

Logory Logistics Technology Co., Ltd.

Articles of Association

(Applicable after issuance of H Shares)

(The Articles of Association are prepared in Chinese. The English translation is not the official version and is for your reference only. If there is any inconsistency between its Chinese version and English translation, the Chinese version shall prevail.)

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Chapter 1 General Provisions

Article 1 Logory Logistics Technology Co., Ltd. (hereinafter referred to as the “Company”) is a joint stock company with limited liability established under the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Special Regulations of the State Council on Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Reply on Opinions Concerning the Supplement and Amendment to Articles of Association by Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws and administrative regulations of the People’s Republic of China (hereinafter referred to as the “PRC” or “China”).

The Company was a joint stock company with limited liability established by way of promotion and was registered with and obtained a business license of enterprise legal person from Hefei Administration for Industry and Commerce on June 23, 2010 with the registration number of 340106000039913. The current registration authority of the Company is Hefei Administration for Market Regulation. The unified social credit code is 91340100557811919F.

The promoters of the Company are: Feng Lei, Du Bing, Chen Letian and Wang Tiejun.

Article 2 Registered name of the Company:

Full name in Chinese: 合肥維天運通信息科技股份有限公司

Full name in English: Logory Logistics Technology Co., Ltd.

Article 3 Domicile of the Company: No. 2700 Chuangxin Avenue, High-tech District, Hefei; Postal code: 230000; Telephone number: 0551-62757168.

Article 4 The legal representative of the Company is the chairman of the Board of Directors of the Company.

Article 5 The Company is a joint stock company with limited liability and permanently existing and an independent legal person, which is governed and protected by the laws, administrative regulations and other relevant provisions of the PRC.

Article 6 All the properties of the Company are divided into shares of equal par value. The liability of its shareholders for the Company is limited to the extent of the shares they subscribe for and the liability of the Company for its own debts is limited to all the properties it owns.

Article 7 The Articles of Association, upon a special resolution to be passed at the general meeting, shall come into force from the day when the overseas listed foreign shares issued by the Company to be listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter referred to as “Hong Kong Stock Exchange”). The original Articles of Association of the Company shall automatically become invalid on the date that the Articles of Association come into effect.

From the date on which the Articles of Association come into effect, the Articles of Association constitute a legally binding document regulating the organization and conduct of the Company, and the rights and obligations between the Company and each shareholder and among the shareholders themselves.

Article 8 The Articles of Association shall be legally binding on the Company, its shareholders, directors, supervisors, general manager and other senior management, all of whom shall be entitled to claim their rights on any matters relating to the Company pursuant to the Articles of Association.

The shareholders of the Company may pursue actions against the Company in accordance with the Articles of Association; the Company may pursue actions against its shareholders in accordance with the Articles of Association; the shareholders of the Company may pursue actions against shareholders in accordance with the Articles of Association; the shareholders of the Company may pursue actions against the directors, supervisors, managers and other senior management of the Company in accordance with the Articles of Association.

The actions, as referred to in the preceding paragraph include instituting litigation at a court or applying an arbitral body for arbitration.

Article 9 Senior management mentioned in the Articles of Association refer to the general manager, deputy general manager, person-in-charge of finance, secretary to the Board of Directors and other senior management of the Company as approved by the Board of Directors.

Article 10 The Company may invest in other companies and shall be liable for the invested enterprise to the extent of such capital contribution. However, unless otherwise specified by the laws, the Company shall not be the capital contributor bearing joint liability for the debts of the invested companies.

Article 11 The Company shall set up an organization of the Communist Party of China and carry out relevant activities of the Party pursuant to the Company Law and the Constitution of the Communist Party of China. The Party committee of the Company shall exert the role of political nucleus, grasp the direction, control the situation and ensure implementation. The Company shall also establish a work body of the Party, allocate a sufficient number of staff members responsible for Party affairs, and appropriate funds for the overhead expenses of the Party organization.

Chapter 2 Objectives and Scope of Business

Article 12 The objectives of the Company: to carry out its own businesses in accordance with relevant laws; to constantly enhance its operating management standards and core competitiveness to provide a broad range of customers with high quality services; to maximise shareholders' interests and corporate value; to create good economic and social benefits; and to promote the prosperity and development of a harmonious society.

Article 13 The business scope of the Company is subject to the items approved by the competent company registration authorities.

The business scope of the Company registered in accordance with the law: technology development, technology services and information consulting; computer software development application and technology services; satellite monitoring system, electronic products, sales and leases of the communication equipment and monitoring system, common road freight, logistics business process management services, freight terminal services, shipping agency services, warehousing services (excluding hazardous goods), loading, unloading and transportation services, transportation vehicles rental; designing, producing, publishing and serving as agent of various domestic advertising; automobile repair; sales of automobile accessories and parts; house rental; labor dispatching; and value-added telecommunications business. (For items subject to approval in accordance with the laws, operating activities can only be conducted upon approval by relevant authorities)

In the light of changes in domestic and overseas markets, business development and its own capabilities and subject to the approval of the shareholders' general meeting and the relevant government authorities (if necessary), the Company may adjust its business scope in accordance with the laws, and shall register relevant changes with the relevant administration as required.

Chapter 3 Shares and Registered Capital

Article 14 The Company shall set up ordinary shares at any time; according to its needs, the Company may create other classes of shares upon approval from the approval department authorized by the State Council.

Article 15 The shares issued by the Company shall each have a par value of RMB0.0625. The RMB referred in the preceding sentence refers to the lawful currency of the PRC.

Article 16 The issuance of shares of the Company shall be conducted in an open, fair and equitable manner. Each share of the same class shall be entitled to 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 any entity or any individual, the price per share paid must be the same.

Domestic shares and overseas listed foreign shares issued by the Company shall rank pari passu over any distribution by way of dividend or any other forms of distribution.

Article 17 Subject to the approval by the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and overseas investors.

For the purpose of the preceding paragraph, the term “overseas investors” shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 18 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares listed outside the PRC are referred to as overseas listed foreign shares.

Foreign currency referred to in the preceding paragraph means the freely convertible lawful currency, of a country or region other than RMB which is recognized by the national competent authorities for foreign exchange for making payment for the shares of the Company.

Overseas listed foreign shares issued by the Company and listed in Hong Kong, referred to as H shares, are shares approved for listing on the Hong Kong Stock Exchange, with par value denominated in RMB and subscribed for and traded in Hong Kong dollars.

Shares issued by the Company which are not listed on any domestic and foreign stock exchange are referred to as unlisted shares.

Upon the approval by securities regulatory authority of the State Council and consent of the Hong Kong Stock Exchange, holders of domestic shares of the Company may transfer the shares held by them to overseas investors and list and trade such shares on an overseas stock exchange; all or part of domestic shares of the Company may be converted into foreign shares and upon such conversion, the foreign shares may be listed and traded on an overseas stock exchange. Listing and trading of the transferred or converted shares on an overseas stock exchange shall also comply with the regulatory procedures, rules and requirements of the overseas stock market. Neither the listing and trading of the transferred shares on an overseas stock exchange nor the conversion of domestic shares into foreign shares and the listing and trading of such foreign shares on an overseas stock exchange requires resolution at a general meeting or a class meeting. Domestic shares, after being converted into overseas listed foreign shares, are of the same class as the overseas listed foreign shares listed on the same overseas stock exchange.

The shareholders of domestic shares and foreign shares are both shareholders of ordinary shares, and enjoy the same rights and assume the same obligations.

Article 19 Upon the approval of the department in charge of company examination authorized by the State Council, the total number of ordinary shares issued at the time of the establishment of our Company was 30,000,000 shares with a par value of RMB1 per share, and the names of each promoter shareholder, the number and proportion of shares held by him/her/it were as follows:

No.	Name of promoter	Number of shares held (shares)	Percentage of shareholding (%)
1	Feng Lei (馮雷)	11,250,000	37.5
2	Du Bing (杜兵)	11,250,000	37.5
3	Chen Letian (陳樂天)	6,000,000	20
4	Wang Tiejun (王鐵軍)	1,500,000	5
Total		30,000,000	100

Article 20 Upon the approval by securities regulatory authority of the State Council, the Company issued 43,211,000 overseas listed foreign shares for its initial public offering; and 484,220,924 domestic unlisted shares were converted into overseas listed foreign shares.

After the aforesaid issue of overseas listed foreign shares (assuming the Over-allotment Option is not exercised) and the conversion of domestic unlisted shares into overseas listed foreign shares, the share capital structure of the Company will be: 1,393,876,104 ordinary shares, including 866,444,180 domestic unlisted shares and 527,431,924 overseas listed foreign shares (including 484,220,924 overseas listed foreign shares converted from domestic unlisted shares).

Article 21 Regarding the plan for issuing domestic shares and overseas listed foreign 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 issuance.

According to the aforesaid plan for separate issuance of overseas listed foreign shares and domestic shares, the Company may issue the shares separately within 15 months after approval by the securities regulatory authority of the State Council.

Article 22 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 respective shares to be fully subscribed for in one time under exceptional circumstances, the shares may be issued by several times upon the approval of the securities regulatory authority of the State Council.

Article 23 Prior to the issuance of H shares, the registered capital of the Company was RMB84,416,569, following the completion of the issuance of the H shares (assuming the Over-allotment Option is not exercised), the registered capital of the Company will be RMB87,117,257.

Article 24 Subject to the provisions of laws, regulations, listing rules of the place where the Company's shares are listed, the Company may, upon resolution by a shareholders' general meeting, increase its capital on the basis of its business and development needs and pursuant to the Articles of Association.

The Company may increase its capital in 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) issuing new shares to certain investors;
- (V) converting the reserved funds into share capital; and
- (VI) other ways as permitted by laws and administrative regulations.

After having been approved in accordance with the provisions of the Articles of Association and listing rules of the place where the Company's shares are listed, the increase of the Company's capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations and listing rules of the place where the Company's shares are listed.

Article 25 Unless otherwise specified by the laws, administrative regulations and the relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed or the Articles of Association, the fully paid shares of the Company may be transferred freely without any lien attached.

The transfer of the Company's shares shall be registered in the share registration institutions entrusted by the Company.

In the case of a transfer to joint holders, the number of joint holders to whom the shares are to be transferred does not exceed four.

Article 26 The shares of the Company held by a promoter shall not be transferred within 1 year from the date of the establishment of the Company. Shares issued prior to the public offering of shares by the Company shall not be transferred within 1 year from the day on which the shares of the Company are listed and traded on the stock exchange.

The directors, supervisors and senior management of the Company during their terms of office shall report to the Company their shareholdings in the Company and the changes thereof and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within 1 year from the date when the shares of the Company are listed and traded. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 27 The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The reduction of registered capital of the Company shall follow the procedures set forth in the Company Law and other relevant regulations as well as the Articles of Association.

Article 28 When reducing its registered capital, the Company shall prepare a balance sheet and an inventory of property.

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 on newspapers within 30 days. Creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the Company to pay its debts or provide guarantees covering the debts.

Article 29 The Company may, subject to the procedures set out in the Articles of Association and with the approval of the state competent authorities, repurchase its outstanding shares in accordance with legal procedures under the following circumstances:

- (I) cancelling its shares for the purpose of reducing the registered capital of the Company;
- (II) merging with another company which holds the shares of the Company;
- (III) using shares for employee stock ownership plan or equity incentives;
- (IV) 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;
- (V) utilizing the shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (VI) it is necessary for the Company to maintain corporate value and shareholders' interests; and
- (VII) other circumstances as permitted by laws, administrative regulations and listing rules of the place where the Company's shares are listed and approved by regulatory authorities.

Except for the aforesaid circumstances, the Company shall not trade in our shares.

