting shares shall have the right to put forward new proposals in writing to our Company and submit the same to the convener of a general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the general meeting within 2 days after receipt thereof, notify other Shareholders, and include the proposed matters which are within the power of the general meeting as matters to be considered at the general meeting.

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When our Company convenes a general meeting, it shall notify Shareholders the date and the place and the matters to be considered 20 days prior to the meeting. For an extraordinary general meeting, our Company shall notify Shareholders 15 days prior to the meeting. A notice given in respect of this article shall be given on the date on which our Company or the share registry appointed by our Company serves the notice on the postal authority for posting.

Unless otherwise provided in the Articles of Association, the notice of the general meeting shall be served on each Shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the Shareholder at his/her address, as shown in the register of members. For holders of domestic shares, notices of the general meetings may be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities authority of the State Council within the time limit specified in the first paragraph of this Article before the meeting is convened. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

The notice of the general meeting to the holders of overseas-listed foreign shares may be published through the websites of the Hong Kong Stock Exchange and our Company. Upon the publication of the announcement, all holders of overseas-listed foreign shares shall be deemed to have received the notice of the relevant general meeting.

A general meeting shall not make resolutions on matters not stated in the notice mentioned in the Article 75 and 76 of the Articles of the Associations.

Convening the General Meeting

The chairman of the Board shall preside as the chairman in the meeting convened by the Board. If the chairman of the Board cannot or fails to fulfill the duty thereof, the meeting shall be chaired by the Director elected by more than half of the Directors. If no chairman has been designated, the Shareholders attending the meeting may elect a person to act as the chairman; if failing such election for whatever reasons, the Shareholder with the greatest number of voting shares present at the meeting, whether in person or by proxy (except for recognised clearing houses and their agents), shall act as the chairman.

If the Board cannot or fails to fulfill the obligation to convene general meetings and the Supervisory Committee may in time convene and preside over the meeting on its own; if Supervisory Committee cannot or fails to convene or preside over the meeting, Shareholders (individually or jointly) holding not less than 10% for consecutive 90 days or more, may themselves convene such a meeting.

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In the event that the general meeting is convened by the Supervisory Committee, the meeting shall be presided by the chairman of the Supervisory Committee. Should the chairman of the Supervisory Committee be unable to perform or fail to perform his/her duties, the meeting shall be chaired by the Supervisor elected by more than half of the Supervisors.

In the meeting convened by Shareholders (individually or jointly) holding not less than 10% for consecutive 90 days or more, the convenor shall nominate a representative to chair the meeting.

When a general meeting is convened and in the event that the moderator of the meeting violates the rules of procedure causing the general meeting unable to be continued, a person may be elected as moderator to carry on with the meeting with the consent of Shareholders with more than half of the voting rights attending the general meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending Shareholder (or his/her proxy) who holds the most voting shares shall be the chairman of the meeting.

Voting and Resolutions of General meetings

Resolutions of general meeting can be classified into ordinary resolutions and special resolutions.

An ordinary resolution of a general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than half of the voting rights of the Shareholders (including proxies) being present.

A special resolution of a general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than two-thirds of the voting rights of the Shareholders (including proxies) being present.

Shareholders (including their proxies) attending the general meeting of the general meeting shall clearly vote for or against such resolution. If a Shareholder or his proxy casts abstention vote or abstains from voting, his vote shall not be counted in the voting results of our Company.

Shareholders (including proxies) shall exercise their voting rights at a general meeting based on the number of voting shares they represent, with one vote for each share. However, our Company's shares held by our Company have no voting right and such shares are not counted into the total number of voting shares of all the Shareholders present at the meeting.

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

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Except for proposals in relation to procedural and administrative matters of the general meeting which can be voted upon by a show of hands as decided by the meeting chair in good faith, any voting at the general meeting shall be conducted by a poll.

A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matter shall be taken at such time as the chairman deems appropriate, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution passed at that meeting.

Shareholders who attend the meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting e shall be regarded as having waived the voting rights. Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as "abstain from voting".

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

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

The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) Work reports of the Board of Directors and the Supervisory Committee;
- (II) Plans for profit distribution and recovery of losses drafted by the Board of Directors;
- (III) Appointment or removal of members of the Board of Directors and the Supervisory Committee, and their remuneration and method of payment thereof;
- (IV) Our Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) Any matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

The following matters shall be approved by special resolutions at a general meeting:

- (I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of our Company;
- (II) Issuance of debentures of our Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (III) Demerger, merger, dissolution and liquidation of our Company;
- (IV) Change of corporate form of our Company;
- (V) Purchase or disposal of material assets or provision of guarantee by our Company within a year of a value exceeding 30% of our Company's latest audited total assets;
- (VI) Amendment to the Articles of Association;
- (VII) Share incentive plans to be considered and approved;
- (VIII) Repurchase of our Company's shares;
- (IX) Any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those matters approved by ordinary resolution at a general meeting as having a material impact on our Company and are required to be approved by a special resolution;
- (X) Any other matters required by the Listing Rules of the Stock Exchange to be approved by special resolution.

Special Procedures for Voting by Class Shareholders

Shareholders holding different classes of shares are referred to as class Shareholders.

A class Shareholder shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.

In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of Shareholders. Where the share capital of our Company includes shares that do not carry voting rights, the words "non-voting" must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Rights conferred to class Shareholders may not be varied or abrogated unless approved by way of a special resolution at a general meeting and by the affected class Shareholders at a separate general meeting convened in accordance with Articles 104 to 108 hereof.

No approval by a general meeting or a class meeting is required for variation or abrogation of rights of class Shareholders resulting from any change in domestic and foreign laws and administrative regulations and listing rules where our Company's shares are listed, and the decisions made by domestic and foreign regulatory authorities in accordance with the laws.

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The transfer of domestic shares held by domestic Shareholders to overseas investors for listing and trading overseas shall not be considered as our Company's intention to vary or abrogate the rights of class Shareholders.

The following circumstances shall be deemed to be a variation or abrogation of the rights of Shareholders of a particular class:

- (I) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (II) To effect a change of all or part of the shares of such class into those of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into those of such class;
- (III) To remove or reduce the rights in respect to accrued dividends or the cumulative dividends attached to shares of such class;
- (IV) To reduce or remove the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the event that our Company is liquidated;
- (V) To add, remove or reduce the share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of our Company attached to shares of such class;
- (VI) To remove or reduce the rights to receive payables from our Company in a particular currency attached to shares of such class;
- (VII) To create a new class of shares with voting right, distribution right or other privileges equal or superior to those of the shares of such class;
- (VIII) To restrict the transfer or ownership of shares of such class or to impose additional restrictions thereto;
- (IX) To grant the right to subscribe for, or convert into, shares of such or another class;
- (X) To increase the rights and privileges of shares of another class;
- (XI) To make a restructuring scheme which will result in the holders of different classes of shares bearing a disproportionate burden of obligations under such restructuring;
- (XII) To vary or abrogate any provision of this Chapter.

