

Chongqing Hongjiu Fruit Co., Limited

Articles of Association

May 2023

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CHAPTER 1 GENERAL PROVISIONS

- Article 1** To safeguard the lawful rights and interests of Chongqing Hongjiu Fruit Co., Limited (hereinafter referred to as the “Company”), the shareholders of the Company and to regulate the organizations and acts of the Company, in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Special Regulations of the State Council Concerning the Floatation and Listing Abroad of Stocks by Limited Stock Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions in Articles of Association of Joint Stock Limited Companies to be Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Letter on the Supplementary Opinions to the Articles of Association of Companies to be listed in Hong Kong, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”) and other relevant provisions, the Articles of Association are hereby made.
- Article 2** The Company is a joint stock limited company incorporated by promotion through the Special Regulations and other relevant provisions in accordance with the Company Law. The Company was established by sponsorship, registered with the Market Supervision Administration of Shizhu Tujia Autonomous County (石柱土家族自治縣市場監督管理局), and obtained a business license. The unified credit code is 91500103742896264D.
- Article 3** Registered name of the Company
- Chinese name: 重慶洪九果品股份有限公司
- English name: Chongqing Hongjiu Fruit Co., Limited.
- P.C.: 409100
- Tel.: 023-67064616
- Fax: 023-67064616
- Article 4** Company address: 509-36 Industry Incubator Building, Baiyan Group of Chengnan Residential Committee, Nanbin Town, Shizhu Tujia Autonomous County, Chongqing.
- Article 5** The registered capital of the Company is RMB1,417,066,406.
- Article 6** The Company is a perpetual joint stock company.
- Article 7** The general manager of the Company is the legal representative of the Company.

Article 8 The Company may invest in other limited liability companies and joint stock companies. It shall be liable to the extent of the amount of its investments in such invested companies.

The entire registered capital of the Company are divided into shares of equal value. The liability of a shareholder to the Company shall be limited to the shares subscribed for by that shareholder. The Company shall be held liable for its debts with all of its assets.

Article 9 The Articles of Association shall be a document that regulates the organizations and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the shareholders from the effective date. The Articles of Association shall be legally binding upon the Company and its shareholders, directors, supervisors and senior management. Shareholders may sue shareholders; shareholders may sue directors, supervisors, managers and other senior management of the Company; shareholders may sue the Company, and Company may sue shareholders, directors, supervisors, managers and other senior management in accordance with the Articles of Association.

The legal action referred to in the preceding paragraph includes applications to competent courts or arbitral bodies.

Article 10 Senior management referred to in the Articles of Association means the general manager, executive deputy general manager, deputy general manager, secretary of the board of directors and financial officer of the Company.

CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS

Article 11 The Company's purpose of business is: Integrity as essence, and pursue refinement with innovation spirit.

Article 12 The Company's business scope registered according to law: General items: acquisition, sales of fruits; sales of primary agricultural products; import and export of goods, except the special cases that prohibited by laws and administrative regulations, and the projects that restricted by laws and administrative regulations can be operated after obtained licenses; (below operating scope only can be engaged and operated by the qualified branch) sales of pre-packaged foods, bulk foods and agricultural products; housing leasehold services; lease of venue (for the items pending approval according to the law, which could commence operation only after obtaining approval from relevant authorities); (except for items subject to approval required by laws, business activities set forth in the business license may be conducted independently in accordance with law).

The specific business scope is subject to the business license issued by the Company registration authority.

CHAPTER 3 SHARES

Section 1 Issuance of shares

Article 13 The stock of the Company shall take the form of shares.

Article 14 Issuance of shares of the Company shall follow the principles of openness, fairness and impartiality, and each share of the same class shall have equal rights.

The stock of the same batch and the same class shall be issued in the same terms and price. Each unit or individual shall pay the same price per share for the subscribed shares. The domestic shares and overseas listed foreign shares issued by the Company shall enjoy equal rights in the distribution of dividend or distribution in any other form.

The Company shall have ordinary shares at all times. With the approval of company examination and approval department authorized by the State Council, the Company may have other forms of shares when needed.

Article 15 All shares issued by the Company shall have a par value with each share having a par value of RMB1.00.

