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**APPENDIX IV      SUMMARY OF THE ARTICLES OF ASSOCIATION OF THE COMPANY**

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This appendix sets out a summary of the principal provisions of the Articles of Association of the Company and subsequent amendments, which will take effect from the date of [REDACTED] of the H Shares on the Stock Exchange. The main purpose of this appendix is to give potential [REDACTED] an overview of the Articles of Association, and it may not contain all the information that is important for potential [REDACTED]. Copies of the full Chinese text of the Articles of Association are available on display on the websites of the Stock Exchange and the Company as mentioned in Appendix VIII – Documents Delivered to the Registrar of Companies and Available on Display to this document.

**SHARES**

**Shares and Registered Capital**

The Company shall always maintain ordinary shares.

The Company shall always maintain ordinary shares. The Company may create other class of shares according to its requirements and upon approval of the approving authorities authorized by the State Council.

The issuance of shares by the Company shall adhere to the principles of openness, fairness and impartialness, and each share in the same category shall carry the same rights. For shares issued at the same time and within the same class, the conditions and price per share must be the same; for the shares subscribed by an entity or an individual, the price per share paid must be the same.

Subject to the approval by the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors.

With the plan for issuing overseas-listed foreign shares and domestic shares by the Company approved by the securities regulatory authority of the State Council, the Board of Directors of the Company may arrange for the implementation of such plan by means of separate issuances. The Company may implement its plan for separate issuances of overseas-listed foreign shares and Domestic Shares in accordance with the preceding paragraph. within 15 months from the date of approval by the securities regulatory authority of the State Council.

Where the Company issues overseas-listed foreign shares and Domestic Shares separately within the total number of shares specified in the issuance plan, every such issue shall be fully subscribed for in one time. Where it is impossible for every such issue to be fully subscribed for in one time due to special circumstances, the shares may be issued in several stages, subject to the approval of the securities regulatory authority of the State Council.

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**Share Increase and Decrease**

The Company may, in accordance with its needs of business and development, approve the increase in its capital pursuant to relevant provisions of the Articles of Association.

The Company may increase its capital by the following ways:

- (I) offering new shares to non-specific investors;
- (II) placing new shares to existing shareholders;
- (III) distributing new shares to existing shareholders;
- (IV) converting funds in the capital reserve into share capital; and
- (V) other ways as approved by laws and regulations and the securities regulatory authority of the State Council.

The Company's increase of capital by issuing new shares shall be conducted in accordance with the procedures provided in relevant national laws and regulations, after being approved according to the Articles of Association.

In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

Within 10 days of the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the Company and a public announcement shall be made in the press within 30 days. The creditors may, within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement if they fail to receive a notice, require the Company to clear off its debts or to provide corresponding guarantees.

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

**Repurchase of Shares**

The Company may, in accordance with the procedures under the Articles of association and with the approval by the relevant competent authorities of the state, repurchase its issued shares in the following circumstances:

- (I) deregistration of shares for reducing the Company's capital;
- (II) merger with other company which holds the shares of the Company;
- (III) the shares are to be used for employee share ownership plans or equity incentives;

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- (IV) a shareholder who objects to the resolution on the Company's merger or division passed by the shareholders' general meeting requests that the Company buy back his/her/its shares;
- (V) the shares are to be used to convert corporate bonds issued by the Company that can be converted to shares; and
- (VI) it is necessary for the Company to maintain corporate value and shareholders' interests;

A resolution of a shareholders' general meeting is required for the repurchase of shares by the Company under either of the circumstances stipulated in item (I) or item (II) above; for the Company's repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) above, a resolution of a meeting of the Board of Directors shall be made by more than two-thirds of directors attending the meeting according to the provisions of the Articles of Association or as authorized by the shareholders' general meeting.

The shares acquired by the Company under the circumstance stipulated in item (I) in accordance with Article 27 of the Articles of Association shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be transferred or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares in the Company held in total by the Company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total outstanding shares, and shall be transferred or deregistered within three years. Where the laws, regulations, or the securities regulatory authority at the place where shares of the Company are listed have other provisions on the relevant matters related to the aforesaid share repurchase, such provisions shall prevail.

With the approval of relevant competent authorities of the state for repurchasing its shares, the Company may conduct the repurchase in one of the following manners:

- (I) to make a repurchase offer to all shareholders in the same proportion;
- (II) to repurchase its own shares through public transaction on a stock exchange;
- (III) to repurchase shares under an off-market agreement; and
- (IV) other method approved by the securities regulatory authority of the State Council.

To the extent that the Company has the right to repurchase redeemable shares:

- (I) the price shall not exceed a certain maximum price limit unless repurchased by market or by means of tender; and
- (II) If repurchased by means of tender, the proposal on tender shall be made to all shareholders equally.

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**Transfer of Shares**

Unless otherwise specified by the laws, regulations and the rules of the securities regulatory authority at the place where shares of the Company are listed and Hong Kong Stock Exchange, the shares of the Company may be transferred freely without any lien attached. Transfer of overseas-listed foreign shares listed in Hong Kong shall be registered with the local share registrar in Hong Kong as delegated by the Company.

The Company shall not accept its own shares as the subject matter of a mortgage.

**Financial Assistance for the Acquisition of the Shares of the Company**

The Company or its subsidiaries shall not, at any time and in any manner, provide any financial assistance to purchasers or prospective purchasers of the shares of the Company. The aforesaid purchasers of shares of the Company shall include persons who directly or indirectly assume relevant obligations as a result of purchasing shares of the Company.

The Company or its subsidiaries shall not, at any time and in any manner, provide any financial assistance to the above obligators in order to reduce or discharge their obligations.