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Shareholders of the affected class, whether or not otherwise entitled to vote at the general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII), (XI) and (XII) of Article 103 hereof, but the interested Shareholder(s) shall not be entitled to vote at class meetings.

“Interested Shareholder(s)” mentioned in the preceding paragraph means:

- (I) In the case of a repurchase of shares by our Company by pro rata offers to all Shareholders or by way of on-market dealing on Hong Kong Stock Exchange under Article 33 hereof, a “Controlling Shareholder” as defined in Article 68 hereof;
- (II) In the case of a repurchase of shares by our Company outside the Hong Kong Stock Exchange by way of agreement under Article 33 hereof, a Shareholder who is related to the agreement;
- (III) In the case of a restructuring of our Company, a Shareholder within a class who bears less than a proportionate liability than other Shareholders of such class or who has an interest different from those of other Shareholders of such class.

Resolutions of a class meeting shall be passed by Shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 104 hereof.

In the event that our Company convenes a class meeting, the period for issuing a written notice shall be the same as that for the non-class meeting to be held on the same day as the class meeting. The written notice shall be issued to Shareholders whose names appear on the register of members, specifying the matters proposed to be considered and the date and place of the meeting. When calculating the required time periods mentioned above, the date of the meeting shall not be included.

If the listing rules of the stock exchange where our Company’s shares are listed have specific provisions, such provisions shall be complied with.

The quorum for each meeting (other than an adjournment) of members of any class convened to consider amending the right of any class of shares shall be the holders of at least one-third of the issued shares in that class.

The notice of the class meeting shall only be served to Shareholders entitled to vote thereat.

A class meeting shall be held under procedures as similar as possible to a general meeting. The provisions of the Articles of Associations which relate to the convening of general meetings shall apply to class meetings.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of Shareholders. The special voting procedures for class meetings shall not apply to the following circumstances:

- (I) Where our Company issues, upon approval by a special resolution of its Shareholders in a general meeting, either separately or concurrently every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares;
- (II) Where our Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is implemented within 15 months from the date of approval by the securities regulatory authority of the State Council or before the deadline specified in the approval documents thereof;
- (III) Where holders of domestic shares of our Company transfer the shares held by them to overseas investors, or they are allowed to convert their shares into overseas listed shares, and such transferred shares are listed or traded on an overseas stock exchange, upon the approval by the securities regulatory authority of the State Council.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at the general meetings for a term of 3 years. Upon maturity of the term of office, a Director shall be eligible to offer himself for re-election and re-appointment, but shall not exceed 6 years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where our Company's shares are listed.

Subject to the relevant laws and administrative regulations, a Director may be removed by an ordinary resolution in a general meeting, before the expiration of his term of office (but without prejudice to any claim which such Director may here for damages under any contract). A Director may resign before expiration of his term of office.

The resigning Director shall submit a written resignation to the Board of Directors. The Board of Directors shall make relevant disclosure within 2 days upon receipt of such resignation.

In the event that the resignation of any Director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said Director shall continue to perform duties as Director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and assumes his/her office. The re-elected Directors shall have the same term of office as the original Board of Directors.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Save for the circumstances referenced in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation to the Board of Directors.

Subject to the relevant laws and regulations, and the regulatory rules of the local authority where our Company's shares are listed, any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the next annual general meeting of our Company and shall then be eligible for re-election.

When a Director's resignation becomes effective or his term of office expires, he shall duly carry out all handover procedures with the Board of Directors. His fiduciary obligations to our Company and Shareholders shall not necessarily terminate from the end of his term of office, and shall remain effective within a reasonable period as specified in the Articles of Association.

If any Director fails to attend in person or appoint other Directors as his/her representative to attend meetings of the Board of Directors for two consecutive times, such Director shall be deemed to have failed to perform his duties, and the Board of Directors shall propose to replace such Director at the general meeting.

Our Company shall have independent non-executive Directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of Directors in Chapter 14 of the Articles of Association shall apply to independent non-executive Directors.

Independent non-executive Directors shall have sufficient industry or professional experience to perform their duties, and perform their duties honestly and faithfully, safeguard our Company's interest and in particular, preventing encroachment of the lawful rights and interests of public Shareholders, so as to ensure the sufficient representation of the interests of all Shareholders.

Prior to the expiration of his term of office, any Director who has withdrawn from his office without permission, or who violates any laws, administrative regulations, departmental rules or the Articles of Association or during the course of performing his duties, and Company suffers only loss, such Director shall be liable for compensation of such loss.

No Director shall act on behalf of our Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorised by the Board of Directors. In the event that a Director is acting in his personal capacity, but may be reasonably deemed to be acting on the behalf of our Company or the Board of Directors by a third party, such Director shall state his stance and capacity in advance.

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Board of Directors

Our Company shall establish a Board of Directors, which shall comprise 8 Directors, including 1 staff representative. The Board of Directors shall have one chairman. The chairman of the Board of Directors shall be elected or removed by more than one half of all Directors, and has a term of office of 3 years and is renewable upon re-election.

Subject to the relevant laws and administrative regulations, a Director may be removed by an ordinary resolution in a general meeting, before the expiration of his term of office (but without prejudice to any claim which such Director may here for damages under any contract).

The number of independent Directors, at all times, shall not be less than 3 and shall represent 1/3 or above of the Board of Directors. At least one of them shall have appropriate professional qualifications, or accounting or related financial management expertise. The term of office of an independent non-executive Director shall be 3 years and is renewable upon re-election, but shall not exceed 9 years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where our Company's shares are listed.

The general manager or other senior management officers may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as general manager or other senior management officers shall not exceed 1/2 of the total number of Directors of our Company.

The number of senior management officers of the Controlling Shareholder concurrently holding the office of the chairman or executive Director of our Company shall not exceed 2.

A Director is not required to hold any shares of our Company.

