

Shanghai Chicmax Cosmetic Co., Ltd.

Articles of Association

(Applicable after the issue of H shares)

(Approved at the 2021 First Extraordinary General Meeting of the Company on December 21, 2021, amended at the 2021 Annual General Meeting of the Company on June 29, 2022, amended at the 2022 Third Extraordinary General Meeting of the Company on December 7, 2022)

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Shanghai Chicmax Cosmetic Co., Ltd.

Articles of Association

Chapter I General Provisions

Article 1 Shanghai Chicmax Cosmetic Co., Ltd. (the “Company”) is a joint stock limited liability company established in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (the “Company Law”), the Securities Law of the People’s Republic of China (中華人民共和國證券法), the Special Regulations of the State Council on Overseas Share Offering and Listing of Joint Stock Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款), the Letter of Opinions on the Supplement and Revision to Articles of Association of Companies to be Listed on Hong Kong (關於到香港上市公司對公司章程作補充修改意見的函), the Opinions on Further Promoting Standardized Operation and Deepening Reform of Overseas Listed Companies (關於進一步促進境外上市公司規範運作和深化改革的意見), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations of the State.

Article 2 The Company was established by way of promotion based on the change of former Shanghai Chicmax Cosmetic Co., Ltd. (上海上美化妝品有限公司) into a joint stock limited company as a whole under the laws of the PRC on December 24, 2020, and was registered with the Shanghai Municipal Bureau of Market Supervision Administration on December 24, 2020 and obtained a business license. The Company’s unified social credit code is 91310000763349534X.

All the shareholders of the former Shanghai Chicmax Cosmetic Co., Ltd. are the promoters of the Company as follows: Mr. Lyu Yixiong, Shanghai Hongyin Investment Co., Ltd. (上海紅印投資有限公司), Shanghai Nanyin Investment Co., Ltd. (上海南印投資有限公司), Shanghai Kans Enterprise Management Co., Ltd. (上海韓束企業管理有限公司), Mr. Zhang Huai’an, Youngor Investment Co., Ltd. (雅戈爾投資有限公司), Shanghai Ximei Investment Center (Limited Partnership) (上海希美投資中心(有限合夥)), Shanghai Yingfu Enterprise Management Partnership (Limited Partnership) (上海盈輔企業管理合夥企業(有限合夥)), Shanghai Shengyan Business Management Centre (上海盛顏商務管理中心), and Shenzhen Anxin Zhipu Investment Consulting Partnership (Limited Partnership) (深圳安信智普投資諮詢合夥企業(有限合夥)).

- Article 3** The Chinese name of the Company: 上海上美化妝品股份有限公司
English name: Shanghai Chicmax Cosmetic Co., Ltd.
- Article 4** Domicile: Room 701, No. 515 Yinxiang Road, Nanxiang Town, Jiading District, Shanghai
Postcode: 201802
Telephone: 021-52035333
- Article 5** The legal representative of the Company is the chairman of the Board of the Company.
- Article 6** The Company is a joint stock limited company having perpetual existence.
- Article 7** All assets of the Company shall be divided into shares of equal value. Shareholders bear responsibilities to the Company to the extent of the number of the shares they subscribe. The Company bears responsibilities for its debts with all its assets.
- Article 8** The Articles of Association is approved by the resolutions of the general meeting, and shall come into effect upon approval by the competent national departments and from the date on which overseas listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).
- The Articles of Association shall be a legally binding document that regulates the Company’s organization and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders from the date on which it takes effect.
- Article 9** The Articles of Association shall be legally binding on the Company and its shareholders, directors, supervisors and senior management members, all of whom have the rights to make any claims and propositions regarding any matters of the Company and take the corresponding responsibility pursuant to the Articles of Association.
- A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholders pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors and senior management members of the Company pursuant to the Articles of Association.
- The legal action referred to in the preceding paragraph includes filing lawsuits to courts or application to arbitral bodies for arbitration.

The senior management members referred to in the Articles of Association represent the general manager, deputy general managers, chief financial officer, secretary to the Board of Directors of the Company and other senior management members identified by the Board.

Article 10 The Company may invest in other companies and is liable to such companies to the extent of its capital contribution; however, unless otherwise specified by laws, the Company shall not become an investor that is jointly and severally liable for the debts owed by the invested company.

Subject to the approval of the Company's approval authority authorized by the State Council, the Company may carry out investment operation having regard to its operational and management needs in accordance with the relevant provisions of the Company Law.

Chapter II Business Objective and Scope

Article 11 The business objective of the Company is to become a world-class influential cosmetics company that makes popular products enjoyed by consumers around the world (做一家世界級有影響力的化妝品公司, 做讓全球消費者喜愛的產品).

Article 12 The business scope of the Company shall be subject to the activities as approved by the Company's registration authority.

After registered legally, the business scope of the Company includes: general business scope: cosmetics wholesale; cosmetics retail; stationery wholesale; hardware products wholesale; sales of daily provisions; sales of packaging materials and products; sales of rubber products; sales of plastic products; sales of sanitary and disposable medical supplies; sales of disinfectants (excluding hazardous chemicals); goods import and export; technology import and export. (Except for activities subject to approval in accordance with the law, business activities may independently be carried out in accordance with the law with the business license) Approved business scope: goods import and export; technology import and export. (Act that are subject to approval in accordance with the law can only be carried out after the approval of the relevant authorities. Operations of specific businesses are subject to the approval documents or permits of the relevant authorities).

Chapter III Shares and Registered Capital

Article 13 The Company shall have ordinary shares at any time; the Company may create other classes of shares when needed upon approval from the approval department authorized by the State Council.

Article 14 All the shares issued by the Company shall have a nominal value, each share having a nominal value of RMB1.

Renminbi referred to in the preceding paragraph means the lawful currency of the People's Republic of China.

Article 15 The issuance of shares of the Company shall be conducted in accordance with the principles of openness, fairness and justice so that each of the shares of the same class shall carry the same rights.

For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Any share subscribed by any entity or individual shall pay the same price for each share.

Article 16 Subject to the approval of the securities authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares issued by the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares issued by the Company.

Article 17 Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas listed foreign shares.

Foreign currencies referred to in the preceding paragraph mean the freely convertible lawful currencies (other than Renminbi) of other countries or regions that are recognized by the foreign exchange authority of the PRC and can be used to pay for the shares subscribed.

The overseas listed foreign shares issued by the Company in Hong Kong shall be called H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

The Company's shares in issue but unlisted at both domestic and overseas stock exchanges shall be referred to as unlisted shares.

Where holders of domestic shares of the Company transfer the shares held by them to overseas investors, and such transferred shares are listed or traded on an overseas stock exchange, upon the approval by the securities regulatory authority of the State Council and the Hong Kong Stock Exchange. All or part of the Company's domestic shares can be converted into foreign shares, and converted foreign shares can be listed and traded on the overseas stock exchanges. The transferred or converted shares that are listed and traded on the overseas stock exchanges shall also comply with the regulatory procedures, regulations and requirements of the overseas securities market. The transferred shares to be listed and traded overseas, or the domestic shares to be converted into foreign shares and listed and traded overseas are not required to vote at a general meeting or a class general meeting to be convened. The overseas listed foreign shares which are converted by domestic shares belong to the same class as the overseas listed foreign shares listed on the same overseas stock exchange.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and enjoy equal rights and assume the same obligations.

Article 18

The total number of ordinary shares issued by the Company when it was converted into a joint stock limited company as a whole is 180,000,000, representing 100% of the then total issued ordinary shares of the Company; the name of each promoter, total number of shares held and percentage of shareholdings are as follows:

No.	Name of promoter	Total number of shares held (0'000)	Percentage of shareholdings (%)
1	Lyu Yixiong	7,372.0000	40.9556
2	Shanghai Hongyin Investment Co., Ltd.	5,400.0000	30.0000
3	Shanghai Nanyin Investment Co., Ltd.	3,044.0000	16.9111
4	Shanghai Kans Enterprise Management Co., Ltd.	528.0000	2.9333
5	Zhang Huai'an	415.3860	2.3077
6	Youngor Investment Co., Ltd.	415.3860	2.3077
7	Shanghai Ximei Investment Center (Limited Partnership)	381.6000	2.1200
8	Shanghai Yingfu Enterprise Management Partnership (Limited Partnership)	276.9300	1.5385
9	Shanghai Shengyan Business Management Centre	83.6280	0.4646
10	Shenzhen Anxin Zhipu Investment Consulting Partnership (Limited Partnership)	83.0700	0.4615
Total		18,000.0000	100.0000

Article 19 As approved by the securities regulatory authority of the State Council, the Company may issue no more than 73,059,000 shares of overseas listed foreign shares, with a nominal value of RMB1 per share, all of which are ordinary shares.

Upon the completion of such issuance of overseas listed foreign shares, and the partial exercise of the Over-Allotment Option, the capital structure of the Company comprises of 397,957,900 ordinary shares, including 200,614,140 domestic shares.

Article 20 The Board of Directors of the Company may implement, through separate offerings, the proposals for the issuance of domestic shares and overseas listed foreign shares as approved by the securities regulatory authority of the State Council.

The Company may implement separately its proposals for the issuance of domestic shares and overseas listed foreign shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities regulatory authority of the State Council.

Article 21 Where the total number of shares stated in the proposal includes issuance of overseas listed foreign shares and issuance of domestic shares, shares under such issuances should be fully subscribed. If the shares cannot be fully subscribed all at once due to special circumstances, the shares may, subject to the approval of the securities regulatory authority of the State Council, be issued in separate tranches.

Article 22 The registered capital of the Company is RMB397,957,900.

Article 23 The Company may increase its capital pursuant to the needs of operation and development and in accordance with the laws, regulations, listing rules of the place where the shares are traded, subject to the resolution of general meeting and based on the relevant requirements of the Articles of Association.

The Company may increase its capital by:

- (I) offering new shares to non-specific investors for subscription;
- (II) placing new shares to existing shareholders;
- (III) offering new shares to existing shareholders;
- (IV) issuing new shares to specific investors;
- (V) converting capital reserves into share capital;
- (VI) any other means stipulated in the laws and administrative regulations and approved by the relevant regulatory authority.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval as specified in the Articles of Association and listing rules of the place where the shares are traded and follow the procedures specified in the relevant laws and administrative regulations of the PRC and the listing rules of the place where the shares are traded.

Article 24 Unless otherwise stipulated in laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, the fully paid shares of the Company may be freely transferred and shall not be subject to any lien.

The transfer of shares shall be registered with registration agency appointed by the Company.

Article 25 Shares of the Company held by promoters shall not be transferred within one year since the establishment of the Company. The shares issued prior to the public issuance of shares by the Company shall not be transferred within one year of the date on which the shares of the Company are listed and traded on a stock exchange.