The aforesaid restriction shall not apply to the following circumstances:

- (I) where the financial assistance given by the Company is genuinely for the benefits of the Company and the main purpose of such financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of a general plan of the Company;
- (II) distribution of the Company's properties as dividends pursuant to the law;
- (III) distribution of dividends in the form of shares;
- (IV) reduction of registered capital, buy-back of shares and adjustment of shareholding structure etc., in accordance with the Articles of Association;
- (V) provision of a loan by the Company within its business scope and in the ordinary course of its business (provided that it does not lead to a reduction in the net assets of the Company or that if it constitutes a reduction, the financial assistance was paid out of the Company's distributable profits); and
- (VI) provision of money by the Company for an employee share ownership plan (provided that it does not lead to a reduction in the net assets of the Company or that if it constitutes a reduction, the financial assistance was paid out of the Company's distributable profits).

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**SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING**

**Shareholders**

The Company's shareholders are persons who lawfully hold shares of the Company and have their names registered in the register of shareholders. Shareholders shall enjoy the rights and undertake obligations in accordance with the class of and number of shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and bear the same obligations.

The holders of ordinary shares of the Company shall be entitled to the following rights:

- (I) receiving dividends and other kinds of profit distributions as determined by the number of shares held by them;
- (II) requiring, convening, chairing, attending or appointing a proxy to attend a shareholders' general meeting pursuant to the law and exercising the corresponding voting rights;
- (III) supervising the Company's business operations, proposing recommendations or raising questions;
- (IV) transferring, bestowing or pledging shares of the Company held by them in accordance with the laws, regulations and the Articles of Association;
- (V) obtaining related information in accordance with provisions prescribed by laws and the Articles of Association, including:
  - 1. obtaining the copies of the Article of Association after paying relevant costs;
  - 2. inspecting and photocopying, after paying a reasonable fee, the following documents:
    - (1) the share register, including information about their holdings of the shares;
    - (2) personal information on the directors, supervisors and senior management of the Company, including:
      - (a) current and previous names and aliases;
      - (b) main address (domicile);
      - (c) nationality;

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- (d) full-time and all part-time occupations and titles; and
  - (e) identification documents and their numbers.
- (3) state of the share capital of the Company;
  - (4) reports on the aggregate par value, number of shares, and highest and lowest prices of each class of shares in relation to any repurchase by the Company of its own shares since the last accounting year, as well as all the expenses paid by the Company in relation to such repurchases;
  - (5) for shareholders only, copies of minutes of shareholders' general meetings;
  - (6) copy of the latest annual report filed with the market regulation authority or other competent authorities of China if applicable;
  - (7) special resolutions;
  - (8) bond stub of the Company;
  - (9) resolutions of Board meetings;
  - (10) resolutions of meetings of the board of supervisors;
  - (11) the latest audited financial statements, report of the Board of Directors, auditors' report and report of the board of supervisors.

The Company shall keep at its Hong Kong address the documents above other than item (2) for free reference by the public and holders of overseas-listed foreign shares.

- (VI) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding;
- (VII) a shareholder who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares; and
- (VIII) other rights conferred in accordance with the laws and regulations and our Articles of Association.

The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person fails to disclose his/her equity to the Company.

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Where the contents of a resolution of shareholders' general meeting or the Board of Directors of the Company violate any laws or regulations, the resolution shall be invalid. Where the convening procedures or voting method of a shareholders' general meeting or a Board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution.

Where the directors or senior management violate the provisions of laws, regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer are entitled to request the board of supervisors to file a lawsuit with the people's court in writing; where the board of supervisors violates the provisions of laws, regulations or the Articles of Association in the performance of their duties and causes losses to the Company, shareholders may request the Board of Directors to file a lawsuit with the people's court in writing.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the board of supervisors or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the Company.

Where other persons infringe legitimate rights and interests of the Company and cause losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer may file a lawsuit with the people's court pursuant to the provisions of the preceding two paragraphs.

Where any director, supervisor or senior management violates the provisions of laws, administrative regulations or the Articles of Association and causes damages to shareholders, the shareholders may file a lawsuit with the people's court.

The holders of the Company's ordinary shares shall undertake the following obligations:

- (I) complying with laws, administrative regulations and the Articles of Association;
- (II) making payment for shares subscribed for according to the quantity of shares subscribed for and the manners of subscription;
- (III) not withdrawing the investment, except for circumstances stipulated by laws and regulations;

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- (IV) not abusing shareholder's rights to harm the interests of the Company or other shareholders; not abusing the independent legal person status of the Company and shareholders' limited liability to harm the interests of the Company's creditors; shareholders of the Company who abuse shareholders' rights and cause damages to the Company or other shareholders shall be liable for compensation pursuant to the law.
  
- (V) Shareholders of the Company who abuse the independent legal person status of the Company and shareholders' limited liability to evade debts and severely infringe upon interests of the Company's creditors shall assume joint and several liabilities for the Company's debts.
  
- (VI) other obligations for the shareholders prescribed by laws, administrative regulations and the requirements of the Articles of Association.

Shareholders shall not be liable for any further contribution to share capital other than on the conditions agreed to by the subscribers of the relevant shares at the time of subscription.