A resolution of a shareholders' general meeting is required for the acquisition of our shares by the Company under either of the circumstances stipulated in item (I) or item (II) of the first paragraph; for the Company's acquisition of our shares under any of the circumstances stipulated in item (III), item (V) or item (VI) of the first paragraph, 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.

If the repurchase of our shares is made by the Company under any of the circumstances stipulated in item (III), item (V) or item (VI) of the first paragraph, centralized trading shall be adopted publicly.

After the Company's acquisition of our shares under the circumstances of the first paragraph, the shares acquired under the circumstance stipulated in item (I) hereof shall be deregistered within ten days from the date of acquisition of our shares; the shares shall be assigned or deregistered within six months if the acquisition of shares is made under the circumstances stipulated in either item (II) or item (IV); and the number of shares of the Company held in total by the Company under the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total shares in issue, and shall be assigned or deregistered within three years.

The Company shall not accept its shares as the subject matter of pledge.

If it is otherwise provided in relevant laws, regulations, regulatory documents and relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed regarding the relevant events in respect of repurchase of the shares above, such provisions shall prevail.

Article 30 With the approval of the relevant competent authorities of the State, the Company may repurchase its shares by the following ways:

- (I) to make a repurchase tender offer to all shareholders in the same proportion;
- (II) to repurchase shares through public transaction on a stock exchange;
- (III) to repurchase shares through an off-market agreement outside a stock exchange; and
- (IV) the other ways approved by relevant regulatory authorities.

Article 31 A prior approval shall be obtained from the shareholders' general meeting in respect of any share repurchase by the Company through an off-market agreement outside a stock exchange in accordance with the provisions of the Articles of Association. After the shareholders' general meeting has given its prior approval in the same way, the Company may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.

The share repurchase contracts aforesaid include (but are not limited to) an agreement to assume the obligations of repurchasing shares and obtain the rights of repurchasing shares.

The Company shall not assign the contracts to repurchase its own shares or any rights thereunder.

Where there are redeemable shares in the Company and the Company has the rights to repurchase the redeemable shares, the share repurchase price shall be limited to a maximum price if such repurchases are not made on-market or by tender, and if such repurchases are made by tender, the relevant tenders shall be available to all shareholders alike.

Article 32 Where the Company cancels a part of shares due to the share repurchase, the cancellation shall be conducted within the time prescribed by laws, administrative regulations and the listing rules of the place where the Company's shares are listed, and the application for change of the registered capital shall be filed with the original company registration authorities.

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

Article 33 Unless the Company has entered into the liquidation stage, it shall be subject to the following provisions in repurchasing its outstanding shares:

- (I) where the Company repurchases its shares at par value, the payment shall be deducted from the book balance of the Company's distributable profits and from the proceeds of a new share offer made to repurchase the old shares;
- (II) where the Company repurchases its shares at a price above the par value, the portion equal to the par value shall be deducted from the book balance of the Company's distributable profits and from the proceeds of a new share offer made to repurchase the old shares; and the portion in excess of the par value shall be effected as follows:
 - 1. where the shares repurchased were issued at par value, payment shall be deducted from the book balance of the Company's distributable profits;
 - 2. where the shares repurchased were issued at a price above the par value, payment shall be deducted from the book balance of the Company's distributable profits and from the proceeds of a new share offer made to repurchase the old shares; provided that the amount deducted from the proceeds of the new share issuance shall not exceed the total premiums obtained at the time of issuance of the old shares repurchased nor exceed the amount (including the premiums from the new share issuance) in the Company's premium account (or capital reserve account) at the time of repurchase;
- (III) payments by the Company for the purposes set forth below shall be made out of the Company's distributable profits:
 - 1. acquisition of the rights to repurchase its own shares;
 - 2. variation of any contracts for the repurchase of its own shares; and
 - 3. release from its obligations under any repurchase contracts.
- (IV) after the aggregate par value of the shares so cancelled has been deducted from the Company's registered capital in accordance with relevant regulations, the amount deducted from the distributable profits for the shares repurchased at the par value shall be credited into the Company's premium account (or capital reserve account).

If it is otherwise provided in the laws, regulations, rules, regulatory documents and relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed regarding the financial transaction in respect of repurchase of the shares above, such provisions shall prevail.

Chapter 5 Financial Assistance for Purchasing the Company's Shares

Article 34 The Company or its subsidiaries (including affiliates of the Company) 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 (including affiliates of the Company) shall not, at any time and in any manner, provide any financial assistance to the above obligors in order to reduce or discharge their obligations.

The provisions of this article do not apply to the circumstances set out in Article 36 of the Articles of Association.

Article 35 Financial assistance referred to in this chapter shall include (but not limited to):

- (I) gifts;
- (II) guarantees (including the case where the guarantor undertakes the liability or provides property to ensure fulfillment of obligations by the obligor), compensation (excluding compensation arising out of the Company's own faults), discharge or waiver of rights;
- (III) provision of a loan or entering into a contract under which the obligations of the Company are to be fulfilled prior to that of another party, and a change in the party to such loan or contract as well as the assignment of the rights thereof; and
- (IV) financial assistance in any other form given by the Company when the Company is insolvent, has no net assets or as a result of which the Company's net assets would be reduced to a material extent.

The obligations referred to in this chapter shall include the obligations of an obligor which arise by entering into a contract or making an arrangement (regardless of whether such contract or arrangement is enforceable, or whether such obligations are assumed by the obligor individually or jointly with any other person), or any obligations that arise out of changes made in any other way to the obligor's financial conditions.

Article 36 The following actions shall not be deemed as actions prohibited in Article 34 of this chapter, except for any prohibitions by the relevant laws, administrative regulations, departmental rules or normative documents:

- (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 structuring, 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 stock 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).

Chapter 6 Share Certificates and Share Register

Article 37 Share certificates of the Company shall be in registered form. In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other matters required to be specified by the stock exchange(s) on which the Company's shares are listed.

During the listing of the H shares in Hong Kong, the Company shall ensure that the following statements are enclosed in the listing documents and shall instruct and procure its share registrar to reject the registration of the subscription, purchase or transfer of shares in the name of any individual holder unless and until the individual holder submits the properly signed form relating to such shares to the share registrar and the form shall include the following statements:

- (I) The purchaser of the shares agrees with the Company and each of the shareholders, and the Company agrees with each of the shareholders, to observe and comply with the requirements of the Company Law, Special Regulations and other relevant laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.
- (II) the purchaser of the shares agrees with the Company, each of shareholders, directors, supervisors, managers and senior management of Company, and the Company (for itself and on behalf of each of its directors, supervisors, managers and Senior Management) agrees with its shareholders to submit all disputes or claims arising from the Articles of Association or any right or obligation under the Company Law or other relevant laws, administrative regulations concerning the affairs of the Company to arbitration in accordance with the requirements of the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.
- (III) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder.
- (IV) the purchaser of the shares authorizes the Company to enter into a contract on his/her behalf with each of the directors and senior management, pursuant to which the directors and senior management would undertake to observe and fulfill their responsibilities to the shareholders under the Articles of Association.

Where shares without voting rights are included in the share capital of the Company, the name of such shares shall carry the tag "Without Voting Right".

Where shares with different voting rights are included in the share capital of the Company, the name of each class of shares (excluding shares with the most preferred voting rights) shall carry the tag "Restricted Voting Right" or "Limited Voting Right".

Article 38 The share certificates shall be signed by the chairman of the Board of Directors. Where the stock exchange on which the Company's shares are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The affixing of Company's seal on the share certificates shall be authorized by the Board of Directors. The signatures of the chairman of the Board of Directors of the Company or other relevant senior management on the share certificates may also be in printed form.

Under the conditions of paperless issuance and transactions, other requirements stipulated by the securities regulatory authorities at the place where the Company's shares are listed shall prevail.

Article 39 The Company shall maintain a share register according to certificates provided by the share registrar and the following particulars shall be recorded in share register:

- (I) the name, address (domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid or payable for the shares held by each shareholder;
- (IV) the serial number(s) of the share(s) held by each shareholder;
- (V) the date on which each shareholder is registered as a shareholder; and
- (VI) the date on which each shareholder ceases to be a shareholder.

The share register shall be the sufficient evidence for the shareholders' shareholding in the Company unless there is evidence to the contrary.

Article 40 The Company may, in accordance with the memorandum of understanding and agreements between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its original copy of the register of holders of overseas listed foreign shares outside China and entrust administration thereof to an overseas agent. The original copy of the register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile. The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate registers of holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate registers of holders of overseas listed foreign shares, the original version shall prevail.

Article 41 The Company shall keep a complete share register. The share register shall include the following parts:

- (I) Share register kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) The original copy of the register of holders of overseas listed foreign shares of the Company, kept at the place where the overseas stock exchange on which the shares are listed is located; and
- (III) Share register that the Board of Directors decides to keep at such other place for the purpose of listing of the Company's shares.

Article 42 The respective parts of the share register shall not overlap each other. In the event of transfer of shares registered in a specific part of the share register, the said shares shall not be registered in any other part of the share register in the duration of the registration of the said shares.

Any change or correction of any part of the share register shall comply with the law of the location where the said part is kept.

Article 43 Where the PRC laws, administrative regulations, departmental rules, normative documents and relevant provisions of the stock exchange or regulatory authorities at the place where the Company's shares are listed have any provision in respect of the period of closure of register of members prior to the convening of the shareholders' general meeting or prior to date for the determination of the basis of dividend distribution by the Company, such provisions shall prevail.

Article 44 If the Company convenes a shareholders' general meeting, distributes dividends, conducts liquidation or executes any other act requiring recognition of shareholdings, the Board of Directors shall set a date for ascertainment of the shareholding. The shareholders whose names appear on the register of shareholders are entitled to the relevant rights of Company's shareholders at the end of equity determination date.

Article 45 If any person objects to the share register and asks to have its/his/her name entered in or deleted from the share register, the said person may apply to the court with jurisdiction to correct the share register.

Article 46 If any shareholder in the register of shareholders or any person requesting to have its/his/her name entered into the register of shareholders has lost its/his/her share certificates (that is, the "Original Certificates"), the said shareholder or person may apply to the Company to issue a replacement share certificate for the said shares (that is, the "Relevant Shares").

If a holder of domestic shares who has lost its/his/her share certificate applies for a replacement share certificate, such an application shall be processed pursuant to Article 143 of the Company Law.

Application for reissue of lost share certificates by holders of overseas listed foreign shares may be handled pursuant to the laws, regulations, the rules of the stock exchange or other relevant regulations of the place where the original copy of the register of holders of overseas listed foreign shares is kept.

Application for reissue of share certificates lost by holders of overseas listed foreign shares of a company listed in Hong Kong shall meet the following requirements:

- (I) The applicant shall submit an application in a standard format designated by the Company and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, circumstances and evidence about how the share certificates are lost, and a statement that no other person may request to be registered as shareholder for the Relevant Shares.
- (II) Before deciding to reissue new share certificates, the Company has not received any statement from a person, other than the applicant, who requests to be registered as shareholder for the said shares.
- (III) After deciding to reissue new share certificates to the applicant, the Company shall publish announcements of reissue of new share certificates on the newspapers designated by the Board of Directors; the announcement shall be made at least once every 30 days over a period of 90 days.

(IV) Before publishing the announcement of reissue of new share certificates, the Company shall submit a copy of the to-be-published announcement to the stock exchange on which its shares are listed, and may publish the announcement only after receiving a reply from the said stock exchange confirming that the said announcement has been displayed on the stock exchange. The announcement shall be displayed on the stock exchange for a period of 90 days.

If the application for reissuing share certificates is not approved by the registered holder of the Relevant Shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.

(V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this article, the Company has not received any objection to reissue of share certificates from any person, the Company may issue new share certificates as requested by the applicant.