The directors, supervisors and senior management members of the Company are subject to laws and regulations, regulatory rules of the place where the shares of the Company are listed and the Articles of Association in trading the Company's shares. During their terms of office, directors, supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein 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 one year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their departure from the Company. Where the Hong Kong Stock Exchange has otherwise provided for restrictions on the transfer of overseas listed shares, such provisions shall prevail.

Chapter IV Reduction of Registered Capital and Repurchase of Shares

Article 26 Pursuant to the Articles of Association, the Company may reduce its registered capital. The reduction in registered capital shall be made in accordance with the procedures set out in the Company Law, other applicable regulations and the Articles of Association.

Article 27 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 Company shall notify the creditors and within 30 days, the Company shall make a public announcement in a newspaper. The creditors of the Company may require the Company to repay its debts or provide guarantees within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she/it has not received any notification.

Article 28

The Company may, in accordance with the provisions set out in the laws, administrative regulations, departmental rules, listing rules of the place where the shares of the Company are listed, and the Articles of Association and subject to the approval of the relevant competent authorities of the People's Republic of China, repurchase its outstanding shares based on lawful procedures under the following circumstances:

- (I) cancellation of its shares for the purpose of reducing its registered capital;
- (II) merger with another company holding the shares in the Company;
- (III) when utilizing shares in employee stock ownership plan or equity incentives;
- (IV) a shareholder requesting the Company to purchase the shares held by him since he objects to a resolution of the shareholders' meeting on the combination or division of the Company;
- (V) utilizing the shares for conversion of corporate bonds which are convertible into shares issued by the Company;
- (VI) where it is necessary for the Company to maintain its corporate value and shareholders' equity;
- (VII) any other circumstance permitted by laws and administrative regulations, listing rules of the place where the shares of the Company are listed and approved by the regulatory authorities.

Except under the above circumstances, the Company shall not engage in any activities for the purchase and sale of its share.

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

Where the Company repurchase its shares under the circumstances in items (III), (V) and (VI) hereof, the repurchase shall be carried out by public concentrated transaction.

Subject to the Hong Kong Listing Rules, the Company's shares acquired under the circumstance stipulated in item (I) hereof shall be deregistered within 10 days from the date of acquisition of shares; the shares shall be assigned or deregistered within six months if the repurchase of Company's own shares is made under the circumstances stipulated in either item (II) or item (IV); and the shares of the Company held in total by the Company after the repurchase of shares under any of the circumstances stipulated in item (III), item (V) or item (VI) shall not exceed 10% of the Company's total outstanding shares, and shall be assigned or deregistered within three years.

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

If it is otherwise provided in laws and regulations, normative documents and relevant requirements under the securities regulatory authority of the place where the Company's shares are listed regarding the relevant matters of the repurchase of the shares, the latter shall prevail.

Article 29 The Company may, upon the approval of the relevant competent authorities of the People's Republic of China, repurchase its shares in one of the following ways:

- (I) making a pro rata general offer of repurchase to all its shareholders;
- (II) repurchasing through public trading on a stock exchange;
- (III) repurchasing the shares by means of an off-market agreement outside of a stock exchange;
- (IV) other means approved by the relevant regulatory authorities.

Article 30 The Company shall obtain the prior approval of the shareholders at a general meeting, in the manner stipulated in the Articles of Association, before repurchasing shares by means of an off-market agreement outside a stock exchange. The Company may, by obtaining the prior approval of the shareholders' general meeting in the same manner, rescind or vary the agreement it has entered into, or waive any rights in the agreement.

An agreement for the repurchase of shares referred to in the preceding paragraph includes but not limited to agreements assuming obligations of repurchase and acquisition of the right to repurchase shares of the Company.

The Company shall not assign an agreement to repurchase its shares or any right provided in such agreement.

In the case of redeemable shares in the Company, for the purpose of the redeemable shares that the Company is entitled to repurchase, if the repurchases are not made on the market or by tender, the repurchase prices of these shares shall not exceed certain maximum price; if repurchases are made by tender, such tender should be made available to all shareholders in the same manner.

Article 31 After the shares are repurchased by the Company pursuant to the laws, it shall be conducted within the term prescribed by laws, administrative regulations or the listing rules of the place where the Company's shares are listed, and shall apply to the registration authority of the original company for the registration of the change in the registered capital.

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

Article 32

Unless the Company is undergoing liquidation, it shall comply with the following provisions in repurchasing its outstanding shares:

- (I) for repurchases of shares by the Company at their par value, payment shall be made from the book balance of distributable profit of the Company or from the proceeds of issuance of new shares for that purpose;
- (II) where the Company repurchases its shares at a premium to its par value, payment up to the par value shall be made from the book balance of distributable profit of the Company or from the proceeds of issuance of new shares for that purpose. Payment of the portion which is in excess of the par value shall be made as follows:
 - (1) if the shares being repurchased were issued at par value, payment shall be made from the book balance of distributable profit of the Company;
 - (2) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the book balance of distributable profit of the Company or the proceeds of issuance of new shares for that purpose, provided that the amount deducted from the proceeds of issuance of new shares shall not exceed the aggregate amount of the premium received by the Company from the issuance of the shares so repurchased, nor shall it exceed the amount in the Company's premium account (or capital reserve fund account) (including premiums on the new share) at the time of such repurchase;
- (III) the Company shall make the following payments from the Company's distributable profits:
 - (1) acquisition of the right to repurchase its own shares;
 - (2) modification of any contracts for the repurchase of its shares;
 - (3) release from any of its obligations under any repurchase contract.
- (IV) After the aggregate par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant provisions, the amount deducted from the distributable profit used for the repurchase of the shares at par value shall be credited to the Company's premium account(or capital reserve fund account).

If it is otherwise provided in laws, regulations, rules, normative documents and relevant requirements under the securities regulatory authority of the place where the Company's shares are listed regarding the financial treatment of the repurchase of the shares, the latter shall prevail.

Chapter V Financial Assistance for the Purchase of Company Shares

Article 33 Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to purchasers or prospective purchasers of shares of the Company. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assumes obligations as a result of purchasing shares of the Company.

Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.

This Article does not apply to the circumstances as stated in Article 35 of this Chapter.

Article 34 The term “financial assistance” as referred to in this Chapter includes, but not limited to, the following:

- (I) gift;
- (II) security (including the assumption of liability or the provision of property by the guarantor to secure the performance of obligations by the obligor), indemnity (excluding, however, indemnity arising from the Company’s own fault), release or waiver of any rights;
- (III) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the fulfilment of obligations of the other party to the contract, or a change in the parties to, or the assignment of rights under, such loan or contract;
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net asset or when its net assets would thereby be reduced to a material extent.

The term “assumption of obligations” as referred to in this Chapter includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligations are to be borne by the obligor solely or jointly with other persons), or by any other means which results in a change in the obligor’s financial condition.

Article 35 The following acts shall not be deemed to be acts as prohibited in Article 33 herein:

- (I) the financial assistance provided by the Company is either genuinely for the interests of the Company and the main principal purpose of such financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of certain overall plan of the Company;
- (II) the lawful distribution of the Company’s properties by way of dividends;

- (III) the allotment of bonus shares as dividends;
- (IV) a reduction of registered capital, repurchase of shares or adjustment of the share capital structure effected in accordance with the Articles of Association;
- (V) the provision by the Company of a loan within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profit);
- (VI) the provision of funds by the Company for an employee shareholding schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profit).

Chapter VI Share Certificates and Register of Members

Article 36 The 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 items required to be specified by the stock exchange(s) where the Company's shares are listed.

During the listing of H shares in Hong Kong, the Company shall ensure that the following statements are included in the documents relating to H shares, and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a completed and signed form in respect of such shares bearing the following statements:

- (I) the purchaser of the shares and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.
- (II) the purchaser of the shares agrees with the Company, each of the Company's shareholders, directors, supervisors and senior management members, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management members of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights in relation to the Company's affairs arising from the Articles of Association or any rights or obligations under the Company Law or other relevant laws or administrative regulations in accordance with the provisions of the Articles of Association, and that any referral to arbitration shall be deemed as an authorization to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award 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 behalf with each of the directors and senior management members, pursuant to which the directors and senior management members undertake to observe and fulfill their responsibilities under the Articles of Association to the shareholders.

Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.

Where the share capital of the Company includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words “restricted voting” or “limited voting”.

Article 37

The share certificates shall be signed by the chairman of the Board of Directors. Where the stock exchange where the Company’s shares are listed requires the share certificates to be signed by the senior management members of the Company, the share certificates shall also be signed by such senior management members. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the Company’s seal with the authorization of the Board of Directors. The signatures of the chairman of the Board of Directors of the Company or the relevant senior management members 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 of the places where the Company’s shares are listed shall prevail.

Article 38

The Company shall establish a register of members, and the register of members shall register therein the following particulars, or register members in accordance with laws, administrative regulations and the Hong Kong Listing Rules:

- (I) the name (title), address (place of domicile), occupation or nature of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid-up or payable in respect of shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which each shareholder was registered as a shareholder;
- (VI) the date on which each shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the shareholders’ shareholding in the Company.

Article 39 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, keep its original register of holders of overseas listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

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

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

Article 40 The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (I) the register of members which is maintained at the Company's place of domicile (other than those registers of members as described in items (II) and (III) of this Article);
- (II) the register of members in respect of the holders of overseas listed foreign shares of the Company which is maintained at the place where the overseas stock exchange where the shares are listed is located;
- (III) the register of members which is maintained in such other place as the Board of Directors may consider necessary for the purpose of listing of the Company's shares.

Article 41 Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of members.

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

All overseas-listed foreign shares shall be transferred by way of written transfer instrument in standard form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer document may be signed by hand or (where the transferor or transferee is a corporation) by the company's seal. In the event that the transferor or transferee of the shares of the Company is a recognized clearing house as defined under the laws of Hong Kong or those of its agent, a written transfer document may be signed by hand or in a machine-printed form. All transfer instruments must be kept at the legal address of the Company or other places as may be designated by the Board of Directors from time to time.

All overseas listed foreign shares listed in Hong Kong for which the share capital has been paid in full may be transferred freely in accordance with the Articles of Association. However, the Board of Directors may refuse to recognize any transfer instrument without giving any reason unless such transfer is carried out in compliance with the following conditions:

- (I) a fee in Hong Kong dollars (as per each transfer instrument) or such higher fee as may then be prescribed by the Hong Kong Stock Exchange, has been paid to the Company for the purpose of registration of the transfer instrument of shares and other documents which are related to or will affect the title to the shares;
- (II) the transfer instrument only involves overseas listed foreign shares listed in Hong Kong;
- (III) the due stamp duty for transfer instrument has already been paid;
- (IV) the relevant share certificates and other evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares have been submitted;
- (V) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) the Company does not have any lien over the relevant shares.