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

- (I) convene the general meeting and report to the general meeting;
- (II) To implement the resolutions adopted at general meetings;
- (III) To decide on our Company's business plans and investment plans;
- (IV) To formulate our Company's annual financial budgets and accounts;
- (V) To formulate our Company's proposals on profit distribution and plan for recovery of losses;
- (VI) To formulate proposals for increases or reductions of our Company's registered capital and proposals for the issue and listing of corporate debentures or other securities;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (VII) To formulate plans for material asset acquisition or disposal, acquisition of our Company's shares, or merger, demerger, dissolution and change of corporate formation of our Company;
- (VIII) To decide, within the scope authorised by the general meeting, our Company's overseas investment, purchase and sale of assets, asset mortgage, external guarantee, entrusted wealth management, related transactions and other matters;
- (IX) To decide on the establishment of our Company's internal management structure;
- (X) To appoint or dismiss our Company's general manager or Board secretary; and to appoint or dismiss other senior management officers of our Company, such as the vice general manager and chief financial officer pursuant to the nomination of the general manager, and determine their remunerations, rewards and punishments;
- (XI) To formulate our Company's basic management system;
- (XII) To formulate proposals for amendment to the Articles of Association;
- (XIII) To manage the disclosure of our Company's information;
- (XIV) To propose to general meeting the appointment or change of auditors engaged in auditing businesses of our Company;
- (XV) To listen to work reports from our Company's senior management officers and examine their work;
- (XVI) To decide on matters such as investments, acquisitions or disposals of assets, financing and connected transactions that require decisions to be made by the Board of Directors in accordance with the Listing Rules;
- (XVII) To exercise other functions and powers conferred by laws, administrative regulations, department rules or the Articles of Association.

Matters beyond the authorization of the general meeting shall be submitted at the general meeting for approval.

When deciding major issues of our Company, the Board of Directors shall solicit the opinions of the Party Committee of our Company in advance.

Meetings of the Board shall be held at least 4 times every year and convened by the chairman of the Board. Notice of the meeting shall be served on all of the Directors and Supervisors 14 days before the date of the meeting.

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In case of any urgent matters, the following persons can propose to convene an interim Board meeting: The chairman of the Board of Directors shall convene a Board meeting within ten days and preside it:

- (I) When proposed by more than one-tenth of the Shareholders with voting rights;
- (II) When proposed by one-third or more of the Directors;
- (III) When proposed by the chairman of the Board of Directors;
- (IV) When proposed by two or more independent Directors;
- (V) When proposed by the Supervisory Committee;
- (VI) When proposed by the general manager;
- (VII) Any other circumstances stipulated in the Articles of Association.

Notice shall be given to all Directors, Supervisors and the general manager 14 days prior to a regular Board meeting, and a reasonable period (no less than 5 days) prior to an interim Board meeting. The responsible body of our Company shall serve a written notice of the meeting to all Directors, Supervisors and the general manager by direct delivery, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

With the consent of all the Directors and Supervisors, the provisions on the time limit for notification of Board meetings may be exempted from execution.

In case of emergency and an interim Board meeting is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

The notice of a Board meeting shall include the following:

- (I) The date and venue of the meeting;
- (II) The duration of the meeting;
- (III) Reasons and subjects of the meeting;
- (IV) The issuance date of the notice;
- (V) Other necessary contents.

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A notice of meeting shall be deemed to have been served on a Director who is present at a meeting and who has not, before or during the meeting, raised the fact that he has not received a notice of the meeting.

The regular or the extraordinary meetings of the Board may be conducted through conference call or any other similar communication facility provided that the Directors can hear each other distinctly and that they can communicate. All the Directors present at such kind of meeting shall be deemed as having attended the meeting in person.

Meetings of the Board of Directors shall be held only if more than half of the Directors are present.

Each Director shall have one vote. Except as otherwise required by laws, administrative rules and regulations, the Board may pass resolutions only upon a majority vote of all the Shareholders attended in the meeting.

The meeting can effectively convene when more than half of the unconnected Directors attend, and the resolution shall be approved by votes from more than half of the unconnected Directors. Should there be fewer than three (3) unconnected Directors at the Board meeting, the item shall be submitted for consideration at the general meeting.

Where the number of votes cast for and against a resolution are equal, the chairman of the Board of Directors shall have a casting vote.

Directors shall attend a Board meeting in person. If Directors are unable to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of representative, matters of representation, scope of authorization and effective period, and under the signature or seal of the consignor.

The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a Board meeting, and does not authorize any representatives to attend the meeting, he shall be deemed to have waived the voting right in the meeting.

In relation to important matters that are to be determined by the Board, notices of meetings, together with sufficient information, must be served on all the Directors within the time limit set out in the Articles of Association and in strict compliance with the required procedures. Directors may demand further information. If more than one-quarter of the Directors or more than two external Directors consider that the information required for the matters to be resolved is not sufficient or that proper judgement cannot be reached on the matters in issue for other reasons, they may jointly propose a postponement of the Board meeting or of the deliberation of some of the matters to be considered by the Board, and such proposal shall be accepted by the Board.

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The Board may accept that a written resolution can be circulated instead of convening a meeting. However, the draft of the resolution shall be delivered to each Director by hand, by mail, by fax or by email. If the Board has circulated the resolution to all Directors and the number of Directors who have signed the resolution to show their agreement has reached the quorum for making a decision, and also the resolution so passed shall, upon being delivered to the secretary to the Board, become a resolution of the Board with the same legal effect as a resolution passed on a Board meeting convened in accordance with the relevant provisions of the Articles of Association.

The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors, the secretary to the Board and the minute taker present at the meeting.

The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the Articles of Association, resulting in serious losses to our Company, the Directors involved in approving the resolution are liable to compensate our Company. However, if it can be proven that a Director expressly objected to the resolution during voting and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

Secretary to the Board and Senior Management Officers

Secretary to the Board

Our Company shall have one (1) secretary to the Board who shall be appointed or dismissed by the Board. The secretary to the Board is a senior management officer and is accountable to our Company and the Board and shall perform his duties faithfully and diligently.

The secretary of the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the articles of association.

The secretary to the Board shall have acquired requisite professional knowledge and experience. He shall be appointed or dismissed by the Board of Directors and the major duties of whom include:

- (I) to ensure that the constitutional documents and records of our Company are complete; to maintain and manage Shareholders' information; to assist the Directors in dealing with daily work of the Board; to inform, remind Directors of and ensure the Directors to be acquainted with the laws, administrative regulations, policies and requirements by relevant regulatory authorities regarding our Company's operations; to assist Directors and general manager in abiding by laws, administrative regulations, departmental rules and the Articles of Association in their exercise of authority and functions;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (II) to be responsible for the organization and preparation works for the Board of Directors, shareholders' general meeting, meeting records, minutes of meetings, to ensure the resolutions reached at these meetings comply with the legal procedures, to be well informed about the execution of the Board resolutions and to advise Directors on important issues encountered in the execution;

- (III) as a contact point between our Company and securities regulators, to be responsible for the organization, preparation and timely submission of the reports and files requested by the securities regulators; to be acknowledged of and complete the relevant requirements stipulated by the securities regulators;

- (IV) to coordinate and arrange the disclosure of the information of our Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of our Company and other relevant information;

- (V) to ensure that our Company's registers of members are properly maintained, and that persons who are entitled to receive the relevant records and documents of our Company receive the relevant records and documents in a timely manner;

- (VI) to perform such other duties and exercise such other powers as may be conferred by the Board, laws and regulations and the stock exchange on which the shares of our Company are listed.