(VI) When the Company reissues new share certificates in accordance with this article, the Company shall immediately deregister the Original Certificates, and record such deregistration and reissue in the share register.

(VII) All the expenses for deregistering the Original Certificates and reissuing new share certificates shall be borne by the applicant. The Company shall have the right to refuse to take any action before the applicant provides any reasonable guarantee.

Article 47 After the Company reissues new share certificates in accordance with the Articles of Association, the name of the bona fide purchaser of the said new share certificates or the shareholder (if he/she is a bona fide purchaser) later registered as owner of the said shares shall not be deleted from the share register.

Article 48 The Company has no obligation to compensate any person for any loss arising from deregistration of the Original Certificates or reissue of new share certificates, unless the said person can prove that the Company has committed any fraud.

Chapter 7 Rights and Obligations of Shareholders

Article 49 The Company's shareholders are persons who lawfully hold shares of the Company and whose names are entered in the register of shareholders.

Shareholders enjoy relevant rights and assume the relevant obligations in accordance with the classes and numbers of shares they hold; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 50 The shareholders of ordinary shares of the Company shall be entitled to the following rights:

- (I) obtaining dividends and any other form of profit distribution based on 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 laws and exercising the corresponding voting rights;
- (III) to supervise and manage, present suggestions on or make inquiries about the business operations of the Company;

- (IV) to transfer, gift or pledge their shares in accordance with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association;
- (V) obtaining related information in accordance with provisions prescribed by the Articles of Association, including:
1. to obtain a copy of the Articles of Association upon payment of costs thereof;
 2. to acquire the right to inspect and duplicate after paying a reasonable charge:
 - (1) all parts of the register of shareholders;
 - (2) personal information on the directors, supervisors and senior management of the Company, including:
 - a. present and former name and alias;
 - b. principal address (domicile);
 - c. nationality;
 - d. full-time and all other part-time occupations and positions;
 - e. identification certificate document and its number.
 - (3) status of share capital of the Company;
 - (4) reports showing the number and nominal value in respect of each class of shares repurchased by the Company since the last fiscal year, the aggregate amount paid for such shares and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares, foreign shares and H shares);
 - (5) bond stubs, resolutions of meetings of the Board of Directors, resolutions of meetings of the Board of Supervisors, the financial and accounting reports of the Company;
 - (6) the latest audited financial statements of the Company, and the reports of the Board of Directors, auditors and the Board of Supervisors;
 - (7) the annual report of the previous year filed with the market regulation authority or other competent authorities of China;
 - (8) minutes of shareholders' general meetings and special resolutions of the Company.

The Company shall deposit the aforementioned documents (excluding (2) and (5)) at its Hong Kong address in accordance with the requirements of the Hong Kong Listing Rules for free inspection by the public and holders of H Shares and for duplication by shareholders at reasonable charges. Minutes of shareholders' general meetings are for inspection by shareholders only.

Subject to relevant laws and regulations, the Company may refuse to provide any contents if the contents so inspected and duplicated involve business secrets and insider information of the Company and personal privacy of relevant persons.

- (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;
- (VIII) with respect to shareholders individually or jointly holding 3% or above shares of the Company, the right to propose extraordinary resolutions and submit to the Board of Directors in writing 10 days before the date of general meeting;
- (IX) any other rights stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association.

The Company shall not exercise any power to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 51 The shareholders of the Company's ordinary shares shall undertake the following obligations:

- (I) abiding by laws, administrative regulations, listing rules of the place where the Company's shares are listed 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 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 laws.

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.

- (IV) any other obligations stipulated by laws, administrative regulations, listing rules of the place where the Company's shares are listed and 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.

Article 52 In addition to the obligations required under the laws, administrative regulations, or the listing rules of the place where the Company's shares are listed, when exercising their rights as a shareholder, controlling shareholders shall not exercise their voting rights and make decisions on the following issues as these issues are detrimental to the interests of all or some of the shareholders:

- (I) exempting directors and supervisors from acting in good faith with the best interests of the Company;
- (II) approving directors and supervisors (for the benefit of themselves or others) to deprive the Company's property in any form, including (but not limited to) any opportunity that is beneficial to the Company; and
- (III) approving directors and supervisors (for the benefit of themselves or others) in depriving other shareholders of their personal interests, including (but not limited to) any distribution rights and voting rights, but excluding corporate restructuring submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

Article 53 The "controlling shareholders" referred to in the preceding article shall refer to the person satisfying any of the following conditions:

- (I) any person acting on his/her own or in concert with other parties has the power to elect not less than half of the directors;
- (II) any person acting on his/her own or in concert with other parties has the power to exercise or control the exercise of 30% or more of the voting rights of the Company;
- (III) any person acting on his/her own or in concert with other parties holds 30% or more of the outstanding shares of the Company;
- (IV) any person acting on his/her own or in concert with other parties has actual control over the Company in any other manner; and
- (V) any other person stipulated by the relevant laws, administrative regulations or the listing rules of the place where the Company's shares are listed.

Chapter 8 Shareholders' General Meetings

Article 54 The shareholders' general meeting is the organ of authority of the Company, which exercises its functions and powers in accordance with the law.

Article 55 The shareholders' general meeting shall exercise the following functions and powers:

- (I) to determine the Company's operating principles and investment plans;
- (II) to elect and replace directors, and to determine the remuneration of the relevant directors;
- (III) to elect and replace supervisors who are shareholder representatives, and to determine the remuneration of the relevant 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 review and approve the Company's annual financial budgets and final accounts;
- (VII) to review and approve the Company's profit distribution proposals and loss recovery proposals;
- (VIII) to decide on any increase or reduction of the Company's registered capital;
- (IX) to decide on the issue of corporate bonds or other securities and listing plans;
- (X) to decide on merger, division, dissolution and liquidation of the Company or change of its corporate form;
- (XI) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm;
- (XII) to amend the Articles of Association;
- (XIII) to consider matters relating to the purchases and disposals of material assets (including but not limited to land, building, equipment, production line and equity), or provisions of guarantees accumulated within one year, which are more than 30% of the latest audited total assets of the Company;
- (XIV) to examine equity incentive plans;
- (XV) to deliberate proposals put forward by shareholders who represent 3% or more of the Company's voting shares;
- (XVI) to consider and approve any change of the use of proceeds raised; and
- (XVII) to review other issues which should be decided by the shareholders' general meeting as stipulated by laws, regulations, listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 56 Where the Company provides guarantee for the shareholders or actual controllers of the Company, the resolution shall be made by the shareholders' general meeting.

When the shareholders' general meeting is considering a proposal to provide guarantee for a shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on such matters as specified in the preceding paragraph. Such proposal shall be subject to the approval by other shareholders who are present at the meeting and holding more than half of the voting rights.

Article 57 Unless the Company is under exceptional circumstances such as crisis, the Company shall not enter into contracts with a party (other than directors, supervisors, and senior management) in relation to handover of the administration of all business or the important business of the Company to that party without the pre-approval of the shareholders' general meeting.

Article 58 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 convened once a year, and be held within 6 months after the end of the previous accounting year.

Article 59 An extraordinary general meeting shall be convened by the Company within two months from the date of occurrence of any of the following events:

- (I) the number of directors is less than the 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;
- (III) shareholders who individually or jointly hold above 10% of the shares of the Company have requested to convene the meeting;
- (IV) the Board of Directors deems it necessary to convene the meeting;
- (V) the Board of Supervisors proposes to convene the meeting;
- (VI) two or more independent non-executive directors propose to convene the meeting; and
- (VII) any other circumstances as stipulated by the laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed or the Articles of Association.

The number of shares held under (III) above shall be calculated on the basis of the date on which the shareholder makes a written request; provided that, on or before the date of announcement of the resolution at the shareholders' general meeting of the Company, the shares of the Company held by the shareholders referred to in (III) above, individually or in aggregate, shall not be less than ten percent of the total number of voting shares of the Company; in the event that the percentage of shares held is less than ten percent, the relevant resolution made at this extraordinary general meeting in respect of the resolution proposed by the shareholders referred to in (III) above shall be null and void.

Article 60 The place where the shareholders' general meeting of the Company shall be held shall be the domicile of the Company or such other place as may be designated by the convener of the shareholders' general meeting.

The shareholders' general meeting will be held at a venue and will be held in the form of a live meeting. The Board of Directors of the Company may, on a case-by-case basis and shall, where applicable, adopt other voting methods to facilitate shareholders' participation in the shareholders' general meeting in accordance with the laws, administrative regulations, rules of the securities regulatory authorities at the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association of the Company. A shareholder is deemed to be present if he/she attends the shareholders' general meeting by the means determined above.

Article 61 In the event that the Company convenes a shareholders' general meeting, shareholders individually or jointly holding an aggregate of more than 3% of the Company's shares with voting rights shall have the right to put forward new proposals in writing to the Company and submit them to the convener 10 days prior to the shareholders' general meeting. The convener of the shareholders' general meeting shall issue a supplemental notice of the shareholders' general meeting to other shareholders within 2 days after receipt of such proposal, and place the matters of the proposal falling within the scope of authority of the shareholders' general meeting on the agenda for such meeting and submit them for consideration at the shareholders' general meeting.

Article 62 The convener shall inform each shareholder of the time, venue of the meeting and matters to be considered at the meeting 20 working days before the annual shareholders' general meeting, and shall inform each shareholder of the convening of an extraordinary general meeting 15 days or 10 working days (whichever is longer) before the meeting. The "working days" referred to herein shall be the legal working days announced by the PRC and Hong Kong governments. Where otherwise provided by laws and regulations, relevant regulatory authorities and stock exchanges of the place where the Company's shares are listed, the provisions thereof shall prevail.

An extraordinary general meeting shall not resolve on matters not specified in the notice or not complying with the provisions of Article 61 of the Articles of Association.

Article 63 The notice of a shareholders' general meeting shall:

- (I) be made in writing;
- (II) specify the venue, date and time of the meeting;
- (III) state the matters to be discussed at the meeting;
- (IV) provide shareholders with the information and explanations needed to enable them to make informed decisions on the matters to be discussed; this means that when (including but not limited to) any merger, share repurchase, share capital reorganization or other changes in the structure of the Company are involved, the detailed terms of the proposed transaction and the contract (if any) and detailed explanation as to the cause and effect of such a proposal transaction shall be provided;
- (V) if any of the directors, supervisors and senior management have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on a director, supervisor and senior management as shareholders compared to other shareholders of that same class, they shall explain this difference;
- (VI) contain the full text of any proposed special resolution to be voted on at the meeting;
- (VII) contain a written statement that clearly indicates that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his/her behalf and such proxy does not need to be a shareholder; and
- (VIII) specify the time and address for serving the power of attorney for the voting proxy for the meeting.

Article 64 Unless otherwise specified in the Articles of Association, the notice of the shareholders' general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) by personal delivery or postage paid mail to the recipient's address shown in the register of shareholders. For holders of Domestic Shares, the notice of the shareholders' general meeting may also be given by way of announcement.

The aforesaid announcement shall be published in one or more newspapers designated by the competent securities authority of the State Council 15 days or 10 working days (whichever is longer) prior to the date on which the extraordinary general meeting, or 20 working days prior to the date on which the annual general meeting is to be convened. All holders of Domestic Shares shall be deemed as having been notified of the forthcoming shareholders' general meeting once the announcement is published.

Article 65 Where a notice of meeting is not delivered to persons who have the right to receive the notice or such persons do not receive the notice of meeting due to accidental omission, the meeting and the resolutions passed by the meeting shall not be rendered invalid as a result thereof.

Article 66 Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who may not be a shareholder or shareholders) in writing as his/her/its proxy to attend and vote on his/her/its behalf.