**General Rules for the Shareholder's General Meeting**

The shareholders' general meeting is the organ of authority of the Company, and shall exercise following functions and powers pursuant to the law:

- (I) to decide on the Company's operational objectives and investment plans;
  
- (II) to elect and remove directors, and to determine the remuneration of the relevant directors;
  
- (III) to elect and replace the supervisors who are shareholder representatives and to decide on the matters relating to the remuneration of supervisors;
  
- (IV) to review and approve the reports of the Board of Directors;
  
- (V) to review and approve the reports of the board of supervisors;
  
- (VI) to deliberate and approve the Company's annual financial budget plan and final account plan;
  
- (VII) to deliberate and approve the Company's profit distribution plan and plan for covering losses;
  
- (VIII) to resolve on any increase or reduction of the Company's registered capital;
  
- (IX) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;



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- (X) to resolve on issue of bonds or other securities and the listing of the Company;
- (XI) to resolve on the engagement, dismissal or discontinuation of the appointment of accounting firms of the Company;
- (XII) to amend the Articles of Association;
- (XIII) to examine proposals raised by the shareholders who hold 3% or more of the total voting shares of the Company;
- (XIV) [to examine and approve guarantees required to be approved by the shareholders' general meeting as stipulated by the laws, regulations and Articles of Association;]
- (XV) to deliberate matters regarding the purchase or sale of material assets by the Company that within one year exceed 30% of the latest audited total assets of the Company;
- (XVI) to review and approve matters relating to the modification of raised fund purpose;
- (XVII) to examine equity incentive plans; and
- (XVIII) to review and approve other issues which should be decided by the shareholders' general meeting as stipulated by laws, regulations, listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

The Company may not, without approval of shareholders by special resolution at shareholders' general meeting, enter into any contract with any person other than a director, supervisor and other senior management pursuant to which such person shall be responsible for the management of the whole or any substantial part of the business of the Company.

**Convening of Shareholders' General Meeting**

There are two types of shareholders' general meetings: annual general meetings and extraordinary general meetings. A shareholders' general meeting shall be convened by the Board of Directors. The annual general meeting shall be held once a year within six months after the end of the preceding accounting year.

An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (I) the number of directors is less than the minimum number required by the Company Law or less than two-thirds of the number stipulated in the Articles of Association;
- (II) the outstanding losses of the company amounted to one-third of the Company's total paid-in share capital;

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- (III) shareholders individually or in aggregate holding 10% or more of the Company's outstanding voting shares request in writing that an extraordinary general meeting is convened;
- (IV) the Board of Directors deems necessary;
- (V) it is proposed by the board of supervisors; and
- (VI) other circumstances specified by laws, regulations or the Articles of Association.

If the Board of Directors is unable or fails to fulfill the obligation of convening the shareholders' general meetings, the board of supervisors shall convene and preside over such meetings in a timely manner. If the board of supervisors does not convene or preside over such meetings, the shareholders who hold 10% or more of the Company's shares individually or jointly for 90 or more consecutive days may proceed to convene and preside over such meetings on their own initiative.

**Proposal and Notification of Shareholders' General Meeting**

When the Company decides to convene an annual general meeting, it shall notify the shareholders of the time, venue and matters to be considered at the meeting 20 business days prior to the meeting; and when the Company decides to convene an extraordinary general meeting, it shall notify the shareholders 15 days or 10 business days (whichever is the longer) prior to the meeting.

When the Company decides to convene a shareholders' general meeting, the Board of Directors, the board of supervisors and shareholders severally or jointly holding 3% or more of the shares of the Company shall be entitled to put forward proposals to the Company.

The shareholders severally or jointly holding 3% or more of the shares of the Company may raise interim proposals and submit them in writing to the convener 10 days prior to the convening of the shareholders' general meeting. The convener shall, within 2 days after the receipt of such proposals, issue a supplemental notice of the shareholders' general meeting, announce the contents of the interim proposals, and submit the interim proposals to the shareholders' general meeting for consideration.

Except as prescribed in the preceding paragraph, the convener, after issuing the notice and announcement of shareholders' general meeting, shall neither revise the proposals stated in the notice of shareholders' general meetings nor add new proposals.

At extraordinary general meetings, matters not specified in the notice shall not be decided on.

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**Convening of Shareholders' General Meeting**

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

- (I) the same right of speech as the shareholder at the shareholders' general meeting;
- (II) the authority to demand or join other shareholders in demanding a poll; and
- (III) the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

A shareholders' general meeting shall be convened by the Board of Directors, and the chairman of the Board of Directors shall act as the chairman of the meeting. If the chairman is unable to attend the meeting for any reason, a director nominated by more than half of directors shall chair the meeting. In the event that the chairman of the meeting is not elected, the shareholders present at the meeting may elect one person at the meeting to be the chairman. If shareholders cannot elect the chairman for any reason, the shareholder (including proxies) present at the meeting who holds the largest number of voting shares shall be the chairman of the meeting. The chairman of the board of supervisors shall preside over the shareholders' general meeting convened by the board of supervisors. A supervisor shall be elected by more than half of all supervisors to preside over the meeting when the chairman of the board of supervisors fails or refuses to perform the duty. In the case of a shareholders' general meeting convened by shareholders on their own initiative, the shareholder recommended by convener(s) shall preside over the meeting and act as the chairman of the meeting.

**Votes and Resolutions of Shareholders' General Meeting**

Resolutions made at a shareholders' general meeting shall be divided into ordinary resolutions and special resolutions. Ordinary resolutions of the shareholders' general meeting shall be passed by more than half of the voting rights represented by shareholders (including their proxies) present at the meeting. Special resolutions made by the shareholders' general meeting shall be approved by above two-thirds of voting rights held by the shareholders (including their proxies) attending the shareholders' general meeting.

The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board of Directors and the board of supervisors;
- (II) profit distribution proposals and loss recovery proposals formulated by the Board of Directors;

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- (III) appointment and dismissal of members of the Board of Directors and the board of supervisors, and their remunerations and the method of payment thereof;
- (IV) the annual budget and final accounts, the balance sheet, statements of profits and other financial statements of the Company; and
- (V) all other proposals not resolved by special resolutions as provided for in laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed or the Articles of Association.