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

Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company's shares and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for the Company's shares and who are located within the territory of the People's Republic of China excluding the regions mentioned above.

Article 17

Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Overseas listed foreign shares are referred to as overseas listed foreign shares, which the overseas listed foreign shares listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) refer to “H Shares”. H shares refer to the shares approved to be listed on the Hong Kong Stock Exchange, the par value of which are denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

After obtaining the approval from the State Council or its authorized bodies and the consent of the Hong Kong Stock Exchange, holders of domestic shares of the Company may transfer all or part of their shares to overseas investors and list the said shares on an overseas stock exchange; all or part of the domestic shares may be converted into overseas listed foreign shares, and the listing of the converted shares on an overseas stock exchange shall also comply with the regulatory procedure, regulations and requirements of the overseas stock market. No general meeting or class meeting is required to be held to resolve on the listing of the transferred shares or foreign shares converted from domestic shares on an overseas stock exchange. After the domestic shares are converted into overseas listed foreign shares, the converted shares shall be the same class of shares as the original overseas listed foreign shares.

Qualified investors may purchase the shares of the Company through the stock connect schemes between Chinese Mainland and Hong Kong or other overseas stock markets.

“Foreign currencies” mean the legal currencies of countries or districts outside the PRC which are recognised by the foreign exchange authority of the State and which can be used to pay the share price to the Company.

Article 18

As approved by the examination and approval department authorized by the State Council, the total number of ordinary shares issued by the Company is 1,417,066,406. Among others:

- (I) The Company issued a total of 5,000,000 shares to the two promoters, Deng Hongjiu and Jiang Zongying, at the time of its establishment.
- (II) After the establishment of the Company, the Company has undergone a second capital increase, and capitalization of the capital reserve. As at the date before issuance of H Shares, the total number of ordinary shares issued by the Company is 453,073,902 shares.
- (III) The total number of ordinary shares of the Company is 467,368,802 after the initial offering of H shares by the Company and the exercise of the Over-allotment Option, among which 14,012,500 shares are newly issued, 282,400 shares are over-allocated, 296,516,495 domestic stock shares, and 42 Shareholders (including Deng Hongjiu) convert 296,516,495 domestic unlisted shares they held in the Company into overseas listed foreign shares.
- (IV) The total number of ordinary shares of the Company was 1,417,066,406 after a capitalization of capital reserve and an issuance of new H shares under the general mandate.

The Company's share capital structure is as follows: the total number of ordinary shares is 1,417,066,406, of which 469,672,221 domestic shares account for 33.14% of the Company's total shares; 947,394,185 H shares (including 889,549,485 H shares converted from domestic unlisted shares), accounting for 66.86% of the Company's total shares.

Article 19

After the Company's plan for the issuance of overseas listed foreign shares and domestic shares has been approved by the securities regulatory authorities of the State Council, the Board of Directors of the Company may arrange for implementation of such plan by means of separate offerings.

The Company may, according to the preceding paragraph, implement the plan for the issuance of overseas listed foreign shares and domestic shares within 15 months, respectively, from the date of approval by the securities regulatory authorities of the State Council, except as otherwise stipulated by the securities regulatory authorities of the State Council.

Article 20 Where the Company issues overseas listed foreign shares and domestic shares separately within the total number of shares stated in the Company's proposal for the issuance of shares, such shares shall be fully subscribed at one time respectively. If the shares cannot be fully subscribed at one time in special circumstances, the shares may be issued through separate offerings subject to the approval of the securities regulatory authorities of the State Council.

Section 2 Increase, decrease and repurchase of shares

Article 21 Pursuant to the requirements of laws, regulations and the securities regulatory rules of the stock exchange where the Company's shares are listed, the Company may, based on its business and development needs, the Company may increase its registered capital in the following ways:

- (I) issue new shares to non-specified investors;
- (II) by placing new shares to its existing shareholders;
- (III) issue bonus shares to existing shareholders;
- (IV) by capitalising its capital reserves;
- (V) by other ways permitted by the laws, administrative regulations and the securities regulatory rules of the stock exchange where the Company's shares are listed.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association be conducted in accordance with the procedures stipulated in the relevant national laws and administrative regulations and the securities regulatory rules of the stock exchange where the Company's shares are listed.