Article 42 Within 30 days before the convening of shareholders' general meeting or within 5 days before the benchmark date of the company's decision to distribute dividends, no registration of changes to the register of members due to share transfers shall be made, unless the PRC laws, administrative regulations, department rules, regulatory documents, and relevant stock exchange or regulatory agency of the place where the Company's shares are listed otherwise specified.

Article 43 When the Company convenes a shareholders' general meeting, distribute dividends, enter into liquidation and engage in other activities that require determination of the identity of shareholders, the Board of Directors shall determine a specific date as equity determination date, registered shareholders at the end of which shall be the shareholders entitled to the relevant rights and interests.

Article 44 The Hong Kong branch register of shareholders must be available for inspection by shareholders, but the company may be allowed to suspend the registration of shareholders on terms equivalent to section 632 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). Any person who challenges the register of members and requests to have his/her name (title) included in or removed from the register of members may apply to the court having jurisdiction for rectification of the register of members.

Article 45 Any shareholder who is registered in, or any person who requests to have his name (title) entered into, the register of members may apply to the Company for issuance of a replacement share certificate in respect of such shares (the "Relevant Shares") if his/her share certificate (the "Original Share Certificate") is lost.

If the holders of domestic shares lose their share certificates and apply for their replacement, the matter shall be dealt with in accordance with the relevant requirements of the Company Law.

If the holders of overseas listed foreign shares lose their share certificates and apply for their replacement, the matter may be dealt with in accordance with the laws, regulations, the rules of the stock exchange or other relevant provisions of the place where the original register of members of overseas listed foreign shares is kept.

If the holders of overseas listed foreign shares of the Company listed in Hong Kong lose their share certificates and apply for their replacement, the issue of replacement certificates to the holders shall comply with the following requirements:

- (I) the applicant shall submit an application in the form prescribed by the Company accompanied by a notarial document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as a statement declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the Relevant Shares.
- (II) the Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides that a replacement share certificate shall be issued.
- (III) if the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention in the newspapers or periodicals designated by the Board of Directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.
- (IV) before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The public announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish.

- (V) upon expiry of the 90-day period specified in items (III) and (IV) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.

(VI) when the Company issues a replacement share certificate under this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of members.

(VII) all expenses for the cancellation of the Original Share Certificate and issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action until reasonable guarantee is obtained from the applicant.

Article 46 After the Company has issued a replacement share certificate in accordance with the Articles of Association, it shall not delete from the register of members the name (title) of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).

Article 47 The Company shall not have any obligation to indemnify any person for any damage suffered thereby arising out of the cancellation of the Original Share Certificate or the issuance of a replacement share certificate, unless such person concerned can prove fraud on the part of the Company.

Chapter VII Rights and Obligations of the Shareholders

Article 48 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (title) is recorded in the register of members.

A shareholder shall enjoy rights and assume obligations in accordance with the class of shares he/she holds; shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations. All classes of shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other form.

Article 49 Holders of the ordinary shares of the Company shall enjoy the following rights:

- (I) the right to dividends and other profit distributions in proportion to the number of shares held;
- (II) the right to apply for, convene, preside, attend or appoint proxies to attend general meetings lawfully and to exercise the corresponding voice and voting right;
- (III) the right to supervise, present proposals or raise enquiries in respect of the Company's business operations;
- (IV) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association;
- (V) the right to obtain relevant information in accordance with the Articles of Association, including:

1. the right to obtain the Articles of Association, subject to payment of the cost;
2. the right to inspect for free and subject to a payment of a reasonable fee, to copy:
 - (1) all parts of the register of members;
 - (2) personal information of each of the Company's directors, supervisors and senior management members, including:
 - a. present and former name or alias;
 - b. principal address (place of domicile);
 - c. nationality;
 - d. full-time and all other part-time occupations and positions;
 - e. identity document and its number.
 - (3) the report of the Company's issued share capital;
 - (4) reports showing the aggregate par value, quantity, the maximum and minimum prices of each class of shares repurchased by the Company since the last accounting year, and the aggregate amount paid by the Company for this purpose (domestic shares and foreign shares respectively);
 - (5) corporate bond stubs, resolutions of the Board of Directors and Board of Supervisors;
 - (6) most recent audited financial statements of the Company, and reports of the Board of Directors, auditors and Board of Supervisors;
 - (7) previous year's annual report/annual return of the enterprise that has been submitted to the State Administration for Market Regulation or other competent authorities;
 - (8) minutes of resolutions of the shareholders' general meetings (only for inspection by shareholders of the Company) and special resolutions of the Company.

The Company shall keep the above documents other than those set out in items (2) and (5) at its address in Hong Kong in accordance with the requirements of the Hong Kong Listing Rules, and make such documents available for inspection by the public and the holders of overseas listed foreign shares free of charge.

If the contents accessed and copied involve trade secrets, inside information of the Company and personal privacy of relevant personnel, the Company may refuse to provide them.

- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;
- (VII) shareholders who object to resolutions of merger or division made by the shareholders' general meeting may request the Company to purchase their shares;
- (VIII) shareholders who individually or collectively hold more than three percent (3%) of the Company's shares may have the right to propose an interim proposal in writing within ten (10) days before the shareholders' general meeting and submit it to the Board of Directors;
- (IX) such other rights conferred by laws, administrative regulations, department rules, listing rules of the place where the Company's shares are listed and the Articles of Association.

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

Article 50 Holders of ordinary shares of the Company shall assume the following obligations:

- (I) to abide by the obligations stipulated in laws, administrative regulations, listing rules of the place where the Company's shares are listed and the Articles of Association;
- (II) to pay the share subscription price based on the shares subscribed for by them and the method of acquiring such shares;
- (III) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal person or the limited liability of shareholders to harm the interests of the Company's creditors;

Any shareholder who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any shareholder who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and severely harm the interests of the Company's creditors shall assume joint and several liability for the Company's debts.

- (IV) to assume other obligations required by laws, administrative regulations, department rules, listing rules of the place where the Company's shares are listed and the Articles of Association.

Unless otherwise specified, shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

Article 51

In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the place where the Company's shares are listed, a controlling shareholder exercises his/her right as a shareholder, he/she shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders:

- (I) to waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;
- (II) to approve the expropriation by a director or supervisor (for his/her own benefits or for the benefits of another person), in any way, of the Company's properties, including but not limited to any opportunities beneficial to the Company;
- (III) to approve the expropriation by a director or supervisor (for his/her own benefits or for the benefits of another person) of personal rights of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding the corporate restructuring submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

Article 52

"Controlling shareholder" referred to in the preceding Article refers to a person that satisfies any of the following conditions:

- (I) any person acting on his 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 own or in concert with other parties has the power to exercise or control the exercise of thirty percent (30%) or more of the voting rights of the Company;
- (III) any person acting on his own or in concert with other parties holds thirty percent (30%) or more of the outstanding shares of the Company;
- (IV) any person acting on his own or in concert with other parties has actual control over the Company in any other manner;
- (V) other persons as stipulated by relevant laws, administrative regulations or the listing rules of the place where the Company's shares are listed.

Chapter VIII General Meeting

Article 53 The general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the laws.

Article 54 The general meeting shall exercise the following functions and powers:

- (1) to decide on the operating policies and investment plans of the Company;
- (2) to elect and replace directors and decide on matters relating to their remuneration;
- (3) to elect and replace supervisors who are not employee representatives and decide on matters relating to their remuneration;
- (4) to review and approve reports of the Board of Directors;
- (5) to review and approve reports of the Board of Supervisors;
- (6) to review and approve the annual financial budgets and final accounts of the Company;
- (7) to review and approve the profit distribution plans and loss recovery plans of the Company;
- (8) to adopt resolutions on increasing or reducing the registered capital of the Company;
- (9) to adopt resolutions on the issuance of corporate bonds, any class of shares, any share warrants or other similar securities and their listing proposals;
- (10) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (11) to adopt resolutions on the engagement, renewal or non-renewal, or dismissal of the engagement of accounting firms by the Company;
- (12) to amend the Articles of Association, the rules of procedures of the general meeting, the Board of Directors and the Board of Supervisors;
- (13) to review the purchase or the sale of major assets and the provision of guarantees by the Company within one year, with an aggregated amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
- (14) to review proposals raised by shareholder(s) who, individually or collectively, hold more than three percent (3%) of the voting shares of the Company;

- (15) to review any transactions where the applicable percentage ratios calculated by the Company pursuant to the percentage ratios requirement under Rule 14.07 of the Hong Kong Listing Rules amount to twenty-five percent (25%) or more (including one-off transactions and a series of transactions requiring a combined percentage ratio) or any connected transactions where the applicable percentage rate reaches five percent (5%) or more (including one-off transactions and a series of transactions requiring a combined percentage rate);
- (16) to review the equity incentive scheme;
- (17) to review other matters required to be resolved by the general meeting as prescribed by laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Article 55 The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be resolved by the shareholders' general meeting.

When the general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the matters specified in the preceding paragraph, and the resolution shall be subject to approval by more than half of the voting rights of the other attending shareholders.

Article 56 The Company shall not conclude any contract with any person other than a director, a supervisor, general manager or other senior management officer whereby such person is put in charge of the management of all or important business of the Company without the prior approval of the general meeting.

Article 57 General meetings include annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board of Directors. Annual general meetings shall be convened once every financial year and within six (6) months after the end of the preceding fiscal year.

Article 58 The Company shall convene an extraordinary general meeting within two (2) months from the date of the occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two-thirds (2/3) of the number prescribed in the Articles of Association;
- (2) the losses of the Company that have not been made up reach one-third (1/3) of its total paid in share capital;
- (3) shareholder(s) individually or collectively holding no less than ten percent (10%) of the Company's outstanding voting shares request(s) in writing to convene an extraordinary general meeting (the number of shares held shall be calculated based on the number of shares held at the close of the market on the day when the shareholder(s) make(s) the written request, or, if the day on which the written request is made is not a trading day, the preceding trading day);
- (4) the Board of Directors considers it necessary;

- (5) the Board of Supervisors proposes that such a meeting shall be held;
- (6) two or more independent non-executive directors propose that such a meeting shall be held;
- (7) other circumstances as specified by laws, administrative regulations, department rules and the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association.

Article 59

The place where the Company holds the general meeting of shareholders shall be the domicile of the Company or other places designated by the convener of the general meeting of shareholders.