A Director or any other senior management of our Company may concurrently serve as secretary to the Board. The accountant whose firm is engaged by our Company and management executives acting on behalf of the Controlling Shareholder shall not serve as secretary to the Board.

In the case of the secretary to the Board being a Director, this person shall not act in both capacities when an action requires efforts to be made separately by a Director and a secretary to the Board.

Senior Management Officers

Our Company shall have one (1) general manager who shall be appointed or dismissed by the Board of Directors.

Our Company shall have several deputy general managers and one (1) financial controller, both of whom shall be nominated by the general manager and shall be appointed or dismissed by the Board.

A Director may concurrently serve as the general manager and a deputy general manager.

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The general manager has a term of office of 3 years and may serve successive terms upon reappointment.

The general manager shall be accountable to the Board of Directors, and has duties and powers listed below:

- (I) to be in charge of our Company's operation and management, to organize the implementation of the resolutions of the Board and Company, and report to the Board of Directors;
- (II) to arrange proper resources to implement our Company's annual business plans and investment plans;
- (III) to draft internal management organization plans of our Company;
- (IV) to draft our Company's basic management system;
- (V) to formulate basic rules and regulations for our Company;
- (VI) to propose the appointment or dismissal of our Company's vice-general manager(s) and the chief financial officer;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and
- (VIII) to exercise other powers conferred by the Articles of Association and the Board.

The general manager shall attend Board meetings and, if the general manager is not a Director, he shall not have voting right thereon.

In the exercise of his powers, the general manager, vice general managers, financial controller and other senior management officers shall comply with the laws, administrative regulations and the Articles of Association, and fulfil his duties in good faith and with due diligence.

Supervisors and Supervisory Committee

Our Company shall have a Supervisory Committee.

The Supervisory Committee shall consist of three Supervisors including one staff representative Supervisor, among whom one shall act as the chairman of the Supervisory Committee. The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than two-third (2/3) of the members of the Supervisory Committee.

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The term of office of a Supervisor shall be three years, being renewable upon re-election and re-appointment.

The Supervisory Committee shall be comprised of shareholder representatives and staff representatives. Staff representatives shall comprise not lower than one-third of all members of the Supervisory Committee. Shareholder representatives shall be elected and dismissed by the shareholders' meeting, while the staff representative Supervisor shall be elected by the employee representatives' meeting or employees' general meeting or other democratic elections.

Directors and senior management officers of our Company shall not concurrently serve as Supervisors.

The Supervisory Committee shall convene a meeting at least once every six months. The meetings shall be convened by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his duties, a Supervisor jointly recommended by half or above of the Supervisors shall be appointed to convene and preside. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee.

Resolutions of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee.

In convening the regular or extraordinary meetings of the Supervisory Committee, the members of the Supervisory Committee shall give the written notice of the meeting to all Supervisors by hand, fax, e-mail or other means within a reasonable period. If the notice is not delivered by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an extraordinary meeting of the Supervisory Committee is required to be convened as soon as possible, the notice of meeting maybe delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

The Supervisory Committee shall be accountable to the general meetings and shall exercise the following duties and powers in accordance with law:

- (I) to inspect the financials of our Company;

- (II) to supervise conducts of our Company's Directors and senior management officers during the performance of their duties, and shall make recommendations for removal of any of them for any violation of the law, rules and regulations or Articles of Association of our Company;

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- (III) to request our Company's Directors or other senior management officers to rectify any act that is harmful to the interest of our Company;
- (IV) to review our Company's financial position;
- (V) to review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the general meetings; to conduct investigation if there is any doubt in our company's operations and engage certified public accountants and practicing auditors in the name of our Company to assist their review if necessary;
- (VI) to propose the convening of an extraordinary general meeting and convene and preside over the shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Company Law;
- (VII) to submit proposals to the shareholders' general meeting;
- (VIII) to propose convening of an extraordinary Board meeting;
- (IX) to bring an action against a Director and senior management officer in accordance with the Company Law;
- (X) to exercise other functions and powers specified in the Articles of Association;

Supervisors shall attend the Board meetings.

The method for resolving matters by the Supervisory Committee: resolutions of the Supervisory Committee shall be made by way of voting with one vote for each Supervisor in the manner of open and written ballot.

Resolutions of the Supervisory Committee shall be passed by the affirmative votes of two thirds or more of the members of Supervisory Committee. The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, and the attending Supervisors shall sign on the minutes of the meeting.

In the event that the Supervisory Committee discovers any unusual operation of our Company, it may conduct an investigation and, when necessary, may engage professionals, such as lawyers and accounting firms, to assist in its work. Any reasonable expenses incurred thereby shall be borne by our Company.

A Supervisor shall carry out his Supervisory duties honestly and faithfully in accordance with the law, administrative regulations and the Articles of Association.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Qualifications and Obligations of Directors, Supervisors and Senior Management Officers of our Company

The following persons may not serve as a Director, Supervisor, the general manager, or other senior management officer of our Company:

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has been sentenced for corruption, bribery, infringement of property misappropriation of property or damaging the social economic order, where less than 5 years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served;
- (III) a person who is a former Director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) a person who has relatively large amounts of debts which have become overdue;
- (VI) a person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (VII) a person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;
- (VIII) a person who is not a natural person;
- (IX) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years have elapsed since the date of such conviction; and
- (X) other cases specified by the laws, regulations, relevant securities regulatory authorities or rules imposed by the place of listing of our Company.

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The validity of an act carried out by a Director or other senior management officer on behalf of our Company as against a bona fide third party shall not be affected by any irregularity in his employment, election or qualification.

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

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which our Company's shares are listed, our Company's Directors, Supervisors and senior management officers has the following obligations in the exercise of the functions and powers of our Company:

- (I) not to cause our Company to exceed the scope of the business stipulated in its business license;
- (II) to act honestly in the best interest of our Company;
- (III) not to expropriate in any manner our Company's property, including but not limit to usurpation of opportunities advantageous to our Company;
- (IV) not to expropriate the individual rights of Shareholders, including but not limit to rights to distribution and voting rights, except pursuant to are structuring of our Company submitted to Shareholders for approval in accordance with the articles of association.