Article 22 The Company may reduce registered capital in accordance with the law. In the event of reduction of registered capital, the Company shall prepare a balance sheet and a list of assets.

The Company shall notify its creditors within 10 days from the date of resolution of reducing its registered capital, and make an announcement in a newspaper within 30 days. Within 30 days from the date of receiving the notice, or within 45 days from the date of first announcement if the creditor fails to receive the notice, the creditor shall have the right to require the Company to pay off its debts or provide corresponding debt repayment guarantees.

Article 23 The Company shall not acquire its own shares. However, except in one of the following circumstances:

- (I) reducing the Company's registered capital;
- (II) merging with other companies which hold shares in the Company;
- (III) awarding shares for employee stock ownership plan or share incentive;

- (IV) acquiring shares held by shareholders, who vote against any resolution proposed in in any general meeting on the merger or division of the Company, upon their request;
- (V) using shares for converting corporate bonds which are convertible into shares that issued by Company;
- (VI) for the need of protecting Company value and shareholders' equity;
- (VII) other circumstances as permitted by laws, administrative regulations, the securities regulatory rules of the stock exchange where the Company's shares are listed.

The Company shall not acquire its shares except for the above circumstances.

Article 24

The Company may buy back its shares in one of the following manners with the approval from relevant national competent authorities or relevant authorities:

- (I) by making a pro rata general offer of buy-back to all shareholders;
- (II) by repurchasing shares through public trading on a stock exchange;
- (III) by repurchasing through an off-market agreement.

When the Company acquires its shares due to the circumstances in the Items (III), (V) and (VI) to Clause I of the Article 23 of the Articles of Association, it shall be conducted through public centralized trading. It shall be carried out in accordance with the laws and regulations and the relevant regulations of the securities regulatory rules of the stock exchange where the Company's shares are listed.

Article 25

Where the Company buys back its shares through an off-market agreement, it shall seek prior approval of the general meeting in accordance with the Articles of Association. The Company may terminate or amend an agreement entered into in the aforementioned manner or waive any of its rights thereunder with prior approval of the general meeting obtained in the same manner.

The agreement for the share buy-back referred to in the preceding paragraph includes but not limited to agreements assuming obligations of share buy-back and acquiring the rights of the shares bought back.

The Company shall not assign an agreement for repurchasing its own shares or any of its rights thereunder.

Article 26

Insofar as the Company has the right to repurchase redeemable shares, if they are not bought back on the market or by way of tender, the purchase prices of these shares shall not exceed certain maximum price; if they are bought back by way of tender, the tenders shall be available and proposed to all shareholders in the same manner.

Article 27

When the Company acquires its shares due to the circumstances required in the Items (I) and (II) to Clause I of Article 23 of the Articles of Association, it shall be resolved by the general meeting. When the Company acquires the its shares due to the circumstances required in the Items (III), (V) and (VI) to Clause I of Article 23 of the Articles of Association, it may be resolved by the Board Meeting attended by more than two-thirds of the directors according to the provisions of the Articles of Association or the authorization of the general meeting.

When the Company acquire its shares in accordance with Clause I of Article 23 of the Articles of Association, in case of (I), the shares shall be cancelled within 10 days from the date of purchase; in case of (II) and (IV), the shares shall be transferred or cancelled within 6 months; and in case of (III), (V) and (VI), the aggregate number of shares held by the Company shall not exceed 10% of the total amount of issued shares of the Company, and shall be transferred or cancelled within 3 years.

After the shares are bought back by the Company pursuant to the laws, the Company shall cancel such shares bought back and shall apply to the original company registration authority for registration of the change in the registered capital. The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Where the relevant laws and regulations, regulatory documents and relevant provisions of the securities regulatory authority at the places where the Company's shares are listed have any other provisions in respect of the matters relating to the aforesaid share buyback, such provisions shall prevail.