The proxy(ies) so appointed by the shareholder(s) may, pursuant to the appointment of the shareholder(s), exercise the following rights:

- (I) the shareholders' right to speak at the shareholders' general meeting;
- (II) the right to demand a poll by himself/herself or jointly with others; and
- (III) the right to vote by hand or on a poll, provided that where more than one proxy has been appointed, the proxies may only exercise such voting rights by a poll.

Article 67 The appointment of a proxy shall be in writing and signed by the appointing shareholder or his/her attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its director or attorney duly authorized.

Article 68 The instrument of proxy shall be lodged at the address of the Company or at other places specified in the notice of meeting at least 24 hours prior to the relevant meeting at which the proxy is authorized to vote, or within 24 hours prior to the specified time of voting. Where the instrument of proxy is signed by a person authorized by the appointing shareholder, the power of attorney or other documents authorizing such person to sign the instrument of proxy shall be notarized. The notarized power of attorney or other authorization documents, together with the instrument of proxy, shall be lodged at the address of the Company or at other places specified in the notice of meeting.

Where the appointing shareholder is a legal person, its legal representative or the person authorized by the resolution of its board of directors or other governing bodies may attend the shareholders' general meetings of the Company as a representative of such appointing shareholder.

Article 69 Any format of the power of attorney issued to a shareholder by the Board of Directors of the Company for appointing a proxy shall provide the shareholder with the flexibility to instruct the proxy to vote for or against, and give directives on each of the resolutions to be decided at the meeting.

Such a power of attorney shall specify that in default of directives from the shareholder, the proxy may vote at his/her own discretion.

Article 70 Where the appointing shareholder has deceased, lost capacity, revoked the appointment or the signed instrument of authorization prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of such event prior to the commencement of the relevant meeting.

Article 71 Resolutions at the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions shall be approved by more than half of voting rights held by the shareholders (including their proxies) attending the shareholders' general meeting.

Special resolutions shall be approved by above two-thirds of voting rights held by the shareholders (including their proxies) attending the shareholders' general meeting.

In the event the matters of connected transactions are considered at a shareholders' general meeting, if required by applicable laws, regulations or the listing rules of the stock exchange where the Company's shares are listed, 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.

Article 72 When voting at the shareholders' general meeting, shareholders (including their proxies) shall exercise voting rights based on the number of shares with voting rights held by them, and each share shall have one vote. The shares of the Company held by the Company itself shall have no voting right and shall not be included in the total number of shares with voting rights of the shareholders who are present at the shareholders' general meeting.

Article 73 Any vote of shareholders at a shareholders' general meeting must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution that relates purely to a procedural or administrative matter to be voted on by a show of hands.

If the chairman of the meeting decides to vote by a show of hands, voting at shareholders' general meetings shall be conducted by a show of hands unless the following persons require voting by poll before or after voting by a show of hands:

- (I) the chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies thereof; and
- (III) shareholder(s) (including their proxies) severally or jointly holding more than 10% (inclusive) of shares with voting rights at the meeting.

If the chairman of the meeting decides to vote by a show of hands, unless a poll is demanded, the announcement by the chairman that whether the proposals have been passed based on the results of voting by a show of hands and the recording of the same in the minutes shall be conclusive evidence. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution at the meeting.

The request for voting by poll may be revoked by the person tendering the request.

Article 74 If the matter required to be voted by poll relates to election of chairman or adjournment of the meeting, voting by poll shall be conducted immediately; in respect of other matters required to be voted by poll, the chairman may decide when to proceed with the poll, and the meeting may proceed to discuss other matters, and the results of the poll shall be deemed as resolutions passed at the meeting.

Article 75 In voting by poll, shareholders (including their proxies) entitled to two or more votes are not required to cast all their votes in the same way of pros or cons.

Article 76 In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.

Article 77 Where applicable laws and regulations or Hong Kong Listing Rules require any shareholder to abstain from voting on a specific resolution or restrict any shareholder to vote only for (or against) a specific resolution, any vote cast by the shareholder or his or her proxy in contravention of the relevant requirement or restriction shall not be included.

Article 78 The following matters shall be approved by the shareholders' general meeting by ordinary resolutions:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plan and plan for covering losses formulated by the Board of Directors;
- (III) appointment and dismissal of members of directors and non-employee representative supervisors, and their remunerations and the method of payment thereof;
- (IV) annual budgets and final accounts plan of the Company;
- (V) annual report of the Company;
- (VI) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm by the Company; and
- (VII) all matters subject to approval by the shareholders' general meeting other than those that shall be adopted by special resolutions as provided for in laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association.

Article 79 The following matters shall be approved by the shareholders' general meeting by special resolutions:

- (I) increase or reduction in share capital of the Company, and issuance of any class of shares, warrants and other similar securities;
- (II) issuance of corporate bonds;
- (III) division, merger, dissolution and liquidation of the Company or change in the form of the Company;
- (IV) amendment to the Articles of Association;
- (V) to consider matters relating to the purchases and disposals of material assets (including but not limited to land, building, equipment, production line and equity), or provisions of guarantees accumulated within one year, which are more than 30% of the latest audited total assets of the Company; and
- (VI) any other matters as required by the laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association, or considered by an ordinary resolution of the shareholders' general meeting to be of substantial impact to the Company and required to be approved by a special resolution.

Article 80 Shareholders requesting the convening of an extraordinary general meeting or a class shareholders' meeting shall proceed in accordance with the procedures set forth below:

- (I) shareholders who individually or jointly hold 10% or more of the shares carrying the right to vote at the proposed meeting may sign one or several written requisitions of the same format and contents, requesting the Board of Directors to convene an extraordinary general meeting or a class shareholders' meeting, and clarifying the object of the meeting. The Board of Directors shall convene the extraordinary general meeting or a class shareholders' meeting as soon as possible after receipt of the aforesaid written requisition(s). The number of the aforesaid shares shall be calculated as of the date on which the written requisition(s) is/are made by shareholders.
- (II) Where the Board of Directors fails to issue a notice to convene the meeting within 30 days after receiving the aforementioned written request, the shareholders who made the request may request the Board of Supervisors to convene an extraordinary general meeting or a class shareholders' meeting.
- (III) Where the Board of Supervisors fails to issue a notice to convene the meeting within 30 days after receiving the aforementioned written request, the shareholders who individually or collectively hold 10% or more of the shares carrying the right to vote at the proposed meeting for more than 90 consecutive days may proceed to convene the meeting on their own initiative within 4 months upon the Board of Directors having received such request, and the procedures for convening the meeting shall be as similar as possible to the procedures for the Board of Directors to convene the shareholders' general meeting.

If the meeting is convened and held by the shareholders on their own due to the failure of the Board of Directors to convene the meeting according to the above requirements, all reasonable expenses incurred for such meeting shall be borne by the Company and deducted from the sums owed by the Company to the negligent directors and supervisors.

Under the prerequisite to abide by relevant laws and administrative regulations, a shareholders' general meeting may remove any director before the expiration of his/her term of office by way of an ordinary resolution (but without prejudice to any claim for damages under any contract).

Article 81 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. Where the chairman of the Board of Directors fails or is unable to perform his/her duty, the Board of Directors may appoint a company director to convene the meeting on his/her behalf and serve as the chairman of the meeting; in the event that no chairman of the meeting is appointed, the shareholders present at the meeting may elect one person to act as the chairman of the meeting. If for any reason, shareholders fail to elect a chairman, the shareholder (including proxies) holding the largest number of voting shares among the attending shareholders shall be the chairman of the meeting.

Article 82 The chairman of the meeting shall decide whether or not a resolution is passed pursuant to voting results. His/her decision shall be final and shall be announced at the meeting and recorded in the minutes.

Article 83 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, shareholders or proxies present at the meeting who disagree with the result announced by the chairman of the meeting may, immediately after the declaration, demand that the ballots be counted and the chairman of the meeting shall have the ballots counted immediately.

Article 84 If ballots are counted at a shareholders' general meeting, the counting result shall be recorded in the minutes. The minutes of the meeting together with the attendance record of the attending shareholders and the powers of attorney for the attendance of proxies, and the valid information of voting via other means shall be kept at the domicile of the Company.

Article 85 A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven days after receipt of the reasonable payment therefor.

Chapter 9 Special Procedures for Voting by Class Shareholders

Article 86 Shareholders who hold different classes of shares shall be class shareholders.

Class shareholders shall be entitled to rights and shall bear responsibilities in accordance with laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 87 If the Company proposes to change or abrogate the rights of the class shareholders, this proposal should be passed by a special resolution at the shareholders' general meeting and passed at the meeting convened according to Articles 89 to 93 of the Articles of Association by the related class of shareholders.

Where any changes in domestic and overseas laws, administrative regulations and listing rules of the place where the Company's shares are listed, as well as decisions made under law by domestic and overseas regulatory authorities, lead to the changes or abrogation of rights of class shareholders, no approval of the shareholders' meeting or class shareholders' meeting would be required.

Upon approval by the securities regulatory authority of the State Council and consent of the Hong Kong Stock Exchange, the transfer of the Company's domestic shares by its holders in whole or part to overseas investors and the listing and trading of such transferred shares on overseas stock exchanges, or the conversion of the domestic shares in whole or part into overseas listed foreign shares and the listing and trading of such converted shares on overseas stock exchanges, shall not be deemed to be a change or abrogation of the rights of class shareholders proposed by the Company.

Article 88 The rights of a certain class of shareholders shall be deemed to be changed or nullified in 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) a change of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (III) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) a reduction or removal of a dividend preference or property distribution preference during liquidation of the Company attached to shares of such class;
- (V) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (VI) a removal or reduction of rights to receive amounts payable by the Company in a specified currency attached to shares of such class;
- (VII) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (VIII) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (IX) an issuance of rights to subscribe for or convert into shares of such class or another class;
- (X) an increase in the rights and privileges of shares of another class;
- (XI) a restructuring plan of the Company which will cause shareholders of different classes to bear liability to different extents during the restructuring; and
- (XII) to revise or nullify the provisions in this chapter.

Article 89 Shareholders of the affected class, 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), (XI) to (XII) of Article 88, provided that interested shareholders shall not have the right to vote at class meetings.

Interested shareholder(s) as specified in the preceding paragraph refer(s) to:

- (I) In case of a buyback of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with Article 30 hereof, the controlling shareholders as defined in the Articles of Association shall be the "interested shareholders";
- (II) In case of a buyback of shares by the Company by an over-the-counter agreement in accordance with Article 30 hereof, holders of shares in relation to such agreement shall be the "interested shareholders"; and
- (III) In case of a restructuring plan of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on other shareholders of that class or who have an interest that is different from the interest of other shareholders of that class shall be the "interested shareholders".

Article 90 A resolution of the class meeting shall be passed by shareholders present at the class meeting representing two-thirds or more of the voting rights in accordance with Article 89.

Article 91 Written notice of a class meeting shall be given by the Company in accordance with the requirements in respect of convening extraordinary general meetings as stipulated by Article 62 hereof to notify all the registered shareholders holding shares of that class of the matters to be considered at the meeting and the date and place of the meeting.

If the number of voting shares at such meeting held by shareholders who intend to attend such meeting is not less than one-half of the total number of voting shares of that class at such meeting, the Company may hold such class meeting; if not, the Company shall further notify the shareholders by way of announcement within five days thereof specifying the matters to be considered at the meeting and the date and place of the meeting. After such announcement has been given, the Company may then hold the class meeting.

Where the listing rules of the place where the Company's shares are listed have special provisions, such provisions shall prevail.

Article 92 Notice of class meetings need only be served on shareholders entitled to vote thereat. Meetings of any class of shareholders shall be conducted in a manner as similar as possible to that of the shareholders' general meetings. Unless otherwise specified in the Articles of Association, the provisions of the Articles of Association relating to the manner of convening the shareholders' general meeting shall apply to the class meeting.