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

- (I) increase or reduction in the share capital of the Company, and issuance of any class of shares, warrants or other similar securities;
- (II) issuance of corporate bonds or listing;
- (III) division, merger, dissolution and liquidation of the Company or change of its corporate form;
- (IV) amendment to the Articles of Association;
- (V) the amount of the Company's purchase or disposal of material assets or providing guarantee in one year exceeds 30% of the latest audited total assets of the Company;
- (VI) [consideration and implementation of equity incentive plans]; and
- (VII) other matters that are specified by laws, regulations or the Articles of Association to be adopted by a special resolution and that, resolved by the shareholders' general meeting by an ordinary resolution, may have a material effect on the Company and should therefore be adopted by a special resolution.

In the event the matters of connected transactions are considered at a shareholders' general meeting, connected shareholders shall abstain from voting upon such connected transactions and the number of voting shares represented by such shareholders shall not be counted in the total number of valid votes. The announcement of the resolution of such meeting shall fully disclose the votes of the unrelated shareholders.

**Special Procedures for the Voting of Class Shareholders**

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

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If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of a special resolution of the shareholders' general meeting and by a separate shareholders' meeting convened by the affected class shareholders.

The rights of a class shareholder shall be deemed to be changed or abrogated under any of the following circumstances:

- (I) increase or reduce the number of shares of that class, or increase or reduce the number of shares of other class with equal or more voting rights, distribution rights and other privileges;
- (II) convert all or part of the shares of that class into other class(es) or convert all or part of shares of other class(es) into that class, or grant such conversion right;
- (III) cancel or reduce the right of that class of shares to obtain dividends generated or cumulative dividends;
- (IV) reduce or remove a dividend preference or property distribution preference during liquidation of the Company attached to shares of that class;
- (V) add, remove or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of that class;
- (VI) remove or reduce rights to receive amounts payable by the Company in a specified currency attached to shares of that class;
- (VII) create new class(es) of shares entitled to equal or more voting rights, distribution rights or other privileges as compared with that class of shares;
- (VIII) impose restrictions on the transfer or ownership of that class of shares or increase such restrictions;
- (IX) issue subscription or conversion rights for shares of that class or another class;
- (X) increase the rights and privileges of other class(es) of shares;
- (XI) a restructuring plan of the Company which will cause shareholders of different categories to bear liability to different extents during the restructuring; and
- (XII) revise or nullify the provisions in this chapter.

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Affected class shareholders, whether or not having the right to vote at shareholders' general meeting, shall have the right to vote at class meetings in respect of matters referred to in Items (II) to (VIII) or (XI) to (XII) above, provided that interested shareholders shall not have the right to vote at class meetings.

A resolution of the class meeting shall be adopted by above two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with the Articles of Association.

Apart from other classes of shareholders, the holders of Domestic Shares and overseas-listed foreign shares are deemed to be shareholders of different classes.

The special procedures for voting by a class shareholders shall not apply in the following circumstances:

- (I) upon the approval by way of a special resolution passed by a shareholders' general meeting, the Company independently or simultaneously issues Domestic Shares and/or overseas-listed foreign shares every 12 months, provided that the amount of each class of shares intended to be issued is not more than 20% of the outstanding shares of the respective class;
- (II) the Company's plan on issuing Domestic Shares and overseas-listed foreign shares at the time of incorporation, which is completed within 15 months upon the date of approval from the securities regulatory authority of the State Council;
- (III) upon the approval by securities regulatory authority of the State Council, holders of Domestic Shares and unlisted foreign shares of the Company may transfer, in whole or in part, the shares held by them to overseas investors and list and trade such shares on an overseas stock exchange; or all or part of Domestic Shares and unlisted foreign shares may be converted into overseas-listed shares and listed and traded on an overseas stock exchange.

**DIRECTORS AND BOARD OF DIRECTORS**

**Director**

The Company shall establish a Board of Directors, which shall comprise [7] directors (including executive directors, non-executive directors and independent non-executive directors) of which one shall be chairman.

Independent non-executive directors are directors holding no positions other than that of directors in the Company and having no relationship with the Company and its substantial shareholders as to hinder their independent and objective judgments. The number of

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independent non-executive directors shall be at least one third of the total membership of the Board and not less than three, and at least one independent director shall have appropriate professional qualifications, or shall have appropriate accounting or related financial management expertise.

Directors shall be elected at a shareholders' general meeting, and shall serve a term of office of [three] years. A director may serve consecutive terms if re-elected. Prior to expiry of term of office of a director, a shareholders' general meeting shall not remove the director without a reason.

The term of office of a director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. Where re-election is not promptly carried out upon expiry of the term of office of a director, prior to appointment of a new director, the original director shall continue to carry out director duties pursuant to the provisions of laws, administrative regulations, departmental rules and the Articles of Association.

The chairman of the Board of Directors shall be elected and removed by more than half of all the directors. The term of office for the chairman shall be three years and he shall be eligible for re-election.

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

**Board of Directors**

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

- (I) to convene shareholders' general meetings and report on its work to the shareholders' general meetings;
- (II) to implement resolutions of shareholders' general meeting;
- (III) to decide on the Company's operational plans and investment plans;
- (IV) to formulate the Company's annual financial budget plan and final account plan;
- (V) to formulate the Company's profit distribution plan and plan for covering losses;
- (VI) to formulate the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;
- (VII) to formulate proposals for the merger, division or dissolution of the Company or change of corporate form;
- (VIII) to decide on the setup of the Company's internal management organs;

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- (IX) to appoint or dismiss the Company's general manager and secretary to the Board of Directors, appoint or dismiss other senior management of the Company based on the nomination of general manager, and to decide on matters relating to their emoluments;
- (X) to formulate the Company's basic management system;
- (XI) to formulate proposals for any amendment to the Articles of Association;
- (XII) to propose to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;
- (XIII) to decide on external guarantees of the Company beyond the scope of consideration by the shareholders' general meetings;
- (XIV) to decide on the matters in which the amount of the Company's purchase or disposal of material assets or providing guarantee in one year does not exceed 30% of the latest audited total assets of the Company;
- (XV) to approve connected transactions that are required to be approved by the Board of Directors under the laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association; and
- (XVI) to exercise any other functions and powers stipulated by laws, regulations or the listing rules of the stock exchange where the Company's shares are listed, and granted by the shareholders' general meetings.