Article 28

Unless the Company is under liquidation, it shall comply with the following provisions in respect of the buy-back of its outstanding shares:

- (I) where the Company buys back its shares at nominal value, the amount thereof shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of shares;
- (II) where the Company buys back its shares at a price higher than nominal value, the portion corresponding to the nominal value shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of the old shares. The portion in excess of the nominal value shall be handled as follows:
 - 1. if the shares bought back were issued at nominal value, payment shall be deducted from the book balance of the distributable profits of the Company;
 - 2. if the shares bought back were issued at a price higher than their nominal value, payment shall be deducted from the book balance of the distributable profits of the Company and/or from the proceeds of a new issue of shares made for the buy-back of the old shares, provided that the amount deducted from the proceeds of the new issue of shares shall not be more than the aggregate of premiums received by the Company at the time of the issue of the shares bought back nor shall it be more than the amount of the Company's premium account (or capital reserve account) at the time of such buy-back (including the premiums on the new issue of shares).

- (III) payment by the Company for the following purposes shall be paid out of the Company's distributable profits:
1. acquisition of rights to buy-back shares of the Company;
 2. modification of any agreement for repurchasing shares of the Company;
 3. release of any of the Company's obligations under any agreement for repurchasing its shares.
- (IV) after the aggregate nominal value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant requirements, the amount deducted from the distributable profits for payment for repurchasing shares at their nominal value shall be accounted for in the Company's premium account (or capital reserve account).

Where the laws, regulations, normative documents and relevant requirements of the Securities Regulatory Authorities or stock exchange in the place where the Company's securities are listed contain any other provisions in respect of the accounting treatment related to the aforementioned share buy-back, such provisions shall prevail.

Section 3 Transfer of shares

Article 29

Unless otherwise specified in the laws, administrative regulations, and by the securities regulatory authorities in the place where the shares of the Company are listed, shares of the Company can be freely transferred and are not subject to any lien. The transfer of shares shall be registered with the local stock registration institution entrusted by the Company. If any fee is required for such registration, such fee shall not exceed the maximum fee specified in the Hong Kong Listing Rules from time to time.

All the fully paid-up H-shares are freely transferable pursuant to the Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reasons thereof, unless:

- (I) the instrument of transfer and other documents relating to or affecting the ownership of any share shall be registered;
- (II) the instrument of transfer involves only the H-shares;
- (III) the stamp duty payable in respect of the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board of Directors showing that the transferor has the rights to transfer such shares shall be provided;

- (V) if the shares are transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) the relevant shares are free of any lien in favor of the Company; and
- (VII) the shares shall not be transferred to minors or persons of unsound mind or under legal incapacity.

If the Board of Directors refuses to register the transfer of shares, the Company shall give the transferor and transferee a notice of refusal to register the transfer of shares within two months from the date of the formal application for transfer. All the H-shares shall be transferred by way of written transfer instrument in an ordinary or general format, 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 instrument may be signed by hand or (where the transferor or transferee is a corporation) by the effective company seal. If the transferor or transferee is a recognized clearing house as defined in the laws of Hong Kong (the "Recognized Clearing House") or its agent, the written transfer instrument may be signed by hand or in a machine-printed form.

All the transfer instruments shall be kept at the address of the Company's registered office, share registrar or such address as the Board of Directors may specify from time to time.

Article 30

The Company shall not accept its own stocks in the form of pledge.

Article 31

The shares of the Company held by the promoters shall not be transferred within one year after the incorporation of the Company. Shares issued prior to any public offer of shares 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 of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of the total number of their shares in the Company per annum. The shares held by them shall not be transferred within one year of the date on which the shares are listed and traded. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Where relevant requirements of the Securities Regulatory Authorities in the place where the Company's shares are listed contain any other provisions on the transfer restrictions of overseas listed shares, such provisions shall prevail.

Section 4 Financial assistance for purchase of the Company's shares

Article 32

The Company or any of its subsidiaries shall not, by any means and at any time, provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers of the Company's shares include persons directly or indirectly undertaking obligations due to purchase of the Company's shares.

The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions of this article do not apply to the circumstances described in Article 34 of the Articles of Association.