The general meeting of shareholders shall have a venue and be held in the form of an on-site meeting or other forms permitted by laws and regulations. Where applicable, the Board of Directors of the Company may, in view of specific circumstances and in accordance with laws, administrative regulations, the requirements of the securities regulatory authority of the place where the Company's shares are listed, the Hong Kong Listing Rules or the Articles of Association, adopt other voting methods to facilitate shareholders' participation in the general meeting of shareholders. Shareholders who participate in the general meeting of shareholders through the above methods shall be deemed to be present.

Article 60

Shareholders requesting the convening of extraordinary general meetings or class meetings shall follow the procedures listed below:

- (1) Shareholder(s) individually or collectively holding 10% or more of the shares carrying voting rights (on the basis of one share, one vote) at the meeting to be convened may, by signing one or more counterpart written requisition(s) stating the object of the meeting, require the Board of Directors to convene an extraordinary general meeting or a class meeting. The Board of Directors shall as soon as possible after receipt of such written requisition(s) proceed to so convene the extraordinary general meeting or class meeting. The shareholdings referred to above shall be calculated as at the date of the delivery of the written requisition(s).
- (2) Where the Board of Directors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, the requesting shareholder(s) may request the Board of Supervisors to convene the extraordinary general meeting or class shareholders' meeting.
- (3) Where the Board of Supervisors fails to issue notice of convening meeting within 30 days upon receipt of the above written request, shareholder(s), for more than 90 consecutive days, individually or collectively holding more than 10% of the shares carrying voting rights at the meeting to be convened may convene the meeting on their own accord within four months upon the Board of Directors having received such request. The convening procedures shall, to the extent possible, be identical to procedures according to which general meetings are to be convened by the Board of Directors.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and Board of Supervisors to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors or supervisors.

Article 61

The Board of Directors, the Board of Supervisors or shareholders who hold, individually or collectively, more than 3% of the Company's shares shall have the right to propose a motion to the Company for consideration at the general meeting of the Company.

Shareholders individually or collectively holding three percent (3%) or more of the total voting shares of the Company shall be entitled to propose new resolutions to the Company in writing which should be submitted to the convener ten (10) days prior to the convening of the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within two (2) days of the receipt of such proposal and incorporate such newly proposed matters falling within the scope of duties of the general meeting into the agenda of such meeting for consideration at the general meeting.

Save as provided in the preceding paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

Article 62

The convener shall notify all shareholders of the time, place and subject matters of the meeting 20 business days prior to the convening of the annual general meeting (excluding the date on which the notice is issued and the day when the meeting is held). In case of an extraordinary general meeting, the shareholders shall be notified 15 days or 10 business days prior to the convening of the meeting (whichever is earlier, excluding the date on which the notice is issued and the date on which the meeting is held).

After the notice of the general meeting of shareholders is issued, the general meeting of shareholders shall not be postponed or cancelled without justifiable reasons, and the proposals listed in the notice of general meeting of shareholders shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least 2 business days prior to the original meeting date.

The extraordinary general meeting shall not decide on matters not specified in the notice.

Article 63

Notice of a general meeting shall:

- (1) be in writing;
- (2) specify the place, date and time of the meeting;
- (3) set out the matters to be considered at the meeting;

- (4) provide such information and explanation as are necessary for the shareholders to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract (if any), and the cause and effect of such proposal shall be properly described;
- (5) disclose the nature and extent of the material conflict of interest, if any, of any director, supervisor and other senior management officer in the matters to be considered; and provide an explanation of the differences, if any, between the way in which the matter to be considered would affect such director, supervisor or other senior management officer in his/her capacity as shareholders and the way in which such matter would affect other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be passed at the meeting;
- (7) contain conspicuously a statement that a shareholder entitled to attend and vote have the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) be in compliance with other requirements stipulated in laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, and the Articles of Association.

Article 64

Unless otherwise provided in the Articles of Association, the notice of general meeting shall be sent to shareholders (regardless of whether they have voting rights at the general meeting) by hand or by prepaid mail. The address of the recipient shall be the address registered in the register of shareholders. For the holders of domestic shares, notice of the meeting may be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published on the website of the stock exchange and one or more newspapers designated by the securities regulatory authority of the State Council 15 or 10 business days prior to the convening of the meeting (whichever is earlier) (in case of extraordinary general meeting) or 20 business days prior to the convening of the meeting (in case of annual general meeting). Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

Article 65

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 66 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his proxy in writing to attend and vote on his behalf. Where a shareholder is a corporation, it may appoint a proxy to attend a shareholders' general meeting. And if a shareholder has appointed a proxy to attend any meeting, he shall be deemed to be present in person.

A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand, whether on his own or together with others, a poll;
- (3) the right to vote by show of hands or on a poll; however, where more than one proxy has been appointed by shareholders, the proxies may only vote on a poll.

Article 67 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal person, either under seal or under the hand of a director or attorney duly authorized.

Where such shareholder is a recognized clearing house (or its nominee) within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorize one or more persons as it deems fit to act as its representative(s) or proxy(ies) at any shareholders' general meeting or any class meeting, provided that, if more than one person is so authorized, the power of attorney or the form of proxy shall specify the number and class of shares in respect to which person is so authorized. The person so authorized may exercise the rights on behalf of the recognized clearing house (or its nominees) as if such person were an individual shareholder of the Company, and such proxy or corporate representative shall have the same statutory rights as other shareholders, including the rights to speak and to vote.

Article 68 The instrument appointing a voting proxy shall be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting not less than 24 hours prior to the convening of the meeting at which the proxy proposes to vote, or 24 hours prior to the specified time for voting. If such instrument is signed by another person under a power of attorney or other authorization documents given by the appointor, such power of attorney or other authorization documents shall be notarized. The notarized power of attorney or other authorization documents shall, together with the instrument appointing the voting proxy, be deposited at the Company's domicile or at such other place as is specified in the notice convening the meeting.

If the appointor is a legal person, its legal representative or any person authorized by the resolutions of the Board of Directors or other governing body shall attend the general meeting of the Company as the appointor's representative.

Article 69 The instrument issued to a shareholder by the Board of Directors of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his free will, to instruct his proxy to vote in favor of or against the motions proposed and in respect of each individual matters to be voted on at the meeting.

Such instrument shall contain a statement that in the absence of instructions from the appointor, the proxy may vote as he thinks fit.

Article 70 Where the appointor has deceased, incapacitated to act, withdrawn the appointment or the power of attorney or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 71 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolution at a general meeting shall be adopted by shareholders in attendance (including proxies) holding more than half of the voting rights.

Special resolution at a general meeting shall be adopted by shareholders in attendance (including proxies) holding two-thirds of the voting rights.

When the general meeting of shareholders considers matters relating to related transactions, if required by applicable laws, regulations or the listing rules of the stock exchange where the Company's shares are listed, the related shareholders shall abstain from voting and the number of voting shares represented by them shall not be counted in calculating the total number of valid votes.

Article 72 When the shareholders (including proxies) vote at a general meeting, they shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share. Shares in the Company which are held by the Company do not carry any voting rights and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Article 73 Any vote by shareholders at a general meeting must be taken by poll, unless the chairman of the meeting decides in good faith to allow resolutions on purely procedural or administrative matters to be voted on by a show of hands.

If the chairman decides to vote by a show of hands, at any general meeting of shareholders, a resolution shall be decided on a show of hands unless a poll is demanded by the following persons before or after a vote is carried out by a show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders present in person or by proxy entitled to vote; and

- (3) one or more shareholders present in person or by proxy and representing ten percent (10%) or more shares carrying the right to vote at the meeting individually or jointly.

If the chairman decides to vote by a show of hands, unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

Article 74 A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution of that meeting.

Article 75 On a poll taken at a meeting, a shareholder (including his proxy) who is entitled to have two or more votes need not cast his votes all for or all against a resolution.

Article 76 In the event of a tie, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 77 Where any shareholder is, under applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for (or only against) any particular resolution at any general meeting, any votes cast by such shareholders (or their proxies) in contravention of such requirement or restriction shall not be counted.

Article 78 The following matters shall be resolved by ordinary resolutions at a general meeting:

- (1) work reports of the Board of Directors and the Board of Supervisors;
- (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
- (3) appointment or removal of directors and supervisors (other than staff representative supervisors), and their remuneration and manner of payment thereof;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) the Company's annual reports;
- (6) resolutions on the engagement, dismissal or discontinuation of the engagement of accounting firms by the Company;

- (7) Other matters that require the approval of the general meeting of shareholders, except those as required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Articles of Association to be approved by special resolutions.

Article 79

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

- (1) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;
- (2) the issuance of corporate bonds by the Company;
- (3) the division, merger, dissolution and liquidation or change in the corporate form of the Company;
- (4) the amendment to the Articles of Association;
- (5) to review and approve the purchase or the sale of major assets and the provision of guarantee by the Company within one year with an amount exceeding thirty percent (30%) of the latest audited total assets of the Company;
- (6) other matters which laws, administrative regulations, the listing rules of the stock exchange where the Company' shares are listed or the Articles of Association require to be adopted by special resolutions and which, as determined by ordinary resolutions at the general meeting of shareholders, will have a material impact on the Company and is therefore required to be adopted by special resolutions.

Article 80

A general meeting shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable to attend the meeting for any reasons, the Board of Directors shall designate a director of the Company to convene and preside over the meeting. If no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy thereof) attending the meeting and holding the largest number of voting shares shall be the chairman of the meeting.

Article 81

The chairman of the meeting shall determine whether a resolution at a general meeting is passed based on the voting result. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of the meeting. Resolutions of a general meeting shall be announced timely as prescribed by relevant laws, regulations, the requirements of the securities regulatory authority of the place where the Company' shares are listed and the Articles of Association, and the announcement shall contain the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and its percentage to the total voting shares of the Company, means of voting, the voting result for each proposal and the details of each resolutions passed.

Article 82 If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy and who objects to the result announced by the chairman of the meeting shall have the right to demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.

Article 83 If votes are counted at the shareholders' general meeting, the counting result shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance lists of shareholders and proxy forms shall be kept at the domicile of the Company.

Article 84 Copies of the minutes of the meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within 7 days following the receipt of reasonable charges.

Chapter IX Special Procedures for Voting by Class Shareholders

Article 85 Shareholders holding different classes of shares are referred to as class shareholders.

A class shareholder shall enjoy rights and assume obligations in accordance with the laws, administrative regulations, the listing rules of the place where the Company's shares are listed and the provisions of the Articles of Association.

Article 86 If the Company proposes to change or nullify 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 88 to 92 of the Articles of Association respectively by the related class of Shareholders.

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

Upon approval from the competent securities regulatory authorities of the State Council and approved by the Hong Kong Stock Exchange, the domestic shareholders of the Company may transfer all or part of their shares to overseas investors and list and trade the said shares on foreign stock exchanges, or convert all or part of the domestic shares into overseas listed foreign shares and list and trade the said shares on foreign stock exchanges, which shall not be deemed to be a proposed change or nullification of the rights conferred on any class of shareholders.