Our Company's Directors, Supervisors and senior management officers owes a duty, in the exercise of their powers and discharge of their duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Each of our Company's Directors, Supervisors and senior management officers shall perform his duties on the principle of fiduciary responsibility, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) to act bona fide in the best interests of our Company;
- (II) to exercise his powers within his terms of reference and not to act ultra vires;
- (III) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the Shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (IV) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (V) unless otherwise provided in the Articles of Association or except with the informed consent of the Shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with our Company;
- (VI) not to use our Company's property in any way for his own benefit without the informed consent of the Shareholders given in a general meeting;
- (VII) not to exploit his position to accept bribes or to obtain other illegal income, expropriate our Company's property in any way, including (but not limited to) opportunities beneficial to our Company;
- (VIII) not to accept commissions in connection with our Company's transactions without the informed consent of the Shareholders given in a general meeting;
- (IX) to comply with the Articles of Association, perform his duties faithfully, protect our Company's interests and not to exploit his position and power in our Company for his own benefit;
- (X) not to compete with our Company in any way without the informed consent of the Shareholders given in a general meeting;
- (XI) not to misappropriate our Company's funds, not to open any account in his own name or in any other name for the deposit of our Company's assets or funds, not to violate the provisions of the Articles of Association by lending our Company's funds to others or using such assets to provide guarantee for the debts of Shareholders of our Company or other individuals without the consent of the Shareholders given at a general meeting or the consent of the Board of Directors;
- (XII) not to disclose any confidential information in relation to our Company which he has obtained during his term of office without the informed consent of the Shareholders given at a general meeting; nor shall he use such information other than for our Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - 1. the law so requires;
 - 2. public interest so warrants;
 - 3. the interests of the relevant Director, Supervisor, general manager and senior management officers so requires.

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

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Each Director, Supervisor or other senior management officer of our Company shall not direct the following persons or institutions ("related parties") to do anything that is not permitted:

- (I) the spouse or minor child of our Company's Director, Supervisor or other senior management officer;
- (II) the trustee of our Company's Director, Supervisor or other senior management officer or any person referred to in sub-paragraph (I) of this Article;
- (III) the partner of our Company's Director, Supervisor or other senior management officer or any person referred to in sub-paragraphs (I) and (II) of this Article;
- (IV) a company in which our Company's Director, Supervisor or senior management officer, whether alone or jointly with the persons referred to in sub paragraphs (I), (II) or (III) of this Article or other Directors, Supervisors and senior management officers of our Company, has de facto control; and
- (V) the Directors, Supervisors and senior management officers of the controlled company referred to in sub paragraph (IV) of this Article.

The fiduciary duties of a Director, Supervisor and senior management officers of our Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of our Company survives the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between termination and the act concerned and the circumstances and terms under which their relationship with our Company have been terminated.

Except for circumstances prescribed in Article 65 hereof, a Director, Supervisor and senior management officers of our Company may be relieved of liability for specific breaches of his duty with the informed consent of the Shareholders given in a general meeting.

Where a Director, Supervisor or senior management officer of our Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with our Company (other than any employment contract between our Company and the Director, Supervisor or senior management officer), he shall disclose the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not such matters are subject to the approval of the Board of Directors under normal circumstances.

Save as those exceptions specified by the Articles of Association and approved by the Stock Exchange, a Director shall not vote on any resolution of the Board of Directors approving any contract, transaction or arrangement or any other relevant proposal in which he or any of his close associates as defined under the Listing Rules, as amended or supplemented

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

from time to time has a material interest nor shall he be counted in the quorum present at the meeting. Unless the interested Director, Supervisor, general manager or other senior management officer of our Company has disclosed his interest to the Board of Directors as required by the above paragraph of this Article and relevant matters have been approved by the Board of Directors at a meeting in which he was not counted in the quorum and has abstained from voting, the contract, transaction or arrangement is voidable at the instance of our Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested Director, Supervisor, general manager or other senior management officer.

A Director, Supervisor or senior management officer of our Company is deemed to be interested in a contract, transaction or arrangement in which his related party is interested.

Where a Director, Supervisor or senior management officer of our Company gives the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contract, transaction or arrangement which may subsequently be made by our Company, such notice shall be deemed to be a disclosure for the purpose of the preceding Article of this section, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the relevant contract conclusion, transaction or arrangement is first taken into consideration by our Company.

Our Company shall not in any manner pay taxes for its Directors, Supervisors or senior management officers.

Our Company shall not directly or indirectly make a loan to or provide any guarantee for a loan to a Director, Supervisor or senior management officer of our Company or its parent company or any of their respective related parties.

The foregoing provision shall not apply to the following circumstances:

- (I) The provision by our Company of a loan or a guarantee for a loan to its subsidiaries;
- (II) The provision by our Company of a loan or a guarantee for a loan or any other funds to any of its Directors, Supervisors or senior management officers pursuant to their employment contracts which were approved by the Shareholders in a general meeting for him to settle expenditures incurred by him for expenses incurred in performing his duties and responsibilities; and
- (III) If the ordinary scope of business of our Company includes the provision of loans or guarantees for loans, our Company may provide a loan or a guarantee for a loan to any of the relevant Directors, Supervisors, general managers or other senior management officers or their respective related parties, provided that the provision of loans or guarantees for loans is on normal commercial terms.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

A loan made by our Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

A guarantee for a loan provided by our Company in breach of the first clause of Article 158 shall not be enforceable against our Company, unless

- (I) the lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the Directors, Supervisors, general managers and senior management officers of our Company or its parent company; or
- (II) the collateral provided by our Company has already been lawfully disposed of by the lender to a bona fide purchaser.

For the purposes of the foregoing provisions, a "guarantee" includes an act of undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

Where a Director, Supervisor or senior management officer of our Company is in breach of his obligations owed to our Company, our Company has, in addition to any rights and remedies provided for in the laws and administrative regulations, the right to take the following measures:

- (I) to demand such Director, Supervisor or senior management officer compensate for losses sustained by our Company as a result of such breach;
- (II) to rescind any contract or transaction that has been entered into by our Company with such Director, Supervisor or senior management officer or with a third party (where such third party has known or should have known that such Director, Supervisor, general manager or other senior management officer that represents our Company has breached his duties owed to our Company);
- (III) to demand such Director, Supervisor or senior management officer to surrender profits obtained as a result of the breach of his obligations;
- (IV) to recover any monies received by the Director, Supervisor or senior management officer that should have been received by our Company, including (without limitation) commissions;
- (V) to demand the return of interest earned or which may have been earned by such Director, Supervisor or senior management officer on the monies that should have been paid to our Company; and
- (VI) to request for judgment through legal proceedings that the properties acquired by Directors, Supervisors and senior management officers through their breach of duties shall belong to our Company.

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Our Company shall, with the prior approval of Shareholders in a general meeting or by the Board of Directors, enter into a written contract with its Director Supervisor or senior management officer regarding his remuneration. The written contract shall include at least the following provisions:

- (I) an undertaking by the Director, Supervisor and senior management officer to our Company to observe the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers and Share Buy-backs and other rules of the Stock Exchange, and a consent of the Director, Supervisor and senior management officer that our Company shall have the remedies provided in the Articles of Association, and that neither the contract nor his office is capable of assignment;
- (II) an undertaking by the Director, Supervisor and senior management officer to our Company to each shareholder to observe and perform his obligations in accordance with the Articles of Association; and
- (III) an arbitration clause as provided in Article 206.