Resolutions by the Board of Directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors, unless otherwise provided by laws, regulations and the Articles of Association and with the exception of matters on [formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan, formulating proposals for the merger, division or dissolution of the Company or change of corporate form and formulating proposals for any amendment to the Articles of Association].

The chairman of the Board of Directors shall exercise the following powers and functions:

- (I) presiding over shareholders' general meetings, and convening and presiding over Board meetings;
- (II) inspecting implementation of resolutions of the Board of Directors;
- (III) signing securities issued by the Company;
- (IV) signing important legally binding documents on behalf of the Company; and
- (V) exercising other power and function granted by the Board of Directors.



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Where the chairman is incapable of performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Meetings of the Board of Directors shall be held at least four times each year and convened by the chairman. The notice of such meeting shall be given to all directors and supervisors 14 days before the meeting. Under any of the circumstances, the chairman shall convene an interim Board meeting within 10 days after receipt of a proposal:

- (I) shareholders representing one tenth or more voting rights propose;
- (II) one third or more of the directors propose jointly;
- (III) the board of supervisor proposes; and
- (IV) the general manager proposes.

Meetings of the Board of Directors may be held only if more than half of the directors (including proxies) attend.

Each director shall have one vote. The resolution proposed by the Board of Directors shall be passed by a simple majority of all the directors, unless otherwise stated in the Articles of Association.

When the negative votes and the affirmative votes are the same, the chairman has one more vote.

Where a director or any of its associates (as defined in the Listing Rules of The Stock Exchange of Hong Kong Limited) has any interest in the subject matter of the meeting (including the approval of any contract, transaction, arrangement, etc.) or the director has associated relationships with the enterprise related to the subject matter of the meeting, such director shall withdraw from the meeting, does not enjoy any voting rights and shall not be counted in the quorum thereof. The Board meeting may be held with the quorum of a simple majority of unrelated directors and resolutions to be passed at the Board meeting shall be passed by simple majority of votes of unrelated directors. Where the number of unrelated directors present at the Board meeting is less than 3, the matter shall be submitted to the shareholders' general meeting for deliberation.

Directors shall attend Board meetings in person and express clear views on the matters discussed. Where a director is unable to attend for any reason, he/she may appoint another director to vote on his/her behalf by a written power of attorney specifying the scope of authorization. The director who attends the meeting on his/her behalf shall exercise the director's rights within the scope of authorization. Where a director does not attend a Board meeting and does not appoint a proxy to attend on his/her behalf, he/she shall be deemed to forfeit his/her voting rights at the said meeting.

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The Board of Directors shall make minutes of the meeting's decisions on the matters discussed at the meeting, and the directors attending the meeting and the recorder shall sign the minutes. The directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates any laws, administrative regulations or the Articles of Association or resolutions of the shareholders' general meeting, and as a result of which the Company sustains serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

**Borrowing power**

The Articles of Association do not contain any special provision in respect of the manner in which borrowing powers may be exercised by the Directors nor do they contain any special provision in respect of the manner in which such power may be raised, other than: (a) provisions which give the Board of Directors the power to formulate proposals for the issuance of debentures by the Company and (b) provisions which provide that the issuance of debentures must be approved by the Shareholders in general meeting by way of a special resolution.

**Secretary to the Board**

The Company shall appoint a secretary to the Board of Directors. The secretary to the Board of Directors is a member of senior management of the Company, who is accountable to the Board of Directors. The secretary to the Board of Directors shall be a natural person with necessary expertise and experience and is appointed by the Board of Directors. Its primary responsibilities include:

- (I) to ensure that the Company has a complete set of constitutional documents and records;
- (II) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;
- (III) to ensure that the share register of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents;
- (IV) to be responsible for the information disclosure of the Company;
- (V) to be responsible for preparing shareholders' general meetings and Board meetings; and
- (VI) other responsibilities stipulated by the rules of the stock exchange where the Company's share is listed.

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Directors or senior management of the Company may concurrently hold the position of the secretary to the Board of Directors of the Company. The accountants of the accounting firms engaged by the Company shall not concurrently hold the position of the secretary to the Board of Directors of the Company.

Where a Director concurrently serves as the secretary to the Board, if any act needs to be done separately by a Director and the secretary to the Board, the person concurrently serving as Director and the secretary to the Board of the Company shall not take such action in both capacities.

**General Manager of the Company**

The Company shall have one general manager to be appointed or dismissed by the Board of Directors.

The general manager of the Company, who shall be accountable to the Board of Directors, may exercise the following functions and powers:

- (I) to manage the production, operation and administration of the Company and arrange for the implementation of the resolutions of the Board of Directors;
- (II) to organize the implementation of the Company's annual business plans and investment plans;
- (III) to formulate plans for establishment of internal management organs of the Company;
- (IV) to formulate basic management system of the Company;
- (V) to formulate specific rules and regulations of the Company;
- (VI) to recommend the appointment or dismissal of any [deputy general manager] and chief financial officer of the Company;
- (VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board of Directors); and
- (VIII) any other function and power granted by the Articles of Association or the Board of Directors.

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**SUPERVISORS AND BOARD OF SUPERVISORS**

**Supervisors**

The Company shall establish a board of supervisors. The board of supervisors shall comprise [three] supervisors, including a chairman. The appointment and dismissal of the chairman of the board of supervisors shall be passed by the votes of more than two-thirds of the members of the board of supervisors. Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected.

The board of supervisors shall be composed of representatives of the shareholders and representatives of the Company's employees. Shareholder representatives shall be elected and removed at shareholders' general meetings, and employee representatives shall be elected and removed democratically by the employees of the company. The number of employee representative supervisors of the Company shall not be less than one-third of the Supervisors.