Article 87 The rights of a certain class of Shareholders shall be deemed to be changed or nullified in the following circumstances:

- (1) to increase or decrease the number of the Shares of such class, or increase or decrease the number of the class Shares which enjoy the same or more voting rights, distribution rights or other privileges;

- (2) to convert all or part of the Shares of such class into other class(es), or convert all or part of the Shares of other class(es) into such class, or grant such conversion rights;
- (3) to cancel or reduce the rights of such class of Shares to receive accrued dividends or cumulative dividends;
- (4) to reduce or cancel the privileged rights of such class of Shares to acquire dividends or obtain distribution of properties during liquidation of the Company;
- (5) to increase, cancel or reduce the conversion, option, voting, transfer or privileged allotment rights of such class of Shares or the rights of such class of Shares to obtain securities of the Company;
- (6) to cancel or reduce the rights of such class of Shares to receive amounts payable by the Company in a particular currency;
- (7) to establish new class(es) of Shares with the same or more voting rights, distribution rights or other privileges as compared with those enjoyed by such class of Shares;
- (8) to impose restriction or additional restrictions on the transfer or ownership of such class of Shares;
- (9) to issue the share subscription rights or share conversion rights of such class or another class of Shares;
- (10) to increase the rights or privileges of other class(es) of Shares;
- (11) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of Shareholders during the restructuring; and
- (12) to revise or nullify the provisions specified in the Articles of Association.

Article 88

Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in items (2) to (8), (11) to (12) of Article 87, except that interested shareholders shall not have the right to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph is:

- (1) In the case of a repurchase of shares by the Company by pro rata offers to all shareholders or by way of on-market dealing on Hong Kong Stock Exchange under Article 29 hereof, “interested shareholder(s)” shall refer to the controlling Shareholders as defined in the Articles of Association;

- (2) In the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under Article 29 hereof, “interested shareholder(s)” shall refer to shareholders who are related to the agreement;
- (3) In the case of a restructuring of the Company, “interested shareholder(s)” refers to a shareholder within a class who bears less than a proportionate liability than other shareholders of such class or who has an interest different from those of other shareholders of such class.

Article 89 Resolutions of a class meeting shall be passed by shareholders present at the meeting representing two-thirds (2/3) or more of the voting rights in accordance with Article 88 hereof.

Article 90 When the Company is to convene a shareholders’ class meeting, it shall issue a written notice fifteen days or ten business days (whichever is earlier) prior to the date of such meeting informing all registered shareholders of that class of shares of the matters to be considered at the meeting as well as the date and place of the meeting.

In the event that the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half (1/2) of the total number of voting shares of that class, the Company may convene a shareholders’ class meeting. Otherwise, the Company shall within five (5) days notify the shareholders once again, by way of public announcement, of the matters to be considered at the meeting and the date and place of the meeting. Upon notification by public announcement, the Company may then proceed to convene the shareholders’ class meeting.

The quorum of a shareholders’ class meeting (but not adjourned meetings) to change or abrogate rights of shareholders of a certain class shall be holder(s) of no less than one-third of the issued shares of such class.

If provisions otherwise provided by the listing rules of the place where the Company’s shares are listed, these provisions shall apply.

Article 91 The notice of a shareholders’ class meeting shall be sent to the Shareholders entitled to vote at such meeting only.

The procedure of a shareholders’ class meeting shall, to the extent possible, be identical with the procedure of a general meeting. Provisions of the Articles of Association relevant to procedures for the holding of a general meeting shall be applicable to a shareholders’ class meeting, unless otherwise stipulated in the Articles of Association.

Article 92 Except for other classes of Shareholders, domestic shareholders and foreign shareholders of foreign listed shares are treated as different classes of shareholders.

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

- (1) Upon the approval by way of a special resolution passed by a Shareholders' general meeting, the Company independently or simultaneously issues domestic Shares and overseas listed foreign Shares every twelve (12) months, provided that the amount of each class of Shares intended to be issued does not exceed twenty percent (20%) of the issued and outstanding Shares of the respective classes;
- (2) The Company's plan to issue domestic Shares and overseas listed foreign Shares upon its incorporation is implemented within fifteen (15) months from the date of approval from the securities regulatory authorities under the State Council;
- (3) Upon approval from the securities regulatory authorities under the State Council and approved by the Hong Kong Stock Exchange, the domestic Shareholders of the Company will transfer its shares to offshore investors or the domestic Shareholders of the Company are approved to convert all or part of the domestic shares into foreign shares, and list and trade the said shares on foreign stock exchanges.

Chapter X Board of Directors

Article 93 The Company shall set up a board of directors, which shall consist of nine directors.

The Board of Directors shall have one chairman. The chairman shall be elected and removed by more than one-half of all directors. The term of office of the chairman shall be three years, renewable upon re-election.

In any event, the Board of Directors shall have at least three independent non-executive directors and independent non-executive directors shall account for at least one-third of the members of the Board of Directors.

Independent non-executive directors are elected for a term of three years each, and may be re-elected. However, the reappointment of independent non-executive directors who have served as such for more than nine years shall be subject to relevant deliberation procedures in accordance with the provisions of the listing rules of the stock exchange where the Company's shares are listed.

Article 94 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 the 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 95 Directors shall be elected or removed from office at a general meeting. Each term of office of a director shall be three years, and a director may be re-elected and reappointed upon expiry of his/her term of office.

The term of office of the directors shall be counted from the date of appointment until the expiration of the term of the current Board of Directors. When the directors' term expires and a re-election is not held in time, or where the resignation of a director during his/her term of office causes the number of board members 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. In the event of a temporary addition of directors, the Board of Directors shall propose and recommend the general meeting to elect or replace them.

Any person appointed by the Board of Directors to fill a temporary vacancy or as an addition to the Board of Directors shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

Subject to the compliance with the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any director before the expiration of his/her term of office without prejudice to the director's right as provided in any contracts to claim for damages arising from his/her removal.

Article 96

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

- (1) to convene general meetings and report to the general meetings;
- (2) to implement resolutions of the general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the annual financial budgets and final accounts of the Company;
- (5) to formulate the Company's profit distribution plans and plans on making up losses;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital, the issuance of bonds or other securities and listing;
- (7) to formulate plans for the Company's merger, division, dissolution or change of corporate form;
- (8) to decide on establishment of internal management organs of the Company;
- (9) to decide on the appointment or dismissal of the Company's general manager and secretary to the Board of Directors, company secretary and their remunerations; and to decide on the appointment or dismissal of the Company's deputy general manager, chief financial officer and their remunerations according to the nomination of the general manager;
- (10) to formulate the basic management system of the Company;
- (11) to formulate proposals to amend the Articles of Association;

- (12) to consider and approve (1) all share transactions (including one-off transactions and a series of transactions requiring a combined percentage ratio) where the percentage ratios calculated pursuant to the percentage ratio requirement under Rule 14.07 of the Hong Kong Listing Rules are less than 5% and the consideration includes the shares to be issued for listing, (2) any discloseable transactions (including one-off transactions and a series of transactions requiring a combined percentage ratio) where the applicable percentage ratios are 5% or more but all are less than 25%, or (3) any partially exempt connected transactions and non-exempt connected transactions (including one-off transactions and a series of transactions requiring a series of transactions requiring a combined percentage ratio) where any one of the percentage ratios (other than the profit ratio) calculated pursuant to the percentage ratio requirement under Rule 14.07 of the Hong Kong Listing Rules amounts to 0.1% or more but less than 5%;
- (13) to develop the Company's equity incentive scheme;
- (14) to manage information disclosure of the Company;
- (15) to propose to the general meeting the appointment or replacement of the accounting firm that provides audit service to the Company;
- (16) to decide other material matters of the Company other than those matters required to be decided by the general meeting in accordance with the Company Law and the Article of Association;
- (17) other functions and powers stipulated by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Except for items (6), (7) and (11) which shall be passed by more than two-thirds (2/3) of the directors, resolutions made by the Board of Directors in respect of all other matters set out in the preceding paragraphs may be passed by more than half of the directors.

Article 97

The Board of Directors shall not, without the approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the fixed assets of the Company proposed to be disposed of and, where any fixed assets of the Company have been disposed of in the period of four months preceding the proposed disposition, the amount or value of the consideration for any such disposition exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet tabled before the shareholders in a general meeting.

The disposal of fixed assets referred to in this Article shall include the act of transferring certain rights and interests of assets, but excluding the act of providing guarantee with fixed assets.

The validity of a transaction for the disposition of fixed assets by the Company shall not be affected by a breach of paragraph 1 of this Article.

Article 98 The chairman of the Board of Directors is entitled to the following functions and powers:

- (1) to preside over general meetings and to convene and preside over the board meetings;
- (2) to supervise and check on the implementation of resolutions passed at the meeting of the Board of Directors;
- (3) to sign securities issued by the Company;
- (4) to propose convening of an extraordinary board meeting;
- (5) to exercise other functions and powers conferred by the Board of Directors.

In the event that the chairman of the Board of Directors is unable to carry out his duties or fails to perform his duties, a director elected by half or more of all directors may perform his duties.

Article 99 Board meetings shall be classified into the regular board meetings and extraordinary board meetings.

At least two (2) regular board meetings shall be convened each year on a quarterly basis. Board meetings shall be convened by the chairman of the Board of Directors. The meeting notice and meeting documents shall be served on all directors and supervisors at least fourteen (14) days before the meeting (excluding the day of the meeting). Board meetings shall generally be convened on-site or otherwise in other manners as permitted in accordance with laws and regulations. Whenever it is necessary, the board meetings may be convened through video, telephone, fax, or email after agreement of the convener (the presider) or proposer provided that the directors can fully give their opinions.

Article 100 The chairman of the Board of Directors shall convene an extraordinary board meeting in one of the following circumstances:

- (1) When proposed by more than one tenth of the shareholders with voting rights;
- (2) When proposed by one third or more of the directors;
- (3) When proposed by the Board of Supervisors;
- (4) Other circumstances stipulated by the Articles of Association.