The aforesaid emoluments include:

- (I) emoluments in respect to his service as Director, Supervisor or senior management officer of our Company;
- (II) emoluments in respect to his service as Director, Supervisor or senior management officer of any subsidiary of our Company; and
- (III) payment to the Director or Supervisor as compensation for loss of office or as consideration in connection with his retirement.

No proceedings may be brought by a Director or Supervisor against our Company for any benefit due to him in respect to the matters mentioned in this Article except pursuant to the contract mentioned above. Our Company shall, on a regular basis, disclose to Shareholders the remunerations obtained by the Directors, Supervisors and senior management officers from our Company.

The contracts entered into between our Company and its Directors or Supervisors concerning emoluments shall prescribe that in the event that our Company is being acquired, our Company's Directors and Supervisors shall, subject to the prior approval of Shareholders in a general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of our Company includes any of the following:

- (I) an offer made by any person to all Shareholders; or
- (II) an offer made by any person such that the offeror will become the Controlling Shareholder. The term "Controlling Shareholder" has the same meaning as defined in the Articles of Association.

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If the relevant Director or Supervisor does not comply with this Article, any sum received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant Director or Supervisor and shall not be deducted from the distributed sum.

Financial accounting system, profit distribution and audit

Financial accounting system

Our Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the competent financial authority of the State Council.

Our Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31. Our Company uses RMB as the standard currency for its bookkeeping, and its accounts are recorded in Chinese. At the end of each fiscal year, our Company shall prepare a financial report which shall be audited by an accounting firm in accordance with the law.

The financial statements of our Company can, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be made in the notes to financial statements.

When our Company is to distribute its after-tax profits of the relevant fiscal year, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.

The Board of our Company shall submit to the Shareholders at every annual general meeting the financial reports prepared by our Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government and competent authorities.

Our Company shall not keep any accounting books other than those specified by law. The assets of our Company shall not be deposited in any personal account.

Our Company's financial reports shall be made available for Shareholders' inspection at our Company 20 days before the date of every annual general meeting. Each Shareholder of our Company shall be entitled to obtain a copy of such financial reports referred to in this Chapter. The aforesaid financial report shall include the report of the Board and the balance sheet (including the documents required to be attached by applicable laws), profit and loss account or statement of income and expenditure, or the summary financial report.

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Our Company shall send such financial report to every shareholder by pre-paid post at the address of such shareholder as recorded in the register of members no less than 21 days before the date of the annual general meeting. Our Company can proceed by way of announcements, including announcement via our Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory body where our Company's shares are listed.

Our Company shall publish the financial reports twice in each fiscal year. Interim financial report shall be published within 60 days after the end of the first six months of a fiscal year, while the annual financial report shall be published within 120 days after the end of a fiscal year.

Any interim results or financial information published or disclosed by our Company must be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Shares are listed.

Profit Distribution

When the current year's after-tax profits of our Company are distributed, our Company must allocate 10% of the profits to the statutory common reserve. When the total amount of the statutory common reserve reaches or exceeds 50% of our Company's registered capital, no more allocations need to be provided.

If the statutory common reserve of our Company is insufficient to make up the losses of our Company incurred during the previous year, the profits generated during the current year must be used to make up such losses before allocating to the statutory common reserve in accordance with the requirements set forth in the preceding paragraph.

After our Company makes the allocation from its after-tax profits to its statutory common reserve, our Company may, subject to a resolution at the shareholders' general meeting, make an allocation from its after-tax profits to the discretionary common reserve.

After making up for the losses and making allocations to the common reserve fund, any remaining after-tax profits shall be distributed by our Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the shareholders' general meeting.

If the shareholders' general meeting violates the provisions in the preceding paragraph and profits are distributed to the shareholders before our Company makes up losses or makes allocations to the statutory common reserve, the profits distributed in violation of the provisions must be returned by such shareholders to our Company.

The shares held by our Company shall not be subject to profit distribution.

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The capital common reserve shall include:

- (1) Premium arising from issue above the par value of the stock;
- (2) Other revenue required by the competent financial authority of the State Council to be stated as capital common reserve.

The reserve fund of our Company can be applied for making up for losses of our Company, expansion of our Company's production and operation or capitalization for capital increase of our Company, but the capital reserve fund cannot be applied for making up for losses of our Company.

Where the statutory common reserve is converted into capital, the balance of such reserve fund shall not fall below 25% of our Company's registered capital prior to such conversion.

Our Company may distribute dividends in the form of (or a combination of both):

- (1) cash;
- (2) shares.

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

Our Company shall appoint receiving agents on behalf of shareholders holding overseas-listed foreign shares. The receiving agents shall on behalf of such shareholders receive dividends distributed by our Company in respect of the overseas-listed foreign shares and other amounts payable, and such payment shall be kept by the receiving agents on such shareholders' behalf for any payment to them.

The receiving agents appointed by our Company shall comply with the relevant requirements of the law of the place and relevant regulations of the stock exchange where our Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas-listed foreign shares listed in the Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to compliance with the relevant laws and regulations of the PRC, our Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised in or after the sixth year after the date of declaring dividends.

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As for the dividend certificate sent by mail to the members, our Company is entitled to cease sending such dividend certificates after two consecutive failures of cashing after the posting of such dividend certificates. If the first dividend certificate fails to reach the members and is sent back, our Company is entitled to exercise such right.

Where power is taken to issue warrant to bearer, no new warrants shall be issued to replace one that has been lost, unless our Company is satisfied beyond reasonable doubt that the original has been destroyed.

Our Company may sell the shares of a shareholder of oversea listed foreign shares who is untraceable and keep the proceeds should the Board considered it fit for, but it must comply with the followings:

- (1) during a period of twelve years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the shareholder; and
- (2) on expiry of the twelve years our Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers of the place where our Company is listed and notifies the stock exchange on which such shares are listed.

Our Company shall pay cash dividends and other payments which are payable to holders of Domestic Shares in RMB. Our Company shall calculate and declare cash dividends and other payments which are payable to holders of Overseas-Listed Foreign Shares in RMB, and shall make such payments in foreign currencies. As for the foreign currency needed by our Company for payment of cash dividends and other payments which are payable to the holders of the Overseas-Listed Foreign Shares, it shall be handled in accordance with any related national regulations on foreign exchange control.

Unless provided otherwise in any laws or administrative regulations, our Company shall adopt the average selling rates of the relevant foreign exchange as quoted by the People's Bank of China for the calendar week before the date on which the dividends and other payments are declared to calculate the dividends and other sums which are payable in foreign currencies.