Article 93 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes.

The special voting procedure for class shareholders shall not apply for the following cases:

- (I) after approval by a special resolution in shareholders' general meeting, the Company issue domestic shares and overseas listed foreign shares separately or at the same time at an interval of 12 months, and the proposed number of domestic shares and overseas listed foreign shares to be issued respectively will not exceed 20% of the outstanding issued shares of such class;
- (II) the plans to issue domestic shares and overseas listed foreign shares upon establishment of the Company are completed within 15 months from the date of approval by the securities regulatory authority of the State Council; and
- (III) Upon the approval by the securities regulatory authority of the State Council and the consent from Hong Kong Stock Exchange, the domestic shareholders of the Company will transfer their shares to offshore investors, or the domestic shareholders of the Company are approved for converting all or part of domestic shares into foreign shares, and such shares transferred or converted will be listed and traded on overseas stock exchanges.

Chapter 10 Board of Directors

Article 94 A company shall have a board which is responsible and submitting work reports to the shareholders' general meeting. Our Board of Directors consists of 9 Directors, including 4 executive Directors, 2 non-executive Directors and 3 independent non-executive Directors. The Board of Directors shall have one chairman. The chairman of the Board of Directors shall be elected and removed by more than half of the Directors of the Board of Directors. The chairman of the Board of Directors shall serve a term of three years subject to re-election.

Article 95 The Company shall set aside a period of time before convening the meeting in respect of candidates nominated by shareholders taking up the role of directors. Within this period, shareholders may issue a written notice to the Company in respect of nominating a candidate to be a director, and such candidate may issue written notice regarding the indication of his/her intention to accept the nomination to the Company. The aforementioned period shall be at least seven days and shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting.

Article 96 Directors shall be elected or replaced at a shareholders' general meeting and the tenure shall be three years. A director may serve consecutive terms if re-elected upon the expiration of his/her term.

The tenure of a director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. When the directors' term expires and re-election not be held in time, or where the resignation of a director during his/her term of office causes the number of members of the Board of Directors to be less than the quorum, the original directors shall still perform their duties as directors in accordance with laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association before the re-elected directors take office.

Any director can be removed before the expiration of his/her term of office by an ordinary resolution passed at a shareholders' general meeting, subject to full compliance with the relevant laws and administrative regulations. Such removal does not affect the rights of such director to make any claim under any contract.

A director is not required to hold any shares of the Company.

Article 97 The Board of Directors shall be responsible to the shareholders' general meetings and exercise the following functions and powers:

- (I) convening the shareholders' general meeting and submitting work reports to the shareholders' general meeting;
- (II) implementing resolutions of the shareholders' general meeting;
- (III) determining the Company's business plans and investment schemes;
- (IV) formulating the Company's annual budgets plan and final accounts plan;
- (V) formulating the Company's profit distribution plan and plan for covering losses;
- (VI) formulating the Company's plans for increase or reduction of registered capital, issuance of bonds or other securities and listing plan;
- (VII) making plans for the merger, division and dissolution of the Company or change of its corporate form;
- (VIII) determining the internal management setup of the Company;
- (IX) appointing or dismissing the general manager of the Company, the secretary to the Board of Directors, and the secretary of the Company; appointing or dismissing senior management including deputy general manager and person-in-charge of finance of the Company based on the nominations of the general manager, and determining their emoluments;
- (X) formulating the Company's basic management system;
- (XI) formulating draft for amendment of the Articles of Association;
- (XII) authorizing the chairman of the Board of Directors to exercise part of the functions and powers of the Board of Directors;
- (XIII) determining the establishment of special committees of the Board of Directors and select the members of each special committees of the Board of Directors;
- (XIV) formulating the equity incentive plans of the Company;
- (XV) proposing the scheme on the amount and the method of payment of directors' remuneration, and reporting to the shareholders' general meeting for decision;
- (XVI) managing information disclosure by the Company;

- (XVII) proposing to the shareholders' general meeting on the appointment or replacement of accounting firm which provides audit services to the Company;
- (XVIII) determining the major matters and administrative affairs other than those which shall be resolved by the shareholders' general meeting of the Company as required by laws, administrative regulations, competent departmental rules and the Articles of Association of the Company, and entering into other important agreements; and
- (XIX) any other functions and powers accorded by laws, administrative regulations, departmental rules and the listing rules of the place where the Company's shares are listed or the Articles of Association.

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 with the exception of resolutions on matters referred to in Items (VI), (VII) and (XI), which shall require the affirmative vote of more than two-thirds of the directors.

The above functions and powers exercised by the Board of Directors or any transaction or arrangement of the Company, which shall be considered at the shareholders' general meeting according to the listing rules of the stock exchange where the Company's shares are listed, shall be submitted to the shareholders' general meeting for consideration.

Article 98 For the disposal of any fixed assets by the Board of Directors, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within four months preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' general meeting, the Board of Directors shall not dispose of or approve of the disposal of such fixed assets without the prior approval of the shareholders' general meeting.

The disposal of fixed assets referred to in this article includes the transfer of interests of certain assets, but excludes the guarantee provided by pledge of fixed assets.

The validity of transactions conducted by the Company in relation to the disposal of fixed assets shall not be affected notwithstanding any violation of the requirements sets out in the first paragraph of this article.

Article 99 The chairman of the Board of Directors shall exercise the following functions and powers:

- (I) presiding over shareholders' general meetings, and convening and presiding over meetings of the Board of Directors;
- (II) supervising and inspecting implementation of resolutions of the Board of Directors;
- (III) signing corporate stocks, corporate bonds and other valuable securities;
- (IV) signing important documents of the Board of Directors and other documents that are required to be signed by the legal representative of the Company;

- (V) in cases of an emergency of force majeure such as catastrophic natural disasters, exercising special powers to deal with the Company's affairs in compliance with the law and the interests of the Company, and reporting to the Board of Directors and the shareholders' general meeting of the Company afterwards;
- (VI) to nominate or recommend a general manager, secretary of the Company, secretary of the Board of Directors for discussion and voting at the meetings of the Board of Directors;
- (VII) to propose the convening of interim meetings of the Board of Directors; and
- (VIII) to exercise other functions and powers granted by the Board of Directors.

Article 100 Where the chairman of the Board of Directors is incapable of performing or is not performing his/her duties, a Director elected jointly by more than half of the Directors shall perform his/her duties.

Article 101 Meetings of the Board of Directors include regular meetings of the Board of Directors and interim meetings of the Board of Directors.

Meetings of the Board of Directors shall be convened at least four (4) times each year (approximately once a quarter). Meetings of the Board of Directors shall be convened by chairman of the Board of Directors. Notices and documents of meeting shall be served to all directors and supervisors at least fourteen (14) days prior to the date of meeting (excluding the date of the meeting). The Board of Directors shall make arrangements to ensure that all directors are given an opportunity to put matters for discussion on the agenda of regular meetings of the Board of Directors.

Regular meetings shall not be held by way of circulating written resolutions.

The meeting of the Board of Directors shall follow the principle of on-site convening. If necessary, the meeting of the Board of Directors, on the condition that the directors can fully express their opinions, can be convened through video, telephone, fax, and email, etc. upon the consent of the convener (chairman) or the proposer(s) of the meeting. The meeting of the Board of Directors may also be held by the on-site method and by other means at the same time.

Article 102 The chairman of the Board of Directors shall convene an extraordinary meeting of the Board of Directors in one of the following circumstances:

- (I) proposed by shareholders holding not less than one-tenth of the voting rights;
- (II) proposed by not less than one-third of the directors;
- (III) proposed by two or more independent non-executive directors;
- (IV) proposed by the general manager or the Board of Supervisors;
- (V) the chairman of the Board of Directors considers necessary; and
- (VI) any other circumstances as provided for in the Articles of Association.

Article 103 The notice of the convening of an extraordinary meeting of the Board of Directors may be served by hand, mail, e-mail or fax and other written forms; the notice shall be sent to all directors, supervisors and senior management three days prior to the meeting. However, where an extraordinary meeting of the Board of Directors needs to be convened as soon as possible in emergency, the notice of the meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

Article 104 Except for the extraordinary meeting of the Board of Directors in case of emergency, the notice of the meeting of the Board of Directors shall be served by hand or by fax, mail or other means.

The written notice of a meeting of the Board of Directors shall include the following:

- (I) date and venue of the meeting;
- (II) topics for discussion; and
- (III) date on which the notice is sent.

If the meeting of the Board of Directors is held by means of communication, the notice of the meeting shall specify the method, term and address for service of votes to directors.

Article 105 A meeting of the Board of Directors shall be attended by more than half of the Directors.

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.

Where there is an equality of votes cast both for and against a resolution, the chairman shall have the right to cast one more vote.

Article 106 Where a director or any of his/her close associates is interested in the matters resolved by the Board of Directors, the director shall recuse himself/herself and shall not have the right to vote. The director shall not be counted when the quorum of directors present at the meeting is calculated. In case a director recuses himself/herself from voting, a meeting of the Board of Directors may be held when more than half of the non-connected directors attend the meeting. The resolution made at the meeting of the Board of Directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meeting is less than three, the proposal shall not be voted on and the matter shall be submitted to the shareholders' general meeting for consideration.

Article 107 A meeting of the Board of Directors shall be attended by the directors in person. Where a director is unable to attend a meeting for any reason, he/she shall appoint another director in writing to attend the meeting on his/her behalf. Such an instrument of appointment shall specify the names of the proxy, the issues, the scope of the authorization granted by the principal, and the term of validity of the appointment and with the principal's signature or seal.

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 meeting of the Board of Directors 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.

Article 108 Resolutions of the Board of Directors shall be voted on by a show of hands or by disclosed ballot at the on-site meeting.

On the premise that the directors can fully express their opinions, the extraordinary meeting of the Board of Directors may be held and adopt a resolution by means of communication. The resolution shall be signed by the attending directors and served to the Company by hand, mail, e-mail or fax.

Article 109 The Board of Directors shall keep minutes of resolutions passed at meetings of the Board of Directors (the minutes shall include any doubt or objections raised by the directors). The minutes shall be signed by the directors and recorders present at the meeting. After the meeting of the Board of Directors, the first draft and the final draft of the minutes shall be sent to all directors within a reasonable period of time. The first draft shall be subject to the directors' expression of opinions and the final draft shall be kept as records.

The directors shall be responsible for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates the laws, administrative regulations, listing rules of the place where the Company's shares are listed or the Articles of Association, 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 proven that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such director may be relieved of that liability.

The documents of meetings of the Board of Directors, including meeting notices and meeting materials, meeting attendance signature book, the powers of attorney for proxy directors, meeting taping information, votes, minutes signed and confirmed by attending directors, meeting summaries, resolution records, etc., shall be filed by the secretary to the Board of Directors. Such minutes shall be available for inquiry at any reasonable time upon reasonable notice by any director. The minutes of the meeting of the Board of Directors shall be kept as archives of the Company.

Article 110 Where necessary, the Board of Directors may set up special committees such as audit committee, remuneration committee and nomination committee to provide suggestions and advices for its significant decisions. The personnel composition and terms of reference of special committees shall be resolved separately by the Board of Directors. Special committees shall not make any resolution in the name of the Board of Directors. However, in the absence of violation of the mandatory provisions under PRC's relevant laws, regulations, regulatory documents and the listing rules of the stock exchange where the Company's shares are listed, the special committees shall exercise the right of decision on the authorized matters under the special authorization of the Board of Directors.

Chapter 11 Secretary to the Board of Directors

Article 111 The Company shall have one secretary to the Board of Directors, who shall be appointed or dismissed by the Board of Directors. The secretary to the Board of Directors is a member of senior management of the Company.