Article 101 The notice of extraordinary board meeting shall be served in writing to all directors, supervisors, and the senior management by hand, mail, e-mail, or facsimile three (3) days before the date of the meeting. In case of emergency and an extraordinary board meeting is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

- Article 102** A notice of a meeting of the Board of Directors in writing shall include the following particulars:
- (1) the date and venue of the meeting;
 - (2) the period for the meeting;
 - (3) reasons for and matters to be considered at the meeting;
 - (4) the date of issuance of the notice.
- Article 103** The board meeting shall be attended by more than half of the directors (including proxies).
- Each director has one vote. Save as otherwise specified in the Articles of Association, resolutions made by the Board of Directors shall be passed by more than half of all directors.
- In the case of an equality of votes, the chairman of the Board of Directors shall have a casting vote.
- Article 104** Where a director or any of his/her close associates has any interest in the subject matter of the board meeting, such director shall abstain from the meeting, and his/her voting rights shall be withdrawn and he/she shall not be counted in the quorum of the meeting. Where any director is required to abstain from voting, the relevant meeting of the Board of Directors may be held when more than half of the uninterested directors attend the meeting, and the resolutions formed shall be passed by more than half of the uninterested directors. If the number of uninterested directors attending the meeting is less than 3, the relevant proposals shall not be voted and shall be submitted to the general meeting for review.
- Article 105** Meetings of the Board of Directors shall be attended by the directors in person. If 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 include the principal's signature or seal.
- The director attending the meeting on other's behalf shall exercise the rights of a director within the scope of authorization. If a director fails to attend a board meeting or appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.
- Article 106** The vote on board resolutions shall be taken by way of voting on a show of hands or of an open ballot at the on-site meeting. On the premise that the directors are assured to have fully expressed their views at an extraordinary board meeting, they can vote on a motion by way of communication, and the resolution shall be signed by the directors attending the meeting and delivered to the Company by hand, mail, e-mail or facsimile.

Article 107 The Board of Directors shall keep minutes of resolutions on matters discussed at relevant meetings (which shall include any concerns raised or dissenting views expressed by the directors). The minutes shall be signed by the directors and the person who recorded the minutes present at such meetings.

Directors shall be liable for the resolutions of the Board of Directors. If the resolutions of the Board of Directors violate the laws, administrative regulations, the listing rules of the stock exchange where the Company's shares are listed or the Articles of Association, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, a director may be exempted from such liability if it is verified that such director has stated his objection when voting and the same was recorded in the minutes at the board meeting.

Archives of board meetings shall be kept 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 board meetings shall be kept as archives of the Company.

Article 108 The Board of Directors shall establish an audit committee, a nomination committee and a remuneration and evaluation committee and other special committees, if necessary, to provide advice and opinions for its significant decisions. The membership and the rules of procedure are agreed by the Board of Directors in compliance with the mandatory provisions under the relevant laws, regulations, regulatory documents and the listing rules of the stock exchange where the Company's shares are listed.

Chapter XI Secretary to the Board of Directors

Article 109 The Company has one secretary of the Board of Directors, which is appointed or dismissed by the Board of Directors. The secretary of the Board of Directors is the senior management of the Company.

Article 110 The secretary of the Board of Directors shall be a natural person with the requisite professional knowledge and experience. His primary duties include:

- (1) ensuring that the Company has complete organizational documents and records;
- (2) ensuring that the Company prepares and submits reports and documents required by relevant authorities pursuant to the law;
- (3) ensuring the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (4) 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 111 A director or other senior management officers of the Company may concurrently act as the secretary of the Board of Directors. The accountants of the accounting firm which has been appointed by the Company shall not concurrently act as the secretary of the Board of Directors.

If a director of the Company concurrently serves as the secretary of the Board of Directors, in the event that an action must be carried out by a director and the secretary of the Board of Directors respectively, the person who holds the offices of director and secretary of the Board of Directors shall not act in dual capacity.

Chapter XII General Manager

Article 112 The Company shall have one general manager, who shall be appointed or removed by the Board of Directors.

According to its need, the Company shall have certain deputy general managers, who shall be appointed or removed by the Board of Directors.

Article 113 The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company, and arrange for the implementation of the resolutions of the Board of Directors;
- (2) to arrange for the implementation of the Company's annual business plans and investment plans;
- (3) to propose plans for establishment of the Company's internal management organization;
- (4) to formulate the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;
- (6) to propose to the Board of Directors appointment or dismissal of deputy general manager and chief financial officer of the Company;
- (7) to decide to appoint or dismiss the management officers other than those required to be employed or dismissed by the Board of Directors;
- (8) to exercise other functions and powers conferred by the Articles of Association or the Board of Directors.

Article 114 The general manager shall attend board meetings and, if the general manager is not a director, he shall not have voting right thereat.

Article 115 In the exercise of his powers, the general manager shall comply with the laws, administrative regulations, listing rules of the places where the shares of the Company are listed and the Articles of Association, and fulfil his duties in good faith and with due diligence.

Chapter XIII Board of Supervisors

Article 116 The Company shall have a board of supervisors.

Article 117 The Board of Supervisors is comprised of 3 supervisors. The Board of Supervisors shall have one chairman. The term of office of a supervisor shall be three years. Upon maturity of the term of office, a supervisor shall be eligible for re-election and re – appointment.

The appointment and dismissal of the chairman of the Board of Supervisors shall be subject to the approval of two-thirds or more of its members by voting.

Article 118 The supervisors shall be the representatives of shareholders and employees of the Company. The ratio of the employee representative supervisors shall be no less than one-third. The employee representative supervisor shall be elected by employees of the Company on the representative staff and workers meetings, the staff and workers meetings or through other forms of a democratic election.

Article 119 The directors and senior management members shall not concurrently act as supervisors.

Article 120 The meetings of the Board of Supervisors shall be held at least once every six months, which shall be convened by the chairman of the Board of Supervisors. The supervisors can propose to convene extraordinary meetings of the Board of Supervisors.

Article 121 The Board of Supervisors shall be accountable to the general meeting and exercise the following functions and powers in accordance with the law:

- (I) to check the financial affairs of the Company;
- (II) to supervise the directors and senior management members in the performance of their duties, and to put forward proposals on the removal of any director or senior management members who violates laws, administrative regulations, listing rules of place where the stock of the Company are listed, the Articles of Association or any resolution of the general meeting;
- (III) to demand directors and senior management members to make rectification if their conduct has damaged the Company's interest;
- (IV) to review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the general meetings and to engage certified public accountants and practicing auditors in the name of the Company to assist in the review whenever queries arise;
- (V) to propose the convening of extraordinary general meetings; and to convene and chair the general meeting in case the Board of Directors fails to fulfill the obligations prescribed by the Articles of Association to convene and chair the general meeting;

- (VI) to submit proposals to the shareholders' general meeting;
- (VII) to act on behalf of the Company in negotiation with directors or senior management members or bringing an action against directors or senior management members;
- (VIII) in the event that the Board of Supervisors discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professional organizations, such as accounting firms and law firms, to assist in its work. Any expenses incurred thereby shall be borne by the Company;
- (IX) to exercise other functions and powers specified in the laws, administrative regulations and the Articles of Association.

Supervisors shall attend the board meetings.

Article 122 If the number of members of the Board of Supervisors falls below the quorum due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his/her term of office, the incumbent supervisor shall continue to perform his/her duties as a supervisor in accordance with laws, administrative regulations, listing rules of the place where the stocks of the Company are listed, and the Articles of Association until the incoming supervisor takes up his/her position.

Article 123 Resolutions of the Board of Supervisors shall be passed by the affirmative votes of two-thirds or more of the members of Board of Supervisors.

Article 124 The reasonable expenses incurred in respect of engaging a professional, such as a lawyer, certified public accountant, practicing auditors, by the Board of Supervisors in exercising its functions and powers shall be borne by the Company.

Article 125 A supervisor shall carry out his/her supervisory duties honestly and faithfully in accordance with the law, administrative regulations, listing rules of the place where the stocks of the Company are listed, and the Articles of Association.

Article 126 The Board of Supervisors shall keep minutes of resolutions on matters discussed at the meeting, and the attending supervisors shall sign on the minutes of the meeting.

A supervisor is entitled to request that an explanatory note is made in the minutes with regard to his/her speech at the meeting.

The minutes of Board of Supervisors meetings shall be kept at the domicile of the Company as archives of the Company.

**Chapter XIV Qualifications and Obligations of Directors,
Supervisors and
Senior Management Members of
the Company**

Article 127 The following persons may not serve as a director, supervisor, or senior management members of the Company:

- (I) A person without capacity or with limited capacity for civil conduct;
- (II) A person who has been sentenced to criminal punishment for corruption, bribery, infringement of property, misappropriation of property or for damaging the order of the socialist market economy, where less than 5 years have elapsed since the sentence was served, or who has been deprived of his/her political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served;
- (III) A person who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where less than 3 years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;
- (IV) A person who served as legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to violation of law and who is personally liable for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) A person who has a relatively large amount of debts which have fallen due but have not been settled;
- (VI) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (VII) A person who, according to law, administrative regulations, and listing rules of place where the stocks of the Company are listed is not permitted to be the leader of an enterprise;
- (VIII) A person who is not a natural person;
- (IX) A person who has been convicted by the competent authority for violation of relevant securities regulations and such violation involved fraudulent or dishonest act, where less than 5 years have elapsed since the date of such conviction;
- (X) Other persons stipulated in the relevant laws and regulations of the place where the stocks of the Company are listed.

If the directors, supervisors, or senior management members are elected, appointed or engaged in violation of this Article, such election, appointment or engagement shall be invalid. Any director, supervisor, and senior management member falling into any of the circumstances set out in this Article during his/her term of office shall be dismissed by the Company.

Article 128 The validity of an act carried out by a director and senior management member of the Company on behalf of the Company as against a bona fide third party shall not be affected by any irregularity in his/her employment, election or qualification.

Article 129 In addition to the obligations imposed by law, administrative regulations or listing rules of the place where the stocks of the Company are listed, each of the Company's directors, supervisors and senior management members owes the following obligations to each shareholder, in the exercise of the functions and powers granted to him/her by the Company:

- (I) not to cause the Company to exceed the scope of business specified in its business license;
- (II) to act bona fide in the best interests of the Company;
- (III) not to expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (IV) not to expropriate the personal rights and interests of shareholders, including (but not limited to) rights to distribution and voting rights, except in a restructuring of the Company which has been submitted to the general meeting for approval in accordance with the Articles of Association.