Article 33

Financial assistance as mentioned in this Articles of Association includes (but not limited to) the following ways:

- (I) gift;
- (II) guarantee (including the undertaking of liability or provisions of property by the guarantor in order to guarantee the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising from the Company's own fault) and termination or waiver of rights;
- (III) providing of a loan or signing of a contract under which the obligations of the Company are to be fulfilled prior to the fulfillment of the obligations of the other party to the contract, and a change in the party to such loan or agreement as well as the assignment of rights under such loan or contract;
- (IV) financial assistance provided in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company's net assets.

The term undertake obligations as mentioned in this Articles of Association shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligor individually or jointly with any other person), or by changing its financial position in any other way.

Article 34

The following acts shall not be prohibited by Article 32 of the Articles of Association:

- (I) the Company provides the relevant financial assistance in the interests of the Company in good faith, and the primary purpose of the said financial assistance is not to purchase the Company's shares, or the said financial assistance is part of a master plan of the Company;
- (II) the Company distributes its assets as dividends in accordance with the laws;
- (III) the Company distributes dividends in the form of shares;

- (IV) the Company reduces its registered capital, repurchases its shares and adjusts the equity structure in accordance with the Articles of Association;
- (V) the Company provides a loan for its normal business operations within its business scope (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profits of the Company);
- (VI) the Company provides the funding for employee stock ownership plan (provided that such financial assistance shall not result in a reduction in the net assets of the Company, or in the event of such reduction, such financial assistance is provided out of the distributable profits of the Company).

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETING

Section 1 Share Certificates and Register of Shareholders

Article 35 The share certificates of the Company shall be in registered form. Matters needed to be specified in share certificates of the Company shall include other matters required to be specified pursuant to the Company Law and the rules of the stock exchange in which Company's shares are listed.

Article 36 During the listing of the H Shares in Hong Kong, the Company shall ensure that the following statements are included in the relevant H Shares documents (including H Shares certificates) and shall instruct and procure its share registrar to reject the registration of the subscription, acquisition or transfer of shares in the name of any individual holder unless and until the individual holder submits the appropriately signed form relating to such shares to the share registrar and the form shall include the following statements:

- (I) the share purchaser 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 Provisions and other relevant laws, administrative regulations and the Articles of Association.
- (II) the purchaser of the shares agrees with the Company and each of its shareholders, directors, supervisors and senior management of the Company, and the Company, acting on behalf of itself and each of the directors, supervisors and senior management of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims of rights arising from the Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from 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 any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct an open hearing and to publish its arbitration award. Such arbitration shall be final and conclusive.
- (III) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferred by the holders.

- (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, pursuant to which the directors and senior management undertake to observe and perform their duties owed to the shareholders under the Articles of Association.

The overseas listed shares issued by the Company may take the form of overseas depository receipt or other derivative form of share certificate in accordance with laws and securities registration and depository practice of the place where the Company's shares are listed.

Where the share capital of the Company includes shares without voting rights, the words "non-voting" shall 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. Where the signatures of other senior management of the Company are required by the stock exchange where the Company's shares are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing or imprinting of the Company seal to the share certificates shall be authorised by the Board. The signature of the Chairman of the Board or such other senior management of the Company on the share certificates may also be in printed form.

In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the securities regulatory authorities in the place where the Company's shares are listed shall apply.

Article 38

The Company shall establish a register of shareholders in accordance with certificates from the share registrar, or conduct shareholder registration in accordance with laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the Company's shares are listed. The register of shareholders is a sufficient evidence of the Shareholders' shareholdings in the Company. A Shareholder shall enjoy the relevant rights and assume the relevant 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.

The register of shareholders shall include the following particulars:

- (I) the name (title), address (domicile), occupation or nature of each Shareholder;
- (II) the class and number of shares held by each Shareholder;
- (III) the amount paid or payable for the shares held by each Shareholder;

- (IV) the serial number of the share certificate held by each Shareholder;
- (V) the date on which each shareholder is registered as a Shareholder;
- (VI) the date on which each shareholder ceases to be a Shareholder.

The register of shareholders is a sufficient evidence of the Shareholders' shareholdings in the Company unless there is evidence to the contrary.