Article 112 The secretary to the Board of Directors shall be a natural person with requisite professional knowledge and experience, and his/her main duties include:

- (I) to ensure that the document of the Board of Directors complies with relevant laws and regulations;
- (II) to ensure that the Company has a complete set of constitutional documents and records;
- (III) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;
- (IV) to ensure that the register of shareholders of the Company is properly maintained, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents; and
- (V) other duties required by laws, regulations, the Articles of Association, other management systems of the Company, and the listing rules of the stock exchange where the Company's shares are listed.

Article 113 Directors or other senior management may concurrently act as the secretary to the Board of Directors. The accountant of the accounting firm engaged by the Company shall not concurrently serve as the secretary to the Board of Directors of the Company.

Where the secretary to the Board of Directors concurrently acts as a director, for an act which is required to be made by a director and the secretary to the Board of Directors separately, the person who concurrently acts as a director and the secretary to the Board of Directors may not perform the act in dual capacity.

Chapter 12 Party Construction

Article 114 The Company shall establish the Party Committee. The Party Committee shall be comprised of one secretary and set up the party committee office as its working department; it shall set up mass organizations such as trade unions and the Communist Youth League Committee; meanwhile, the Disciplinary Committee shall be established as required.

Article 115 The Party Committee of the Company shall perform its duties as required by the internal rules and regulations of the Party such as the Constitution of the Communist Party of China

- (I) to ensure the supervision on implementation of the guidelines and policies of the Party and the State in the Company;
- (II) to play a core political role and focus its work on the production and operation of the Company; to discuss and study major issues to be decided by the Board of Directors and put forward opinions and suggestions; and

(III) to study and arrange the Party-mass work of the Company, strengthen the Party organization's self-building, lead the ideological and political work, construction of spiritual civilization and the mass organizations including trade unions and the Communist Youth League.

Article 116 The funding for the work of the Party Committee of the Company shall be incorporated into the Company's budget and disbursed from the Company's management expenses, which may be deducted before enterprise income tax in accordance with relevant regulations.

Chapter 13 General Manager

Article 117 The Company shall have one general manager appointed or dismissed by the Board of Directors. The Company shall have several deputy general managers appointed or dismissed by the Board of Directors.

Article 118 The general manager of the Company shall be accountable to the Board of Directors and shall perform the following functions and powers:

- (I) presiding over production and operation management of the Company, organising the implementation of resolutions of the Board of Directors and reporting to the Board of Directors on his/her work;
- (II) organising the implementation of the Company's annual business plans and investment plans;
- (III) formulating plans for establishment of internal management organisations of the Company;
- (IV) formulating basic management rules of the Company;
- (V) formulating specific rules and regulations of the Company;
- (VI) proposing to the Board of Directors on appointment or dismissal of deputy general managers and person-in-charge of finance of the Company;
- (VII) deciding to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board of Directors);
- (VIII) proposing salaries, benefits, rewards and punishments for the employees of the Company and deciding on the appointment and dismissal of them; and
- (IX) exercising other functions and powers conferred by the Articles of Association or the Board of Directors.

Article 119 The general manager of the Company shall attend meetings of the Board of Directors, but he/she has no voting rights at meetings of the Board of Directors if he/she is not a director.

Article 120 In exercising functions and powers, the general manager of the Company shall perform the obligation of honesty and diligence in accordance with laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Chapter 14 Board of Supervisors

Article 121 The Company shall have a Board of Supervisors.

Article 122 The Board of Supervisors shall comprise three supervisors, including one chairman. A supervisor shall serve a term of three years and may be re-elected upon expiry of the said term.

The chairman of the Board of Supervisors shall be appointed or dismissed by the votes of more than two-thirds (inclusive) of the members of the Board of Supervisors.

Article 123 The supervisors shall be composed of shareholder representatives and employee representatives of the Company. The number of the Company's employee representative supervisors shall not be less than one-third of all the supervisors. The shareholder representatives in the Board of Supervisors shall be elected and removed by the shareholders' general meeting. The employee representatives in the Board of Supervisors shall be democratically elected by the Company's employees at an employee representative assembly, general employee meeting or otherwise.

Article 124 Directors and senior management shall not act concurrently as supervisors.

Article 125 Meetings of the Board of Supervisors shall be convened at least once every six months and be convened by its chairman. Supervisors may propose to convene an interim meeting of the Board of Supervisors.

Article 126 The Board of Supervisors shall be accountable to the shareholders' general meeting and shall perform the following functions and powers in accordance with 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, administrative regulations, the listing rules of the place where the Company's shares are listed, the Articles of Association or resolutions of shareholders' general meetings;
- (III) to require any director or senior management to make rectification when any act thereof harms the Company's interests;
- (IV) to verify financial information such as financial reports, business reports and profit distribution plans to be submitted by the Board of Directors to the shareholders' general meeting and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the review;
- (V) to propose to convene an extraordinary general meeting;
- (VI) to negotiate with or file suit against the directors on behalf of the Company;
- (VII) to conduct investigation if there are any unusual circumstances in the Company's operations, and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company; and

(VIII) to perform other functions and powers stipulated by the laws, administrative regulations and the Articles of Association.

The supervisors shall attend meetings of the Board of Directors.

Article 127 A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisor results in the number of supervisors being less than the quorum.

Article 128 Votes at meetings of the Board of Supervisors shall be held by disclosed ballot, and each supervisor shall have one vote.

Voting procedure: the voting intention of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one of the aforesaid intentions. If any supervisor doesn't make any choice or chooses two or more intentions at the same time, the chairman of the meeting shall require the said supervisor to make a choice again, and if he/she refuses to do so, he/she shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and making any choice shall be deemed as having abstained from voting.

Resolutions of the Board of Supervisors shall be passed by more than two-thirds of the members of the Board of Supervisors.

Article 129 All reasonable fees incurred for the employment of professionals such as lawyers, certified public accountants or practicing auditors by the Board of Supervisors in the exercise of its functions and powers shall be borne by the Company.

Article 130 Supervisors shall perform their supervisory duties faithfully in accordance with the laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 131 The Board of Supervisors shall keep minutes of resolutions passed at the meetings. The minutes shall be signed by the supervisors present at the meeting.

Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meetings. The minutes of the meetings of the Board of Supervisors shall be kept as archives of the Company at the domicile of the Company.

Chapter 15 Qualifications and Obligations of Directors, Supervisors and Senior Management of the Company

Article 132 None of the following persons shall serve as a director, supervisor, or senior management of the Company if he/she is:

- (I) a person without civil capacity or with limited civil capacity;
- (II) a person who was convicted for criminal offence for corruption, bribery, encroachment of property, misappropriation of property or disruption of the order of socialist market economy and a five-year period has not elapsed since completion of execution of the judgement, or who has been stripped of his/her political rights as a result of committing a criminal offence and a five-year period has not elapsed since completion of execution of the judgement;

- (III) a director, factory director or manager of bankrupt and liquidated companies or enterprises whereby such person was personally liable for the bankruptcy of such companies or enterprises, and a three-year period has not elapsed from which the liquidation of the companies or enterprises was completed;
- (IV) a person who was the legal representative of a company or an enterprise whose business license was revoked or which was ordered to be closed down due to its violation of law, and who was personally accountable for the revocation of business license or closure of the company or enterprise, and a three-year period has not elapsed since revocation of business license of such company or enterprise;
- (V) a person 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) a person who is prohibited from acting as a leader of an enterprise by virtue of any laws, administrative regulations and the listing rules of the place where the Company's shares are listed;
- (VIII) a non-natural person;
- (IX) a person who 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) other situations required by the relevant laws and regulations of the place where the Company's shares are listed.

Any election or appointment of directors or supervisors or employment of senior management in breach of this article shall be invalid. The Company shall remove any directors, supervisors and senior management if they are involved in the circumstances stated in this article during their term of office.

Article 133 The validity of an act of a director or senior management of the Company on behalf of the Company for a goodwill third person shall not be affected by any incompliance in the appointment, election or qualification thereof.

Article 134 In addition to obligations imposed by laws, administrative regulations or listing rules of the place where the Company's shares are listed, the Company's directors, supervisors and senior management shall have the following obligations to each shareholder in the exercise of the functions and powers granted to them by the Company:

- (I) not to cause the Company to act beyond the scope of business stipulated in its business license;
- (II) to act honestly in the best interests of the Company;
- (III) not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company; and

(IV) not to deprive shareholders of their personal interests, including (but not limited to) any distribution rights and voting rights, but excluding the restructuring of the Company submitted for adoption at the shareholders' general meeting in accordance with the Articles of Association.

Article 135 In exercising their rights or fulfilling their obligations, the directors, supervisors and senior management of the Company have the duty to act with due discretion, diligence and skill as a reasonable discreet person should do in similar circumstances.

Article 136 Each of the directors, supervisors and senior management of the Company shall, in the performance of duties, abide by the principles of honesty and shall not place himself/herself in a position where there is a conflict between his/her personal interests and 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, administrative regulations and the listing rules of the place where the Company's shares are listed or with the informed consent of the shareholders' general meeting;
- (IV) to be equitable towards shareholders of the same class and fair towards shareholders of different classes;
- (V) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in the Articles of Association or with the informed consent of the shareholders' general meeting;
- (VI) not to use the Company's property for his/her own benefit in any way without the informed consent of the shareholders' general meeting;
- (VII) not to make use of official powers to accept bribes or other illegal income, and not to encroach upon the Company's property 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 informed consent of the shareholders' general meeting;
- (IX) to abide by the Articles of Association, perform his/her duties faithfully, protect the interests of the Company and not to seek personal gains with his/her position, functions and powers in the Company;
- (X) without the informed consent of the shareholders' general meeting, not to make use of official powers to seek business opportunities which rightfully belong to the Company for himself/herself or others, or to engage in the same type of businesses as the Company on his/her own or for others or to compete with the Company in any way;

- (XI) not to misappropriate the funds of the Company or lend them to others, not to deposit the Company's assets or funds 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) without the informed consent of the shareholders' general meeting, not to disclose confidential information relating to the Company that was acquired by him/her during his/her term of office, 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 or senior management.

Article 137 The directors, supervisors and senior management of the Company shall not direct the following persons or institutions (the "Relevant Persons") to do things from which the directors, supervisors and senior management are prohibited:

- (I) spouses or minor children of directors, supervisors or senior management of the Company;
- (II) trustees of directors, supervisors and senior management of the Company or persons set out in (I) herein;
- (III) partners of directors, supervisors and senior management of the Company or persons set out in (I) and (II) herein;
- (IV) companies effectively independently controlled by directors, supervisors and senior management of the Company or companies effectively jointly controlled by the persons set out in (I), (II) and (III) herein or other directions, supervisors and senior management of the Company; and
- (V) directors, supervisors and senior management of the controlled companies as set out in (IV) herein.

Article 138 The honesty obligation of directors, supervisors and senior management of the Company shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation in respect of trade secrets of the Company shall continue after expiry of their terms of office. Other obligations may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the occurrence of the events and the termination of office and the circumstances and the terms under which the relationship between the Company and them was terminated.

Article 139 The liabilities of directors, supervisors and senior management of the Company for breaching a specific obligation may be exempted through an informed resolution given by shareholders at the shareholders' general meeting, save for the circumstances specified in Article 52 of the Articles of Association.

Article 140 The directors, supervisors and senior management of the Company having any direct or indirect material conflict of interests in any executed or proposed contracts, transactions or arrangements of the Company (except the employment contracts between the Company and its directors, supervisors and senior management), regardless of whether such matters are usually subject to the approval and consent of the Board of Directors, shall disclose the nature and extent of the interests to the Board of Directors as soon as possible.

A director shall not vote on any resolution approving any contracts, transactions or arrangements in which such director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has a material interest, nor shall such director be counted in the quorum of the meeting.