Article 130 Each of the Company's directors, supervisors and senior management members, in the exercise of his/her powers or discharge of his/her obligations, owes the duty to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Article 131 Each of the Company's directors, supervisors, and senior management members shall perform his/her duties on the principle of honesty and good faith, and shall not put himself/herself in a position where his/her interests and his/her duties may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) to act bona fide in the best interests of the Company;
- (II) to exercise his/her powers within his/her terms of reference and not to act ultra vires;
- (III) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of any other party; and unless permitted by laws, administrative regulations, listing rules of the place where the shares of the Company are listed or with the informed consent of the shareholders given in a general meeting, not to delegate the exercise of his/her discretion;

- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) unless otherwise provided in the Articles of Association or with the informed approval of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) not to use the Company's property in any way for his/her own benefit without the informed consent of the shareholders given in a general meeting;
- (VII) not to exploit his/her position to accept bribes or obtain other illegal income, not to expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;
- (IX) to comply with the Articles of Association, perform his/her duties faithfully, protect the Company's interests and not to exploit his/her position and power in the Company for his/her own benefit;
- (X) not to use his/her position to procure business opportunities that should have otherwise been available to the Company for himself/herself or others, or to operate businesses similar to that of the Company for his/her own benefits or on behalf of others, or to compete with the Company in any way, without the informed consent of the general meeting;
- (XI) not to misappropriate the Company's funds, not to open any account in his/her own name or in any other name for the deposit of the Company's assets or funds, or using such assets to provide guarantee for the debts of shareholders of the Company or other individuals (except for guarantees provided to subsidiaries within the scope of consolidation);
- (XII) not to disclose any confidential information in relation to the Company which he/she has obtained during his/her term of office without the informed consent of the shareholders given at a general meeting; nor shall he/she use such information other than for the Company's benefit; however, disclosure of such information to the court or other governmental competent authorities is permitted if:
 - 1. the law so requires;
 - 2. public interest so requests;
 - 3. the interests of the relevant director, supervisor, and senior management members so require.

Article 132 Each director, supervisor, or senior management member of the Company shall not direct the following persons or institutions ("related parties") to do anything that such director, supervisor, or senior management member cannot do:

- (I) the spouse or minor child of the Company's director, supervisor, or senior management member;
- (II) the trustee of the Company's director, supervisor, or senior management member or any person referred to in sub-paragraph (I) of this Article;
- (III) the partner of the Company's director, supervisor, or senior management member or any person referred to in sub-paragraphs (I) or (II) of this Article;
- (IV) a company in which the Company's director, supervisor, or senior management member, whether alone or jointly with the persons referred to in sub-paragraphs (I), (II) or (III) of this Article or other directors, supervisors, and senior management members of the Company, has de facto control; and
- (V) the directors, supervisors, and senior management members of the controlled company referred to in sub-paragraph (IV) of this Article.

Article 133 The fiduciary duties of a director, supervisor, and senior management members of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between occurrence of the event concerned and termination of tenure and the circumstances and terms under which their relationship with the Company have been terminated.

Article 134 Except for circumstances prescribed in Article 51 hereof, a director, supervisor, and senior management member of the Company may be relieved of liability for specific breaches of his/her duty with the informed consent of the shareholders given in a general meeting.

Article 135 Where a director, supervisor, or senior management member of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement made or proposed contract, transaction or arrangement with the Company (other than the employment contracts of the director, supervisor, and senior management members with the Company), he/she shall disclose the nature and extent of his/her interest to the Board of directors at the earliest opportunity, whether or not such matters are subject to the approval of the Board of Directors under normal circumstances.

A director shall be abstained from voting on any resolution approving any contract, transaction or arrangement 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 present at the meeting, unless otherwise required by the Hong Kong Listing Rules, laws, regulations, normative documents or the relevant requirements of the securities regulatory authorities of the place where the Company's Shares are listed.

Unless the interested director, supervisor, or senior management member of the Company has disclosed his/her interest to the Board of Directors as required by the first paragraph of this Article and relevant matters have been approved by the Board of Directors at a meeting in which he/she was not counted in the quorum and has abstained from voting, the contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto without knowledge of the breach of duty by such director, supervisor, or senior management member.

A director, supervisor, or senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which his/her related party is interested.

Article 136 Where a director, supervisor, or senior management member of the Company gives the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in the contract, transaction or arrangement which may subsequently be made by the Company, the relevant director, supervisor or the senior management member shall be deemed to have made the disclosure stipulated in the preceding Article of this Chapter, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 137 The Company shall not pay taxes in any manner for its directors, supervisors, or senior management members.

Article 138 The Company shall not directly or indirectly provide a loan to or provide any guarantee for a loan to a director, supervisor, or senior management member of the Company or the Company's controlling shareholders or any of their respective related parties.

The foregoing provision shall not apply to the following circumstances:

- (I) the provision by the Company of a loan or a guarantee for a loan to its subsidiaries;
- (II) the provision by the Company of a loan or a guarantee for a loan or any other funds to any of its directors, supervisors, or senior management members pursuant to their employment contracts which were approved by the shareholders in a general meeting for him/her to settle expenditures incurred for the Company or in performing his/her duties and responsibilities;
- (III) if the ordinary scope of business of the Company includes the provision of loans or guarantees for loans, the Company may provide a loan or a guarantee for a loan to the relevant directors, supervisors, or senior management members or their related parties, provided that the provision of loans or guarantees for loans is on normal commercial terms.

Article 139 A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

Article 140 Any loan guarantee provided by the Company in breach of the first sub – paragraph of Article 138 hereof shall be unenforceable against the Company, except in the following circumstances:

- (I) the lender was not aware of the relevant circumstances when he/she provided a loan to a related party of the directors, supervisors, and senior management members of the Company or of the Company’s controlling shareholders;
- (II) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 141 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an act of the guarantor to undertake responsibility or provide property to ensure the performance of obligations by the obligator.

Article 142 Where a director, supervisor, or senior management member of the Company is in breach of his/her obligations owed to the Company, the Company has, in addition to the rights and remedies provided for in the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, the right to take the following measures:

- (I) to demand such director, supervisor, or senior management member compensate for losses sustained by the Company as a result of such breach;
- (II) to rescind any contract or transaction that has been entered into by the Company with such director, supervisor, or senior management member, or with a third party (where such third party has known or should have known that such director, supervisor, or senior management member that represents the Company has breached his/her duties owed to the Company);
- (III) to demand such director, supervisor, or senior management member to surrender profits obtained as a result of the breach of his/her obligations;
- (IV) to recover any monies received by the director, supervisor, or senior management member that should have been received by the Company, including (but not limited to) commissions;
- (V) to demand the return of interest earned or which may have been earned by such director, supervisor, or senior management member on the monies that should have been paid to the Company.

Article 143 The Company shall, with the prior approval of shareholders in a general meeting, enter into a written contract with its director and supervisor regarding his/her remuneration. The aforesaid emoluments include:

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

- (III) emoluments in respect to the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (IV) payment to the director or supervisor as compensation for loss of office or his/her retirement.

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

Article 144 The contracts entered into between the Company and its directors or supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders' general meeting, have the right to receive compensation or other payment in respect to his/her loss of office or 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;
- (II) a takeover offer made by any person such that the offeror will become the controlling shareholder. The term "controlling shareholder" has the same meaning as defined in the Articles.

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

Chapter XV Financial and Accounting System and Distribution of Profits

Article 145 The Company shall establish its financial and accounting system in accordance with the law, administrative regulations, and the listing rules of the place where the shares of the Company are listed and PRC accounting standards formulated by the State finance authorities.

Article 146 At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.

Article 147 The Company's Board of Directors shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, the listing rules of the place where the shares of the Company are listed, and normative documents promulgated by the local government and the competent authorities.

Article 148 The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive a copy of such financial reports mentioned in this Chapter.

The Company shall send by prepaid mail the directors' report, together with the balance sheet (including each document to be attached to the balance sheet as prescribed by law) and statement of profit and 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 annual general meeting at the address recorded in the register of shareholders. The Company can proceed by way of announcements, including publication via the Company's website and/or on newspapers, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules, normative documents and the relevant requirements of the securities regulatory authorities of the place where the Company's shares are listed.

Article 149 The financial statements of the Company shall be prepared in accordance with accounting standards and regulations of the PRC, as well as international accounting standards, or the those of the place outside the PRC where the shares of the Company are listed. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits as shown respectively in the abovementioned two financial statements shall be adopted.

Article 150 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of the PRC, as well as in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed.

Article 151 The Company shall publish its financial reports twice every accounting year, namely, the interim financial report shall be published within sixty (60) days after the end of the first six (6) months of each accounting year and the annual financial report shall be published within one hundred and twenty (120) days after the end of each accounting year.

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

Article 152 The Company shall not establish books of accounts other than those required by law.

Article 153 Capital reserve fund includes the following items:

- (I) any premium from share issuance at the price higher than the par value of shares;
- (II) any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.

Article 154 The Company may distribute dividends in the form of (or a combination of both):

- (I) cash;
- (II) shares;
- (III) other means permitted by laws, administrative regulations, departmental rules, and regulatory provisions in the place where the shares of the Company are listed.

The cash dividend and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The cash dividend and other amounts paid by the Company to the holders of foreign shares shall be calculated and declared in Renminbi and paid in foreign currency or RMB. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of foreign shares shall be arranged in accordance with the provisions of the state regulations on foreign exchange administration.

Article 155 The Company shall appoint a receiving agent for holders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholders any dividends and other amounts payable by the Company to them in respect to the overseas listed foreign shares.

The receiving agent appointed by the Company shall satisfy requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of relevant stock exchange.

The receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 156 Any amount paid up in advance of calls on any shares may carry interest but shall not entitle such shareholder to the dividend subsequently declared.

Where power is given to forfeit unclaimed dividends, that power may only be exercised at least six years after the date of declaration of the dividend.

The Company has the power to cease sending dividend warrants by post to a holder of overseas listed foreign shares. The Company shall only exercise such power until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is undelivered and returned.

The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (I) the Company has paid dividends at least three times on these Shares within 12 years, but no one has claimed the dividends during that period; and

- (II) upon expiration of the 12-year period, the Company publishes an announcement in one or more newspapers of the region where the Company's shares are listed, indicating our intention to sell the Shares and notifies the securities regulatory authorities of the place where the Company's shares are listed of such intention.

Chapter XVI Appointment of Accounting Firms

Article 157 The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations to audit the Company's annual financial reports and verify other financial reports of the Company.

The first accounting firm of the Company may be appointed at the inaugural 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.

In case of failure to exercise such functions and powers at the inauguration meeting provided in the preceding paragraph, the Board of Directors shall exercise such functions and powers instead.

Article 158 The accounting firm appointed by the Company shall hold their position from the conclusion of the annual general meeting until the conclusion of the next annual general meeting.

Article 159 The accounting firm appointed by the Company shall have the following rights:

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

Article 160 If there is a vacancy in the position of the accounting firm, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. However, if other accounting firms are holding the position of the accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Article 161 The shareholders in a general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the accounting firm and the Company. However, the accounting firm's right (if any) to claim damages from the Company which arise from its removal shall not be affected thereby.

Article 162 The remuneration of an accounting firm or the manner in which such remuneration is to be decided shall be determined by the shareholders' general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.

Article 163 The Company's appointment, removal and non-reappointment of an accounting firm shall be resolved by a shareholder' general meeting, and shall be filed with the securities regulatory authority of the State Council.