Directors and senior management members shall not act concurrently as supervisors.

**BOARD OF SUPERVISORS**

The board of supervisors shall be accountable to the Shareholders' general meeting and shall exercise the following functions and powers in accordance with the law:

- (I) to check the financial situations of the Company;
- (II) to supervise the acts of the directors and senior management in performing their duties to the Company and propose the removal of those directors and senior management who violate the laws and regulations, the Articles of Association or resolutions of shareholders' general meetings;
- (III) to demand any director or senior management who acts in a manner which is detrimental to the Company's interests to rectify such behaviors;
- (IV) verifying financial information such as financial reports, business reports, profit distribution plans, etc. that the Board of Directors intends to submit to the shareholders' general meeting and, if in doubt, a registered accountant or practicing auditor shall be appointed in the name of the Company to assist in reviewing such information.
- (V) to propose the convening of extraordinary general meetings and, in case the Board of Directors does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Articles of Association, to convene and preside over the shareholders' general meetings;

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(VI) to represent the Company to negotiate with the Directors and senior management or bring actions against Directors and senior management according to the Company Law; and

(VII) to exercise other functions and powers as specified in the Articles of Association.

**Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions**

Meetings of the board of supervisors shall be convened at least once each six months and be convened and presided by its chairman. Extraordinary meetings of the board of supervisors can be convened by the supervisors. A Supervisor shall be elected by more than half of all Supervisors to convene and host the meetings of the board of supervisors when the chairman fails or refuses to perform the duty. If a Supervisor fails to attend the meetings of the board of supervisors for two consecutive times in person, the Supervisor shall be deemed to be unable to perform his/her duties. The shareholders' general meeting or the staff representative assembly shall replace such Supervisor.

Notices of the meetings and extraordinary meetings of the board of supervisors may be given, in person, by facsimile, by courier or by other means of electronic communication; notice period of meeting: at least 10 days prior to the convening of the meeting of the board of supervisors, or at least three days prior to the convening of the extraordinary meeting of the board of supervisors. When an extraordinary meeting of the board of supervisors is required to be convened promptly in emergency situations, the meeting notice can be given via phone or other verbal means but the convener shall make explanations at the meeting.

The meeting of the board of supervisors shall only be held when more than two-thirds of the Supervisors are present. Each Supervisor shall have one vote. The resolution made by the board of supervisors shall be passed by more than two-thirds of all Supervisors.

**Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management of the Company**

None of the following persons shall serve as a Director, Supervisor, or Senior Management of the Company:

- (I) persons without civil capacity or with limited civil capacity for civil conduct;
- (II) persons who have committed corruption, bribery, embezzlement, misappropriation of property or disruption of the order of socialist market economy and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years have elapsed since the date of restoring their political rights;

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- (III) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated due to poor operation and management and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked due to violation of the laws and who were personally liable, where less than three years have elapsed since the date of the revocation;
- (V) persons with relatively large amounts of due and outstanding debt;
- (VI) a person under investigation by judicial authorities for suspected violations of criminal law and the investigation is still ongoing;
- (VII) persons who cannot serve as corporate leaders according to laws and administrative regulations;
- (VIII) non-natural persons;
- (IX) a person has been ruled as violations of the provisions of relevant securities regulations by the competent authority, involving fraud or dishonesty, and it does not exceed five years from the date of the ruling; and
- (X) circumstances as required by the relevant laws and regulations of a place where the Company's shares are listed.

The directors, supervisors and senior management of the Company shall perform their duties in accordance with the principle of honesty and shall not put themselves in a position where there is a conflict between their personal interests and their duties assumed. This principle shall include (but not limited to) the fulfilment of the following obligations:

- (I) to act honestly in the best interests of the Company;
- (II) to exercise powers within the scope of his/her functions and powers and not to act beyond such powers;
- (III) to personally exercise the discretion invested in him/her, not to allow himself/herself to be manipulated by another person and, not to delegate the exercise of his/her discretion to another party unless permitted by laws and administrative regulations or with the consent of the shareholders' general meeting that has been informed;

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- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) not to enter into any contract, transaction or arrangement with the Company unless otherwise provided by the Articles of Association or with the consent of shareholders' general meeting that has been informed;
- (VI) not to use the Company's assets for his/her own benefit in any way without the consent of the shareholders' general meeting that has been informed;
- (VII) not to make use of official powers to accept bribes or other illegal income, and not to encroach upon the Company's assets in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions without the consent of the shareholders' general meeting that has been informed;
- (IX) to abide by the Articles of Association, perform his/her duties faithfully, protect the interests of the Company and not to seek personal gain with his/her position, functions and powers in the Company;
- (X) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;
- (XI) not to misappropriate the funds of the Company or lend them to others, not to deposit the Company's assets in accounts opened in his/her own or in another's name, not to use the Company's assets as security for the debts of the Company's shareholders or other individuals; and
- (XII) not to disclose confidential information relating to the Company that was acquired by him/her during his/her term of office without the consent of the shareholders' general meeting that has been informed, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other competent government authorities if:
  - 1. provided by law;
  - 2. required in the public interest; and
  - 3. required in the own interest of such director, supervisor and senior management.

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

- (I) require the relevant Director, Supervisor and senior management of the Company to compensate for the losses sustained by the Company as a consequence of his/her dereliction of duty;
- (II) rescind any contract or transaction concluded by the Company with the relevant Director, Supervisor and senior management of the Company and contract or transaction with a third party (where such third party is aware or should be aware that the Director, Supervisor and senior management representing the Company was in breach of his/her obligations to the Company);
- (III) require the relevant Director, Supervisor and senior management of the Company to surrender the gains derived from the breach of his/her obligations;
- (IV) recover any funds received by the relevant Director, Supervisor and senior management of the Company that should have been received by the Company, including (but not limited to) commissions; and
- (V) require the relevant Director, Supervisor and senior management of the Company to return the interest earned or possibly earned on the funds that should have been given to the Company.