Unless the interested directors, supervisors and senior management of the Company have made such disclosure to the Board of Directors as required in the first paragraph of this article, and such matter has been approved by the Board of Directors at the meeting where such directors, supervisors and senior management have not been counted in the quorum and abstained from voting, the Company shall be entitled to cancel such contracts, transactions, or arrangements, save for the circumstance in which the other parties are goodwill parties uninformed of the default of their obligations of the said directors, supervisors and senior management.

Where the Relevant Persons of the directors, supervisors and senior management of the Company have any interests in a given contract, transaction or arrangement, the said directors, supervisors and senior management shall also be deemed as having interests therein.

Article 141 If, before the Company considers concluding relevant contracts, transactions or arrangements for the first time, the directors, supervisors and senior management of the Company have notified the Board of Directors in writing that they will have interests in the contracts, transactions or arrangements to be concluded by the Company in the future because of the contents set out in the notice, the said directors, supervisors and senior management shall be deemed as having executed disclosure as specified in the preceding article of this chapter to the extent as specified in the notice.

Article 142 The Company shall not pay tax for its directors, supervisors and senior management in any way, except the withholding and payment of individual income tax for the aforementioned persons in accordance with relevant laws and regulations.

Article 143 The Company shall not, directly or indirectly, provide loans or loan guarantees to the directors, supervisors and senior management of the Company and its controlling shareholders, nor shall the Company provide the same to their Relevant Persons.

The preceding provision shall not apply in the following circumstances:

- (I) the Company provides loan or loan guarantee for its subsidiaries;
- (II) the Company, in accordance with the employment contracts approved at the shareholders' general meeting, provides loan, loan guarantee or other monies to the directors, supervisors and senior management of the Company, so that they may pay the expenses incurred for the purposes of the Company or for fulfilling their duties to the Company; and
- (III) if the normal business scope of the Company includes provision of loan and loan guarantee, the Company may provide loan and loan guarantee to relevant directors, supervisors and senior management and their Relevant Persons, but the conditions for providing loan or loan guarantee shall be normal business conditions.

Article 144 If the Company provides loan in breach of the provisions of the preceding article, regardless of the loan conditions, the recipient of the loan shall return the same immediately.

Article 145 The Company shall not be forced to execute loan guarantee provided in violation of the first paragraph of Article 143 of the Articles of Association, except in the following circumstances:

- (I) the loan provider is uninformed that the loan was provided to the Relevant Persons of the directors, supervisors and senior management of the Company or its controlling shareholders; and
- (II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 146 The guarantee as referred to in the preceding articles of this chapter shall include the act of the guarantor to undertake liability or provide property to ensure fulfilment of obligations by the obligor.

Article 147 If a director, supervisor or 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, administrative regulations and the listing rules of the place where the Company's shares are listed, have a right to:

- (I) require the relevant director, supervisor or senior management 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 or senior management and contracts or transactions with a third party (where such third party is aware or should be aware that the director, supervisor or senior management representing the Company was in breach of his/her obligations to the Company);
- (III) require the relevant director, supervisor or senior management to surrender the gains derived from the breach of his/her obligations;
- (IV) recover any funds received by the relevant director, supervisor or senior management that should have been received by the Company, including (but not limited to) commissions; and
- (V) require the relevant director, supervisor or senior management to return the interest earned or possibly earned on the funds that should have been given to the Company.

Article 148 The Company shall enter into written contracts with its directors and supervisors in relation to their remunerations, subject to prior approval at the shareholders' general meeting. The aforesaid remunerations include:

- (I) remunerations in respect to his/her service as a director, supervisor or senior management of the Company;
- (II) remunerations in respect to his/her service as a director, supervisor or senior management of any subsidiary of the Company;

- (III) remunerations in respect to the provision of other services in connection with the management of the Company and any of its subsidiaries; and
- (IV) compensation for loss of office or retirement from office of the director or supervisor;

The Company's written contract with directors and supervisors shall include:

- (I) an undertaking to the Company to comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers and Share Buy-backs, and other provisions of the Securities and Futures Commission of Hong Kong and the Hong Kong Stock Exchange, and an agreement to entitle the Company to the remedial measures provided in the Articles of Association. The contract and his/her office shall not be consigned;
- (II) an undertaking to the Company to comply with and perform his/her obligations to shareholders as provided in the Articles of Association; and
- (III) an arbitration clause provided in the Articles of Association and the Hong Kong Listing Rules.

No proceedings may be brought by a director or supervisor against the Company for any benefit due to him/her in respect to the aforesaid matters, except pursuant to the contract mentioned above.

Article 149 The Company shall specify in the contracts concluded with its directors or supervisors in relation to remunerations that if the Company is acquired, its directors or supervisors shall, with the prior approval at the shareholders' general meeting, be entitled to compensations or other monies for losing their positions or for retirement.

For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

- (I) a takeover offer made by any person to all shareholders; and
- (II) a takeover offer made by any person with the intent of becoming the controlling shareholder. The definition of a controlling shareholder is the same as that in the Articles of Association.

If the relevant director or supervisor fails to comply with this article, any funds received by him/her shall go to the persons who sell their shares in acceptance of the aforesaid offer. The director or supervisor shall bear the expenses arising from the distribution of such amounts proportionally, and such expenses shall not be deducted from the amounts.

Chapter 16 Financial Accounting System and Profit Distribution

Article 150 The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, listing rules of the place where the Company's shares are listed and PRC accounting standards formulated by the competent financial authority of the State.

Article 151 The fiscal year of the Company is Gregorian calendar year, i.e., a fiscal year shall commence from January 1 and end at December 31 every year. At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified in accordance with the laws.

Article 152 The Board of Directors of the Company shall make available before the shareholders at every annual general meeting such financial reports to be prepared by the Company in accordance with the relevant laws, administrative regulations, listing rules of the place where the Company's shares are listed and regulatory documents promulgated by the local government and the competent authorities.

Article 153 The Company's financial reports shall be maintained at the Company for shareholders' inspection 20 days before the convening of an annual shareholders' general meeting. Each shareholder of the Company has the right to receive a copy of the financial reports mentioned in this chapter.

Save as otherwise provided by the Articles of Association, the Company shall deliver or send by prepaid mail a copy of the reports of the Board of Directors, together with the balance sheet (including each document as prescribed by regulations to be attached to the balance sheet) and statements of profit or loss or statement of income and expenditure, or summary of the financial report to each holder of overseas listed foreign shares at least 21 days before the convening of the shareholders' general meeting at the address recorded in the register of shareholders. Subject to the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed, the Company may do by way of an announcement (including publication on the website of the Company and/or on newspapers).

Article 154 The financial statements of the Company shall be prepared in accordance with not only PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas listing place. 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 Company shall distribute the after-tax profit of the relevant fiscal year as per the less of the after-tax profits in the aforesaid two financial statements.

Article 155 Any interim results or financial information announced or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place.

Article 156 The Company shall publish its financial reports twice in each fiscal year. An interim financial report shall be published within 60 days after the end of the first six months of each fiscal year, while an annual financial report shall be published within 120 days after the end of each fiscal year.

If it is otherwise provided by the securities regulatory authorities at the place where the Company's shares are listed, the provisions thereof shall prevail.

Article 157 The Company shall not establish account books other than the statutory account books.

Article 158 The capital reserve of the Company shall include the following funds:

- (I) the premiums obtained from the issue of shares in excess of the par value; and
- (II) other revenue required by the competent financial authority under the State Council to be included in the capital reserve.

Article 159 The Company may distribute dividends in either (both) of the following forms:

- (I) cash;
- (II) stock; and
- (III) other forms approved by laws, administrative regulations, departmental rules and regulatory rules of the place of listing of the Company.

The Company pays cash dividends and other amounts to holders of domestic shares in RMB. The cash dividends and other amounts to be paid to holders of foreign shares by the Company shall be calculated and declared in RMB and paid in foreign currency or RMB. The Company shall arrange the foreign currency for payment of cash dividends and other amounts to holders of foreign shares in accordance with the relevant foreign exchange management regulations of the PRC.

Article 160 The Company shall appoint collection agents for holders of overseas listed foreign shares. Collection agents shall collect dividends and other payables distributed by the Company for the overseas listed foreign shares on behalf of the related shareholders.

The collection agents appointed by the Company shall meet the relevant requirements of the laws of the listing place or the stock exchange. The collection agents 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.

Article 161 Monies paid by the Company for any shares before dunning shall have interests, but the holders of shares are not entitled to dividends announced later for the said monies.

Provided that the Company is authorized to seize dividends not claimed, the said right shall not be exercised before expiry of the applicable validity period.

The Company's power to cease sending dividend warrants to holders 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 warrant fails to reach the expected recipient in the initial mail delivery and is returned, the Company may exercise the right promptly.

The Company shall have the right to sell the shares of the untraceable holders of overseas listed foreign shares through the methods the Board of Directors deems appropriate and subject to the following conditions:

- (I) the Company has distributed dividends on such shares at least three times in a period of 12 years and the dividends are not claimed by anyone during that period; and
- (II) after the expiration of the 12-year period, the Company makes a public announcement in one or more newspapers in the place where the Company's shares are listed, stating its intention to sell such shares and notifies the securities regulatory authorities at the place where the Company's shares are listed.

Chapter 17 Appointment of Accounting Firm

Article 162 The Company shall engage an independent accounting firm which is in compliance with relevant regulations of the State to audit its annual financial report and to review its other financial reports.

The first accounting firm of the Company may be appointed at the inauguration meeting prior to the first annual general meeting. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting.

If the inauguration meeting does not exercise the powers according to the preceding paragraph, those powers shall be exercised by the Board of Directors.

Article 163 The term of appointment of the accounting firm for the Company shall be from the conclusion of one annual general meeting to the conclusion of the next annual general meeting of the Company.

Article 164 An accounting firm employed by the Company shall have the following rights:

- (I) the right to the access to the accounts books, records or vouchers of the Company and the right to require directors or senior management of the Company to provide the relevant information and explanations;
- (II) the right 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; and
- (III) the right to attend shareholders' general meeting, to receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any shareholders' general meetings on any matter which relates to it as the accounting firm of the Company.

Article 165 If there is a vacancy in the position of accounting firm, the Board of Directors may engage an accounting firm to fill the vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period when such a vacancy exists.

Article 166 The shareholders' general meeting may, by means of an ordinary resolution, dismiss the accounting firm prior to the expiration of its term of office, notwithstanding the terms in the contract between such accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 167 The remuneration or method of determining the remuneration of an accounting firm shall be decided upon by the shareholders' general meeting. The remuneration of an accounting firm employed by the Board of Directors shall be determined by the Board of Directors.

Article 168 The Company's engagement, dismissal or refusal of the renewal of the engagement of an accounting firm shall be decided by the shareholders' general meeting and reported to the competent securities authority of the State Council for filing.

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

- (I) The relevant appointment or dismissal proposal shall be sent (before notice of shareholders' general meeting is given) 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 fiscal year (leaving includes leaving by dismissal, resignation and retirement).
- (II) If the accounting firm about to leave its post makes representations in writing and requests the Company to inform the shareholders of such representations, the Company shall (unless the written representations have been received too late) take the following measures:
 1. in any notice of the resolution given to shareholders, state the fact of the representations for the accounting firm about to leave its post having been made; and
 2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.
- (III) If the Company fails to send out the accounting firm's representations in the manner set out in (II) herein, such accounting firm may require that the representations be read out at the shareholders' general meeting and make further appeal.
- (IV) An accounting firm about to terminate service shall be entitled to attend the following meetings:
 1. the shareholders' general meeting at which its term of office would be 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.

The leaving accounting firm shall have the right to receive all notices or other information concerning any such meetings, and to speak at any such meetings on any matter which relates to it as the former accounting firm of the Company.