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

- (I) before the notice of general meeting is given, a copy of the appointment or removal proposal shall be sent to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant accounting year. Leaving includes leaving by removal, resignation and retirement.
- (II) if the leaving accounting firm makes representations in writing and requests the Company to notify its shareholders of such representations, the Company shall (unless the written representations were received too late) take the following measures:
 1. in any notice about the resolution to be made, state the fact that the leaving accounting firm has made such representations; and
 2. attach a copy of the representations to the notice and send it to 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 item (II) of this Article, such accounting firm may require that the representations be read out at the shareholders' general meeting and may make further representations.
- (IV) the leaving accounting firm shall be entitled to attend:
 1. the shareholders' general meeting at which its term of office would otherwise have expired;
 2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
 3. the shareholders' general meeting that is convened as a result of its resignation.

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

Article 164 If the Company decides to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. If the accounting firm resigns, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

- (I) the accounting firm may resign from its office by depositing the written notice of resignation at the registered office of the Company. The notice shall become effective on the date of such deposit or on such later date as may be stated in the notice. Such notice shall include the following statements:
 - 1. a statement to the effect that there are no circumstances connected with its resignation that it considers must be brought to the attention of the shareholders or creditors of the Company; or
 - 2. a statement of any such circumstances that should be explained.
- (II) the Company shall, within fourteen (14) days of the receipt of the written notice referred to in item (I) of this Article, send a copy of the notice to the relevant competent authority. If the notice contains a statement under item (I) 2 of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement to every shareholder entitled to receive financial reports of the issuer.

The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares (being a shareholder entitled to receive the report on financial position of the Company) at the address registered in the shareholder's register or, subject to applicable laws, regulations and the Hong Kong Listing Rules, publish on the Company's website or on the designated website of the stock exchange where the Company's shares are listed.

- (III) if the accounting firm's notice of resignation contains a statement under item (I) 2 of this Article, the accounting firm may request the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

Chapter XVII Merger, Division, Dissolution and Liquidation of the Company

Article 165 In the event of the merger or division of the Company, the Company's Board of Directors shall put forward a proposal and such proposal shall be approved in accordance with the procedures stipulated in the Articles of Association. The Company shall then go through the relevant approval formalities according to laws. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to the merger and division of the Company to purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be contained in special documents which shall be available for inspection by the shareholders. The aforesaid documents shall be sent to each holder of overseas listed foreign shares by post.

Article 166 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. In accordance with the provisions of the Company Law, the Company shall notify the creditors within ten (10) days from the date of the resolution of the general meeting to merge and publish an announcement in a newspaper recognized by the stock exchange where the Company's shares are listed within thirty (30) days, and settle the debts or provide appropriate guarantees as required by the creditors.

Upon the merger, claims and debts of each of the merged parties shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

Article 167 In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, the Company shall prepare balance sheets and inventories of assets. In accordance with the provisions of the Company Law, the Company shall notify the creditors within ten (10) days from the date of the resolution of the general meeting to divide and publish an announcement in a newspaper recognized by the stock exchange where the Company's shares are listed within thirty (30) days.

The companies after the division shall be jointly and severally liable for the debts incurred by the Company before its division, unless otherwise agreed in a written agreement in relation to discharge of debts concluded before the division by the Company with its creditors.

Article 168 Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the company registry according to laws; where the Company is dissolved, it shall cancel its registration according to laws; where a new company is established, its establishment shall be registered according to laws.

Chapter XVIII Dissolution and Liquidation of the Company

Article 169 In any of the following circumstances, the Company shall be dissolved and liquidated according to laws:

- (I) the term of business operation expires;
- (II) a resolution on dissolution is passed by shareholders at a general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company is legally declared bankrupt due to its failure to repay debts due;
- (V) the Company's business license is revoked or it is ordered to close or to be cancelled for violation of laws or administrative regulations; or
- (VI) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding ten percent (10%) or more of the total voting rights of the Company may appeal to the people's court for dissolution of the Company, and the people's court will dissolve the Company according to laws.

Article 170 Where the Company is dissolved pursuant to items (I), (II), (V) and (VI) of Article 169, a liquidation committee shall be formed within fifteen (15) days from the date of occurrence of such grounds for dissolution, to start the liquidation process. The composition of the liquidation committee shall be determined by the shareholders' general meeting by ordinary resolution. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.

Where the Company is to be dissolved voluntarily by a resolution of the shareholders' general meeting pursuant to item (II) of Article 169, the resolution shall be passed by at least two-thirds (2/3) of the votes held by the shareholders present at the shareholders' general meeting.

Where the Company is to be dissolved pursuant to the provision of item (V) of Article 169, the people's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

Article 171 Where the Board of Directors decides to liquidate the Company for any reason other than the Company's declaration of its own bankruptcy, the Board of Directors shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that the Board of Directors has conducted a comprehensive investigation into the affairs of the Company and is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board of Directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation, and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 172 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and publish announcements in newspapers recognized by the stock exchange where the Company's shares are listed within sixty (60) days. The creditors shall declare their claims to the liquidation committee within thirty (30) days from the date when it receives the above notice or within forty-five (45) days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide corresponding evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 173 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors by notice or public announcements;
- (III) to deal with and settle any outstanding businesses of the Company;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle 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 174 After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to the shareholders' general meeting or to the people's court for confirmation.

The remaining assets of the Company after repayment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation, the Company remains continuing but shall not commence any business activities unrelated to the liquidation. The Company's assets shall not be distributed to the shareholders before repayment of its debts in full in accordance with the preceding paragraph.

Article 175 In the event of the Company's liquidation due to dissolution, if, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay its debts in full, the liquidation committee shall immediately apply to the people's court for declaration of bankruptcy.

After the Company is declared bankrupt by a ruling from the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 176 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and a statement of the income and expenses and financial accounts for the liquidation period which shall be submitted to the general meeting or the people's court for confirmation after being verified by a certified public accountant in the PRC. The liquidation committee shall within thirty (30) days after the confirmation by the general meeting or the people's court, submit the foregoing documents to the Company's registration authority and apply for deregistration of the Company, and publish an announcement relating to the termination of the Company.

Chapter XIX Procedures for Amendments to the Articles of Association

Article 177 The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

Article 178 Any amendments to the Articles of Association shall be made after the relevant decision-making procedures and the necessary formalities have been fulfilled in accordance with the relevant laws, administrative regulations and the provisions of the Articles of Association. If there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

Chapter XX Notice and Announcement

Article 179 Subject to the laws, regulations, rules and the relevant provisions of the stock exchange where the Company's shares are listed, the notice of the Company may be given in the following forms:

- (I) By hand;
- (II) By mail;

- (III) By fax or e-mail;
- (IV) By posting on the websites of the Company and a website designated by the Hong Kong Stock Exchange;
- (V) By advertisements, such advertisements may be published in the newspaper;
- (VI) Other forms.

The notices, materials or written announcement of the general meeting should be delivered to the holders of overseas listed foreign shares in any of the following manners:

- (I) To be delivered to every holder of overseas listed foreign shares by hand or by mail to the registered addresses of such holder of overseas listed foreign shares;
- (II) Announced at the websites designated by the securities regulatory authority or the stock exchange where the Company's shares are listed in accordance with relevant laws, administrative regulations and listing rules of the place where the Company's shares are listed;
- (III) Any other matters as required by the stock exchange of the place where the Company's shares are listed and the listing rules.

Even if the Articles of Association have otherwise provided for the methods of announcement or notification for any documents, notices, or other corporate communications, subject to relevant provisions of the stock exchange where the Company's shares are listed, the Company may choose to issue corporate communications by the means specified in item (IV) of the first paragraph in this Article or other means specified by the relevant stock exchange where the Company's shares are listed, to replace the means of sending written documents to each holder of overseas listed foreign shares by hand or by mail. The abovementioned corporate communications refer to any documents sent or to be sent by the Company to the shareholders for reference or for taking action, including but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), Directors' report (together with the balance sheets and profit and loss statements), notice of the general meetings, circulars and other communication documents.

Article 180

For a notice of the Company delivered by hand, the recipient shall sign (or affix a seal) on the note of receipt and the receipt date shall be the date of service. If the notice is delivered via post, it shall be deemed to have been received forty-eight (48) hours after the date on which such notice is delivered to the post office. If the notice is delivered by way of fax or electronic mail or by way of publishing information on websites, it shall be deemed to have been received on the date it is sent. If the notice is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published.

Article 181 In the event that the listing rules of the stock exchange where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

The Company issues announcements and information disclosure to holders of domestic shares through the stock exchange's website and media satisfying the requirements prescribed by securities regulatory authority under the State Council. If an announcement should be issued to holders of overseas listed foreign shares according to the Articles of Association, the relevant announcement shall also be published in accordance with the method stipulated in the listing rules of the place where the Company's shares are listed.

All notices or other documents required to be filed by the Company with the Hong Kong Stock Exchange shall be in English or accompanied by a signed and certified English translation, unless otherwise regulated in the Hong Kong Listing Rules.

Chapter XXI Resolution of Disputes

Article 182 The Company shall abide by the following principles 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 and administrative regulations, arise between holders of overseas listed foreign Shares and the Company, between holders of overseas listed foreign shares and the Company's directors, supervisors, general managers and other senior management members of the Company, or between holders of overseas listed foreign shares and holders 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 members 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) An applicant may choose for the arbitration 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 Center 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) Unless otherwise provided by laws and administrative regulations, the laws of the PRC shall apply to the settlement of any disputes or claims that are resolved by arbitration described in item (I) above.

- (IV) The award of the arbitration institution shall be final and binding upon all parties.

Chapter XXII Supplementary Provisions

Article 183 The Board of Directors may formulate detailed rules for the Articles of Association pursuant to the provisions of the Articles of Association. The detailed rules for the Articles of Association shall not contradict the provisions of the Articles of Association.

Article 184 The term “accounting firm” as used in the Articles of Association shall have the same meaning as “auditor”.

Article 185 The terms “above”, “within”, “below” referred to in the Articles of Association shall include the numeral referred thereto; the terms “over”, “beyond”, “less than”, “more than” shall exclude the numeral referred thereto.

Article 186 The “business day” referred to in the Articles of Association refers to the day when the Hong Kong Stock Exchange opens for securities trading.

Article 187 Matters not covered in the Articles of Association shall be handled in accordance with the laws, administrative regulations and the relevant provisions of the securities governing authority of the region where the Company’s shares are listed in conjunction with the actual situation of the Company. If the Articles of Association are in conflict with the laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities, provisions of other regulatory documents and the listing rules of the stock exchange where the Company’s shares are listed promulgated from time to time, such laws, administrative regulations, relevant provisions or rules of respective securities registration and clearing authorities and provisions of other regulatory documents and the listing rules of the stock exchange where the Company’s shares are listed shall prevail.