The Company shall not, directly or indirectly, provide loans or loan guarantees to the Directors, Supervisors and senior management of the Company and its parent company, nor shall the Company provide the same to their connected persons.

The preceding provision shall not apply in the following circumstance:

- (I) the Company provides loans or loan guarantees to its subsidiaries;
- (II) the Company provides loans, loan guarantees or other funds to the Directors, Supervisors, or senior management personnel of the Company pursuant to their employment contracts which were adopted by the shareholders' general meeting, so that the foregoing persons can make payments in the interests of the Company or for the expenses incurred in performing their duties and responsibilities; and
- (III) in the event that the normal business scope of the Company includes provision of loans and loan guarantees, the Company can provide loans and loan guarantee to relevant Directors, Supervisors and senior management and their connected persons, provided that the loans and loan guarantees are provided on normal commercial terms and conditions.



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**FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION**

**Financial Accounting System**

The Company shall formulate its own financial accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the competent financial authority under the State Council.

The Company shall prepare financial reports at the end of each accounting year, which reports shall be subject to legal examination and verification.

The Board of Directors of the Company shall place before the Shareholders at each annual general meeting a financial report prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by the local government or competent authorities.

The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the convening of an annual general meeting. Each Shareholder of the Company shall be entitled to obtain the financial reports referred herein this Chapter. A copy of either the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and income statement, or the financial reports summary shall, at least 21 days before the date of the annual general meeting, be delivered by prepaid post to the address of the holders of overseas-listed foreign shares as registered in the share register.

The financial statements of the Company shall be prepared not only in accordance with China accounting standards, laws and regulations, but also in accordance with international accounting standards or the accounting standards of the place(s) outside China where shares of the Company are listed. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. The lower of the after-tax profits of a specific fiscal year stated in the statements prepared based on the above-mentioned principles shall prevail in the allocation of such profits.

The Company shall publish its financial reports twice in each accounting year. An interim financial report shall be published within 60 days after the end of the first six months of each accounting year, while an annual financial report shall be published within 120 days after the end of each accounting year.

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**Profits Distribution**

The profit after tax of the Company shall be applied in the following sequence:

- (I) recovery of accumulated losses;
- (II) set aside 10% of its profits after taxation for the company's statutory common reserve fund;
- (III) appropriations to a discretionary surplus reserve as approved by the Shareholders' general meeting.
- (IV) to pay dividends for the ordinary shares.

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

Such withdrawal may be stopped when the statutory common reserve fund of the Company has accumulated to at least 50% of the registered capital of the Company.

No dividend or other distribution by way of bonus shares shall be distributable before the losses have been made good and allocations have been made to the statutory common reserve fund.

Monies paid for any shares before the calls on shares shall have dividends, but the holders of such shares are not entitled to dividends declared later for the said monies.

The Company shall appoint receiving agent for holders of overseas-listed foreign shares. The receiving agent shall collect on behalf of the Shareholders concerned the dividends distributed and other payables by the Company in respect of the overseas listed foreign shares, and shall keep such monies on behalf of the Shareholders concerned for payment to them. The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) or the relevant regulations of the securities exchange(s) where the shares are listed. The receiving agent appointed by the Company for holders of overseas-listed foreign shares listed on the Hong Kong Stock Exchange shall be the trust companies registered under the Trustee Ordinance of Hong Kong.

The Company may exercise the right to seize dividends not claimed, but the said right shall not be exercised before expiry of the applicable validity period. The Company's power to cease sending dividend warrants to a holder of overseas-listed foreign shares by post shall not be exercised until such dividend warrants had been so left uncashed on two consecutive occasions. If a dividend warrants fails to reach the expected recipient in the initial mail delivery and is returned, the Company may exercise the right promptly.

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The Company is entitled to sell the shares of those un-contactable holders of overseas-listed foreign shares in a manner the Board of Directors deems fit, subject to the following terms:

- (I) dividends have been distributed for the relevant shares for at least three times in 12 years, but are not claimed in the said period; and
- (II) upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers of the place where the shares of the Company are listed, stating its intention to dispose of the shares, and notifies the stock exchange where such shares are listed.

The common reserve fund of the Company shall only be used for the following purposes:

- (I) recovery of accumulated losses;
- (II) expansion of production and operation of the Company;
- (III) converted into capital.

When the Company converts its common reserve fund into its capital upon a resolution adopted in Shareholders' general meeting, the Company shall either distribute new shares or increase the par value of each share based on the percentage of the capital of the Shareholders. However, when the statutory common reserve fund is converted into capital, the remainder of the reserve fund shall not fall below 25% of the Company's registered capital prior to conversion. the capital reserve fund cannot be used to make up losses of the Company.

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

- (I) in cash;
- (II) by stock.

**Appointment of Accounting Firm**

The Company shall appoint a qualified independent accounting firm in accordance with the related provision of the PRC Law to audit the annual financial reports and other financial reports of the Company. The first auditor may be appointed prior to holding the first annual general meeting and its term of service shall expire at the conclusion of the first annual general meeting. Where the power as set out in the preceding articles has not been exercised at the time holding the first annual general meeting, the Board may exercise such power.

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An accounting firm employed by the Company shall have the following rights:

- (I) to access the accounts books, records or vouchers of the Company at any time and to require directors, or senior management of the Company to provide the relevant information and explanations;
- (II) to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (III) to attend shareholders' general meetings, to receive meeting notices or other information related to the meetings which any shareholder is entitled to receive, and to deliver speeches at any shareholders' general meetings on matters involving it as the accounting firm of the Company.