Article 169 If the Company removes or ceases to continue to appoint the accounting firm, it is required to give prior notice to the accounting firm and the accounting firm is entitled to make representations before the shareholders in the shareholders' general meeting. If an accounting firm resigns from its position, it shall make representations at a shareholders' general meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign its office by depositing a written resignation notice at the registered office of the Company. Such notice shall become effective on the date of deposit at the legal address of the Company or on a later date stipulated in such notice. Such notice shall contain the following statements:

1. a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;
2. a statement of any circumstances requiring an explanation.

The Company shall send a copy of the written notice mentioned in the preceding paragraph to relevant competent authority within 14 days after receipt of the said notice. If the notice contains a statement mentioned in 2 of the preceding paragraph, the Company shall keep a copy of the said statement in the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of members.

If the notice of resignation of an accounting firm contains a statement in respect of any circumstances requiring an explanation, it may require the Board of Directors to convene an extraordinary general meeting to receive an explanation of the circumstances in connection with its resignation.

Chapter 18 Merger, Division, Dissolution and Liquidation

Article 170 The merger or division of the Company shall be proposed by the Company's Board of Directors. After such plan has been adopted in accordance with the procedures stipulated in the Articles of Association, relevant examination and approval procedures shall be carried out according to law. Shareholders who oppose to the plan of merger or division of the Company shall be entitled to require the Company or the shareholders who agree to the plan to purchase their shares at a fair price. The resolutions approving the merger or division of the Company shall be compiled into a special document and made available for inspection by shareholders. For holders of overseas listed foreign shares, the foregoing documents shall also be served by post.

Article 171 A merger may be in the form of merger by absorption or merger by establishment of a new company.

In the event of merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an asset list. The Company shall, within 10 days as of making the decision of merger, notify the creditors, and shall make a public announcement in a newspaper within 30 days.

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

Article 172 If the Company is divided, its properties shall be divided accordingly.

In the event of division, the parties to the division shall enter into a division agreement and prepare a balance sheet and an asset list. The Company shall, within 10 days as of the day when the decision of division is made, notify the creditors and make a public announcement in a newspaper within 30 days.

The post-division companies shall bear joint liabilities for the debts of the former 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 a written agreement.

Article 173 Where the merger or division of the Company involves changes in its registered particulars, such changes shall be filed with competent company registration authorities pursuant to the law. Should the Company be dissolved, it shall be deregistered according to laws. If a new company is established, it shall go through the registration for company establishment according to laws.

Chapter 19 Dissolution and Liquidation of the Company

Article 174 The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of any other events causing dissolution stipulated in the Articles of Association;
- (II) the shareholders' general meeting has resolved on dissolution of the Company;
- (III) merger or division of the Company entails dissolution;
- (IV) where the operation and management of the Company falls into serious difficulties and its continued existence would cause material losses to shareholders, the shareholders holding above 10% of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions;
- (V) the Company is declared bankrupt according to law as it is unable to repay its debts upon maturity; and
- (VI) if the business license of the Company is revoked or if it is ordered to close down its business or if it is canceled due to violation of laws or administrative regulations.

Article 175 If the Company is dissolved due to Item (I), Item (II), Item (IV) and Item (VI) in Article 174 of the Articles of Association, it shall establish a liquidation committee and commence liquidation within 15 days from occurrence of the cause of dissolution. Members of 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.

If the Company is dissolved pursuant to Item (V) in Article 174 of the Articles of Association, the people's court shall, according to the relevant laws and regulations, organise shareholders, relevant institutions and professionals to establish a liquidation committee and carry out liquidation.

Article 176 Where the Board of Directors proposes to liquidate the Company (due to causes other than where the Company has declared that it is insolvent), it shall declare in the notice of the shareholders' general meeting to be convened for such purpose that after making full inquiry into the affairs of the Company, the Board of Directors is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

After the shareholders' general meeting adopts a resolution in favor of the liquidation, the functions and powers of the Board of Directors of the Company shall be terminated immediately.

The liquidation committee shall follow the instructions of the shareholders' general meetings and shall report to the shareholders' general meeting at least once a year on the income and expenditure of the liquidation committee, the business of the Company and the progress of the liquidation, and shall make a final report to the shareholders' general meeting at the end of the liquidation.

Article 177 The liquidation committee shall notify the creditors within 10 days after its establishment, and make an announcement in the 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 the announcement if the creditors have not received the notice.

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.

The liquidation committee shall not make any settlement to creditors during the period of the claim.

Article 178 During liquidation, the liquidation committee shall exercise the following functions and powers:

- (I) to ascertain the Company's assets and separately prepare a balance sheet and an asset list;
- (II) to notify creditors by sending a notice or by making an announcement;
- (III) to deal with the Company's outstanding business deals in relation to the liquidation;
- (IV) to settle outstanding taxes and taxes incurred during the process of liquidation;
- (V) to ascertain claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts; and
- (VII) to represent the Company in any civil proceedings.

Article 179 After the liquidation committee has liquidated the assets of the Company and prepared a balance sheet and an asset list, it shall formulate a liquidation proposal and submit it to the shareholders' general meeting or the relevant competent authorities for confirmation.

The assets of the Company shall be used respectively for payment of liquidation expenses, employees' wages, social security expenditures, statutory compensations, tax in arrears and the Company's debts; the residual properties thereafter shall be distributed to the shareholders in accordance with the class of shares held by them and the shareholding percentages of the shareholders.

During the liquidation period, the Company shall not engage in new operating activities.

Article 180 In the event of the Company's liquidation due to dissolution, upon liquidation of the Company's assets and preparation of the balance sheet and asset list, where the liquidation committee discovers that the Company's assets are insufficient to pay its debts in full, it shall apply to the people's court for declaration of bankruptcy pursuant to the law.

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.

Article 181 After completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and income and expenditure statements and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submit the same to the shareholders' general meeting or the relevant competent authorities for confirmation. Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant competent authorities, 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.

Chapter 20 Procedures for Amending the Articles of Association

Article 182 According to the regulations of laws, administrative regulations, the listing rules of the place where the Company's shares are listed, and the Articles of Association, the Company may amend the Articles of Association.

Article 183 The amendments to the Articles of Association shall be subject to relevant decision-making procedures and go through necessary formalities in accordance with the provisions of relevant laws, administrative regulations, and the Articles of Association. If an amendment to the Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

Chapter 21 Notice and Announcement

Article 184 Without prejudice to the laws, regulations, rules and the relevant requirements of the stock exchange where the Company's shares are listed, notices of the Company may be given in the following manners:

- (I) by personal delivery;
- (II) by post;
- (III) by fax or email;
- (IV) by posting on the designated website of the Company and the Hong Kong Stock Exchange;
- (V) by an announcement;
- (VI) by other means agreed upon by the Company or the recipient in advance or approved by the recipient after receipt of the notice; and
- (VII) by other means approved by the relevant regulatory authority of the place where the Company's shares are listed or stipulated in the Articles of Association.

The notification, data or written statement of the shareholders' general meeting should be delivered to the holders of overseas listed foreign shares in any of the following manners:

- (I) by personal delivery or by post to the registered address of every holder of overseas listed foreign shares;
- (II) by posting on the website designated by the securities regulatory authority or the stock exchange of the place where the Company's securities and shares are listed in compliance with applicable laws, administrative regulations and relevant listing rules; and
- (III) by other means as required by the stock exchange and the listing rules of the place where the Company's securities and shares are listed.

Notwithstanding any other provisions of the Articles of Association regarding to the form of the publication or serving of any document, notice or other communications, the Company may serve the communication of the Company in the form of a notice as prescribed in (iv) of the first paragraph of this article or in other forms as prescribed by the relevant provisions of the stock exchange where the Company's shares are listed instead of sending the written documents by personal delivery or by post to each holder of overseas listed foreign shares subject to relevant rules of the stock exchange where the Company's shares are listed. The above corporate communications represent any document served or to be served by the Company to the shareholders for reference or action, including but not limited to, annual report (including annual financial report), interim report (including interim financial report), directors' report (together with the balance sheet and the statement of profit or loss), notices of shareholders' general meetings, circulars and other communications documents.

Article 185 If the notice of the Company is sent by personal delivery, the recipient shall affix signature (or seal) to the Return on Service and the signing date shall be the date of service; if the notice of the Company is sent by post, the notice shall be deemed as served forty-eight (48) hours after handover to the post office; if the notice of the Company is sent by fax, email or publication on the website, the sending date shall be the date of service; if the notice of the Company is sent by announcement, the date of first announcement shall be the date of service.

Article 186 Any notice, document, information or written statement served by a shareholder or director on the Company may be delivered by hand or by registered mail to the Company's legal address.

Article 187 To prove that any notice, document, information or written statement has been served on the Company by a shareholder or director, proof shall be produced that such notice, document, information or written statement has been served within the time limit specified for service and in the manner prescribed in Article 186 hereof; in the case of service by hand, a confirmation of receipt by the Company shall be provided. In the case of service by registered mail, a clear proof shall be produced that such notice, document, information or written statement has been sent by prepaid mail to the correct address.

Article 188 If the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, dispatch, announce or otherwise provide relevant documents of the Company in English version and Chinese version and the Company has made appropriate arrangements to confirm whether the shareholders hope to receive only the English version or the Chinese version, the Company may (as per the intent stated by the shareholders) send only the English version or the Chinese version to the related shareholders as permitted by and in accordance with the applicable laws and regulations.

Chapter 22 Dispute Resolution

Article 189 The Company shall abide by the following rules for dispute resolution:

- (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, administrative regulations, and the listing rules of the place where the Company's shares are listed, arise between shareholders of overseas listed foreign shares and the Company, between shareholders of overseas listed foreign shares and the Company's directors, supervisors, general managers and other senior management of the Company, or between shareholders of overseas listed foreign shares and shareholders of domestic Shares, the parties concerned shall submit such disputes or claims to arbitration.

When the aforementioned disputes or claims are submitted to arbitration, such disputes or claims shall be submitted in their entirety, and all persons (being the Company, the Company's shareholders, directors, supervisors, general managers and other senior management of the Company) that have a cause of action based on the same grounds or the persons whose participation is necessary for the resolution of such disputes or claims, shall comply with the arbitration.

Disputes with respect to the definition of shareholders and disputes concerning the register of shareholders need not 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 arbitration rules.

Once a claimant submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the claimant.

If an applicant opts for arbitration by the Hong Kong International Arbitration Center, 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 Center.

- (III) Settlement of disputes or claims set out in (I) by way of arbitration shall be governed by PRC laws save as otherwise specified by laws and administrative regulations.

- (IV) The award of an arbitration tribunal shall be final and conclusive and binding on all parties.

Chapter 23 Supplementary Provisions

Article 190 The Board of Directors may formulate by-laws in accordance with the Articles of Association, provided that such by-laws do not conflict with the provisions of the Articles of Association.

Article 191 The meaning of the "accounting firm" mentioned in the Articles of Association is the same as that of "auditor".

Article 192 The phrases "above" and "within" mentioned in the Articles of Association are inclusive of the given figure, while "more than" and "less than" are exclusive of the given figure.

Article 193 The Articles of Association shall be prepared in Chinese. Where the articles of association in any other language or other versions of the articles of association disagree with the Articles of Association, the Chinese version of Articles of Association shall prevail.

Article 194 Any matters not provided in the Articles of Association shall be settled according to the actual situations of the Company in accordance with the laws, administrative regulations and relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed. If there is any conflict between the Articles of Association and the laws, administrative regulations, relevant requirements or rules of the relevant securities registration and clearing institutions, other relevant normative documents and listing rules of the stock exchange where the Company's shares are listed as promulgated from time to time, the latter shall prevail.

Article 195 The Articles of Association shall be subject to the interpretation of the Board of Directors of the Company.