Appointment of Accounting Firm

Our Company shall appoint an independent accounting firm under the relevant regulations of the State to audit our Company's annual financial statements and review our Company's other financial reports.

The first accounting firm of our Company may be appointed by the inaugural meeting prior to the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

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If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the Board.

The term of appointment of the accounting firm shall commence from the conclusion of the current annual general meeting and end at the conclusion of the next annual general meeting.

The accounting firm appointed by our Company shall have the following rights:

- (1) the right to review the books, records and vouchers of our Company at any time, the right to require the directors, managers or other senior management officers of our Company to provide relevant information and explanations;
- (2) the right to require our Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;
- (3) the right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as our Company's accounting firm.

Our Company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. Our Company shall not refuse to provide or hide the same or make false reports.

If there is a vacancy in the position of accounting firm of our Company, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by our Company may continue to perform its duties during the period in which a vacancy arises.

The shareholders in a general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, notwithstanding the stipulations in the contract between our Company and the accounting firm, but without prejudice to the accounting firm's right to claim for damages in respect of such removal.

The remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by the shareholders' general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.

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Our Company's appointment, removal and non-renewal of an accounting firm shall be resolved by the shareholders' general meeting. Such resolution shall be filed with the securities regulatory authority of the State Council. Prior to the removal or the non-renewal of the appointment of the accounting firm, an advance notice of such removal or non-renewal shall be given to the accounting firm and such firm has the right to state its opinions to the shareholders' general meeting.

Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall be fulfilled:

- (1) A copy of the appointment or removal proposal shall be sent (before notice of the shareholders' general meeting is given to the shareholders) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant accounting year. Leaving includes leaving by removal, resignation and retirement.
- (2) If the accounting firm leaving its post makes representations in writing and requests our Company to notify its shareholders of such representations, our Company shall (unless the written representations are received too late) take the following measures:
 1. in any notice of meeting held for making the resolution, state the fact of the representations having been made by the leaving accounting firm;
 2. attach a copy of the representations to the notice and send it to each shareholder in the manner stipulated in the Articles of Association.
- (3) If our Company fails to send out the accounting firm's representations in the manner set out in subparagraph (2) of this Article, such accounting firm may require that the representations be read out at the shareholders' general meeting and may make further representations.
- (4) An accounting firm leaving its post shall be entitled to attend:
 1. the shareholders' general meeting at which its term of office would otherwise have expired;
 2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. the shareholders' general meeting which is convened as a result of its resignation on its own accord.

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The accounting firm leaving its post shall be entitled to receive all notices of, and other communications relating to, such meetings, and to speak at such meetings in relation to matters concerning its role as the former accounting firm of our Company.

Prior to the removal or the non-renewal of the appointment of the accounting firm, an advance notice of such removal or non-renewal shall be given to the accounting firm and such firm has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of our Company.

The accounting firm may resign its office by depositing at our Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of the shareholders or creditors of our Company; or
- (2) a statement of any such circumstances that should be explained.

Our Company shall, within fourteen days after receipt of the written notice referred to in the preceding paragraph of the Article, send a copy of the notice to the relevant competent authority. If the notice contains a statement under the foresaid clause (2) of the Article, a copy of such statement shall be placed at our Company for shareholders' inspection and a copy of such statement should be sent by prepaid mail to every holder of overseas-listed foreign shares at the address registered in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstances that should be explained, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Notice and Announcement

Notices of our Company may be given in the following ways:

- (1) in person;
- (2) by mail;
- (3) by facsimile or e-mail;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (4) subject to the laws, administrative regulations and listing rules of the stock exchange of the place where the shares of our Company are listed, by posting on the website designated by the Stock Exchange;
- (5) by way of announcements;
- (6) such ways as our Company or the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice;
- (7) other ways which are recognized by the relevant regulatory authorities of the place where the shares of our Company are listed or stipulated in the Articles of Association.

Unless the context otherwise specifies, the “announcements” used herein shall mean, with respect to announcements made to the shareholders of domestic shares or announcements that are required to be made within the PRC in accordance with relevant regulations and the Articles, the announcements published in Chinese newspapers designated by Chinese laws, administrative regulations or the securities regulatory authorities of the State Council. For notices issued by our Company to shareholders of overseas-listed foreign shares (by means of announcements), our Company shall on the same day submit an electronic version to the Stock Exchange through the Stock Exchange electronic publishing system for immediate release on the website of the Stock Exchange in accordance with the local listing rules, or publish an announcement on a newspaper (including publishing an advertisement on the newspaper) in accordance with the local listing rules. The announcement shall also be published on our Company’s website. In addition, unless otherwise specified in the Articles of Association, the notice must be delivered to each of the registered addresses as appeared in the register of shareholders of overseas-listed foreign shares in person or by pre- paid mail so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Shareholders of overseas-listed foreign shares of our Company may choose in writing to receive the corporate communication that our Company must send to shareholders either by e-mails or mails, and also choose to receive the Chinese language version only or the English language version only or both the English and Chinese language versions. They shall have the right at any time by reasonable prior written notice served on our Company to change their choices as to the manner of receiving the same and the language in accordance with applicable procedures.

Shareholders or directors who want to prove that certain notices, documents, information or written statements have been served on our Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

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Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to shareholders, for the purpose of the means by which our Company provides and/or dispatches its corporate communication to shareholders according to the Stock Exchange Listing Rules, if our Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Stock Exchange Listing Rules as amended from time to time, our Company may dispatch or provide corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Stock Exchange Listing Rules.

Unless otherwise stated in the Articles of Association, the various ways of sending notices specified in the preceding paragraph shall apply to the notices of the shareholders' general meetings, board meetings and the meetings of the Board of Supervisors convened by our Company.

When a notice from our Company is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery and the date of the recipient's signature shall be deemed to be the delivery date; when the notice of our Company is sent out by mail, the delivery date shall be forty-eight hours after such notice is delivered to the post office; when the notice of our Company is sent out by facsimile or e-mail or published on website, the delivery date shall be the date when the facsimile or email is sent out; when the notice of our Company is sent out by announcement, the delivery date shall be the first date of publication of such announcement. Relevant announcements shall be published in newspapers that meet relevant requirements.

In the event that the listing rules of the stock exchanges where our Company's shares are listed stipulate that our Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of our Company in English and Chinese, and if our Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, our Company may (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and the Articles of Association.