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

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

- (I) The proposal for appointment or dismissal shall, before the notice of shareholders' general meeting is sent, be served to accounting firms to be appointed or to terminate service or having terminated service in the relevant fiscal year. Termination of service includes dismissal, removal and resignation.
- (II) If the accounting firms about to terminate service make a written statement and request the Company to notify the said statement to the Shareholders, the Company shall take the following actions unless the statement is received too late:
  - 1. state on the notice issued for making resolution that the accountant firms about to terminate service has made representation; and
  - 2. send the representation copy as an appendix to the notice to the Shareholders by the method required under the Articles of Association.
- (III) If the Company fails to send out the statement of the accounting firms as specified in (II) herein, the relevant accounting firms may require that the said statement be read at the shareholders' general meeting and may further lodge a complaint.

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(IV) Accounting firms about to terminate service have the right to attend the following meetings:

1. The shareholders' general meeting at which their term of appointment expires;
2. The shareholders' general meeting for filling vacancy because of their termination of service;
3. The shareholders' general meeting held because of their proactive resignation.

The accounting firms about to terminate service shall have the right to receive all notices of the aforesaid meetings or other information relating to the meetings, and to deliver speeches at the aforesaid meetings on matters involving it as the former accounting firm of the Company.

**Merger and Division of the Company**

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

In the event of merger of the Company, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days since the date of resolution on merger, and shall make a public announcement in a newspaper within 30 days. The creditors may, Within 30 days since the date on receipt of notice or within 45 days since the date of the first announcement (if such notice is not received), require the Company to clear off its debts or to provide corresponding guarantees.

In the case of a merger, the credits and debts of the companies involved shall be succeeded by the company that survives the merger or by the newly established company.

Where the Company is divided, its properties shall be divided accordingly.

In the event of division of the Company, the parties to the division shall enter into a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify the creditors within 10 days from the date of division resolution, and shall make a public announcement in a newspaper within 30 days.

The post-division companies shall bear joint liabilities for the debts of the Company before it is divided, unless it is otherwise prescribed by the Company and the creditors before the division with regard to the clearance of debts in written agreement.

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**Dissolution and Liquidation of the Company**

The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (I) if the shareholders' general meeting resolves to do so;
- (II) merger or division of the Company entails dissolution;
- (III) the Company's business licence is cancelled pursuant to the law, or the Company is ordered to be closed down or revoked pursuant to the law;
- (IV) the Company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the Company, on the grounds that the operation and management of the Company have suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the Company a cause for significant losses to the shareholders;
- (V) other circumstances under which the Company should dissolve pursuant to laws and regulations.

If the Company is dissolved pursuant to Item (I), Item (III) and Item (IV) above, it shall establish a liquidation committee and commence liquidation within 15 days from occurrence of the cause of dissolution. The liquidation committee shall be composed of the directors or persons as determined by the shareholders' general meeting. If no liquidation committee is established after the said timeframe, the creditors may apply to the people's court for appointment of relevant persons to establish a liquidation committee to commence liquidation.

The liquidation committee shall notify the creditors within 10 days after its establishment and shall make announcements on newspapers within 60 days.

The creditors shall declare their creditor's rights to the liquidation committee within 30 days after receipt of the notice or 45 days after announcement if the creditors have not received the notice in person. Creditors declaring creditor's rights shall state the relevant information of the creditor's rights and provide evidentiary materials. The liquidation committee shall register the creditor's rights. During the period for declaration of creditor's rights, the liquidation committee shall not make repayment to creditors.

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

- (I) to ascertain the Company's assets and separately prepare balance sheet and asset list;
- (II) to inform creditors by notice or announcement;
- (III) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (IV) to pay the outstanding taxes;
- (V) to settle creditor's rights and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
- (VII) to represent the Company in any civil proceedings.

If, after sorting out the Company's assets and preparing a balance sheet and an asset list in connection with the liquidation of the Company due to its dissolution, the liquidation committee discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for declaration of bankruptcy.

Liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

Upon declaration of the Company's bankruptcy pursuant to the ruling of the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Within 30 days from the date of confirmation by the shareholders' general meeting or the relevant authorities in charge, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.

**Procedures for amendment to the Articles of Association**

According to the laws, administrative regulations, requirements of the listing rules of the place where the shares of the Company are listed and the Articles of Association, the Company may amend the Articles of Association.

The following procedures shall be followed to amend the Articles of Association:

- (I) the Board of Directors makes a proposal for the amendment of the Articles of Association;

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- (II) The aforesaid proposal is submitted in writing to the shareholders and a shareholders' general meeting is convened;
- (III) a resolution shall be adopted by more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

**Settlement of Disputes**

The Company shall settle disputes following the rules below:

- (I) If any disputes or claims in relation to the Company's business, with respect to any rights or obligations under the Articles of Association, the Company Law or any other relevant laws and regulations, arise between holders of overseas listed foreign shares and the Company, between holders of overseas listed foreign shares and the Company's Directors, Supervisors and senior management personnel, or between holders of overseas listed foreign shares and holders of domestic shares, the parties concerned shall submit such disputes or claims to arbitration.

The aforesaid dispute or claim submitted for arbitration shall be the entire dispute or claim; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its shareholders, directors, supervisors, senior management staff.

Disputes with respect to the definition of Shareholders and disputes concerning the register of members need not to be resolved by arbitration.

- (II) The applicant for arbitration may choose to be arbitrated either by 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 the applicant for arbitration submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the applicant.

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

- (III) Settlement of disputes or claims set out in (I) by way of arbitration shall be governed by PRC laws (exclusive of laws of Hong Kong Special Administrative Region, Macao Special Administrative Region and Taiwan for the purpose of the Articles of Association) save as otherwise specified by laws and regulations.
- (IV) The decision made by the arbitral body shall be final and binding on all parties.