Merger, separation, dissolution and liquidation

Merger and separation

The merger and separation of our company shall be proposed by our company's board of directors, and after being approved in accordance with the procedures as stipulated in the articles of association, proceed the relevant review and approval procedures in accordance with the law. Shareholders who stand opposed against the proposal in respect of our company's merger and/or separation shall have the right to request our company or shareholders who give consent to such proposal to purchase the shares held by them at a fair price.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The contents of the resolution in respect of our company's merger and/or separation shall be prepared into specific documents and made available for shareholders' inspection. In the case of a Hong Kong listed company, the aforesaid documents shall also be served by emails to its overseas listed foreign shareholders.

The company may conduct merger by way of absorption merger and establishment merger.

In our company's merger, each party thereto shall enter into a merger agreement and prepare balance sheet and property list. Our company shall inform its creditors within ten days as of the date on which the resolution of merger is made and publish it on newspaper within 30 days. The creditors, within 30 days upon receiving such notice, or in the case of failure of receipt within 45 days as of the date of announcement, may request our company to pay off its debts or provide corresponding guarantees.

After our company's merger, the credit rights and debts of each party thereto shall be succeeded by our company existing or newly established after the merger.

Where our company separates, its properties shall be split accordingly.

In our company's separation, each party thereto shall enter into a separation agreement and prepare balance sheet and property list. Our company shall inform its creditors within ten days as of the date on which the resolution of separation is made and publish it on newspaper within 30 days.

The debts of our company prior to the separation shall be jointly borne by our company after the separation. However, in the case of any written agreement in respect of debts settlement reached by and between our company and its creditors prior to the separation, such agreement shall prevail.

Where registration matters are changed due to our company's merger or separation, such changes shall be filed with our company's registration authority in accordance with the law. In the event of dissolution, our company shall proceed registration cancellation in accordance with the law, while in the case of establishment of new companies, our company shall proceed the establishment registration in accordance with the law.

Dissolution and liquidation

Our company shall dissolve and proceed liquidation in accordance with the law under any of the following circumstances:

- (1) its business terms expire and other dissolution matters as stipulated by the articles of association arise;
- (2) the general meeting decides to dissolve by special resolution;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (3) our company needs to be dissolved due to merger or separation;
- (4) our company is unable to settle its debts as due and is announced by law bankruptcy;
- (5) its business permit is revoked and our company is ordered to be closed or cancelled;
- (6) our company encounters great difficulties in operation and management, in which case to exist will significantly harm the interests of shareholders yet there are no other ways to solve it, shareholders holding more than 10% of total voting rights in our company may apply to the people's court to dissolve our company.

Under the circumstance as stipulated in paragraph (1), our company may exist by revising its articles of association. When so revising the articles of association, relevant amendments shall be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting.

Where our company dissolves under the preceding paragraphs (1), (2), (5) and (6), a liquidation group shall be established within 15 days. Members of the liquidation group shall consist of directors or such persons as the general meeting may determine. In the case of overdue establishment, the creditors may apply to the people's court to appoint relevant persons to form the liquidation group.

Where our company dissolves under the preceding paragraph (4), the people's court may, in accordance with the applicable laws, organize shareholders, relevant authorities and relevant professionals to form the liquidation group.

If the board of directors decides to proceed liquidation (other than as a result of bankruptcy), it shall include a statement in the notice convening a general meeting for such purpose stating that, the board of directors has carried forward all-around investigations on our company's positions and is of the view that our company has the ability to pay off its debts in full within twelve months upon the commencement of the liquidation.

After the resolution of liquidation is approved at the general meeting, the duties and authorities of the board of directors of our company shall be terminated immediately.

The liquidation group shall follow the directions of the general meeting to report at least once every year to the general meeting on the revenue and expenses of the liquidation group, the businesses of our company and the progress of the liquidation, and make the final report to the general meeting at the end of the liquidation.

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out our Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify creditors by notice or public announcements;

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- (3) to dispose of and liquidate any unfinished businesses of our Company;
- (4) to pay outstanding taxes and taxes incurred during the liquidation process;
- (5) to settle claims and debts;
- (6) to deal with the remaining assets after our Company's debts having been settled in full;
- (7) to represent our Company in any civil proceedings.

The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

The liquidation committee shall, after examining our Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the relevant governing authority for confirmation.

The assets of our Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of our Company's debts.

The remaining assets of our Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of our Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, our Company continues to exist but shall not commence any business activities other than liquidation. No assets of our Company may be distributed to the shareholders before making repayments stipulated in the preceding paragraphs.

If the liquidation committee, having examined our Company's assets and having prepared a balance sheet and an inventory of assets, discovers that our Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

After the people's court has declared our Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

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Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or the people's court for confirmation.

The liquidation committee shall within 30 days after such confirmation of the shareholders' general meeting or relevant governing authority, submit the preceding documents to our company registration authority and apply for cancellation of registration of our Company, and publish an announcement relating to the termination of our Company.

Amendments to the Articles of Association

Our Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association. Our Company shall amend the Articles of Association in any of the following circumstances:

- (1) the provisions of the Articles of Association are in conflict with those of the Company Law or the relevant laws or administrative regulations following their amendment;
- (2) any change in the position of our Company, resulting in inconsistency with the records in the Articles of Association;
- (3) it is decided at the shareholders' meeting to amend the Articles of Association.

The following procedures shall be followed when amending the Articles of Association:

- (1) The Board of Directors shall firstly adopt a resolution for amendment to the Articles of Association and prepare a proposal for amendment to the Articles of Association;
- (2) The Board of Directors shall convene a shareholders' general meeting for voting on such proposal thereat;
- (3) The shareholders' general meeting shall approve such proposal by special resolution;
- (4) Our Company shall submit the amended Articles of Association to our company registration authority for record.

Amendment to the Articles of Association which involves the contents of the Mandatory Provisions shall become effective upon approval by the companies approving department authorized by the State Council and securities committee of the State Council. Where amendment involves the registered particulars of our Company, application shall be made for alteration of registration in accordance with the laws.

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Settlement of Disputes

Unless otherwise stipulated in the Article of Association, our Company shall act according to the following principles to settle disputes:

- (1) For any disputes or claims of rights between holders of overseas-listed foreign shares and our Company; between holders of overseas-listed foreign shares and the directors, supervisors, the president or other senior management officers of our Company; between holders of overseas-listed foreign shares and holders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the PRC Company Law and other relevant laws and administrative regulations, any such disputes or claims of rights relevant to the affairs of our Company shall be referred by the relevant parties to arbitration.

Where the abovementioned dispute or claim of rights is referred to arbitration, it shall be the entire claim or dispute, and all persons (being our Company or shareholders, directors, supervisors, the president or other senior management officers of our Company), who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim of rights, shall abide by arbitration.

Disputes regarding definition of shareholders and register of shareholders may be resolved other than by way of by arbitration.

- (2) The claimant may refer the arbitration to either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.

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

- (3) If any disputes or claims of rights arising out of Item (1) above are settled by way of arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all parties.