Article 39

The Company may keep overseas the original register of shareholders of overseas listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understanding and agreement reached between the securities regulatory authorities of the State Council and the overseas securities regulatory authorities. The original register of holders of H Shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

The Company shall keep at its domicile a copy of the register of shareholders of overseas listed foreign shares. The entrusted overseas agent shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of shareholders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 40

The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (I) the register(s) of shareholders kept at the Company's domicile other than those specified in items (II) and (III);
- (II) the register(s) of shareholders of overseas listed foreign shares kept in the place(s) of the overseas stock exchange(s) where the shares are listed;
- (III) the register(s) of shareholders kept in other places as the Board of Directors may decide and consider necessary for listing purposes.

Article 41

The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of shareholders.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.

Article 42 Within 20 days prior to the convening of the general meeting or 5 days prior to the record date of which the Company decides to distribute dividends, the change of share register arising from share transfer shall not be registered. If the laws, administrative regulations, rules of department, normative documents of the PRC and rules of relevant stock exchanges or regulatory authorities in the place where the Company's shares are listed provide otherwise, such provisions shall prevail.

Article 43 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the Board of Directors shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date shall be the shareholders of the Company.

Any party which raises objection to a register of shareholders and requests its name (title) to be registered in the register of shareholders or requests that its name (title) be deleted from the register of shareholders may apply to the court having jurisdiction to amend that register of shareholders.

Article 44 If any shareholder in the register of shareholders or any person requesting to have his/her name (title) recorded in the register of shareholders loses his/her share certificates (hereinafter referred to as the "Original Share Certificates"), the said shareholder or person may apply to the Company to issue replacement certificates in respect of the said shares (hereinafter referred to as the "Relevant Shares").

If a shareholder whose share certificate of domestic shares has been lost applies to the Company for a replacement new share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder whose share certificate of overseas listed foreign shares has been lost applies to the Company for a replacement new share certificate, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed foreign shares is maintained.

If a shareholder whose share certificate of overseas listed foreign shares has been lost, the issue of a replacement new share certificate shall comply with the following requirements:

- (I) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the loss, and declaring that no other person is entitled to have his/her name entered in the register of shareholders in respect of the Relevant Shares.
- (II) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his/her name shall be entered in the register of shareholders in respect of such shares has been received.
- (III) The Company shall, if it decides to issue a replacement new share certificate, publish an announcement in respect of the issue of a replacement new share certificate in such newspapers as may be designated by the Board of Directors; the period of announcement shall be 90 days and the announcement shall be reissued at least once every 30 days.

- (IV) The Company shall, prior to the publication of the announcement of its proposed issue of a replacement new share certificate, submit to the Hong Kong Stock Exchange a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from the Hong Kong Stock Exchange that the announcement has been exhibited at the premises of the said stock exchange. Such announcement shall be exhibited at the premises of the Hong Kong Stock Exchange for a period of 90 days. If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.
- (V) If, upon expiry of the 90-day period referred to in Items (III) and (IV) of this Article, the Company has not received from any person any objection to such application in respect of the issue of replacement share certificate, the Company may issue a replacement new share certificate to the applicant accordingly.
- (VI) Where the Company issues a replacement new share certificate under this Article, it shall immediately cancel the Original Share Certificates and record the cancellation and replacement issue in the register of shareholders accordingly.
- (VII) All expenses relating to the cancellation of the Original Share Certificates and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until the applicant has provided reasonable security.

Article 45

After the Company reissues new shares in accordance with the provisions of the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 46

The Company shall not be liable for any damages suffered by any person arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless the claimant can prove that the Company has committed a fraudulent act.

The Company shall have the right to issue share warrants to bearers. No new share warrant shall be issued to replace one that has been lost, unless the Company is reasonably satisfied that the original has been destroyed.

Section 2 Rights and Obligations of Shareholders

Article 47

A Shareholder is a person who lawfully holds shares of the Company and has his/her name (title) recorded in the register of shareholders. A Shareholder of the Company shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The ordinary Shareholders shall enjoy the following rights:

- (I) the right to receive dividends and other profit distributions in proportion to their shareholdings;
- (II) the right to attend or appoint proxies to attend general meetings lawfully and to exercise voting rights in proportion to their shareholdings;
- (III) the right to supervise and manage the business operation of the company, to present proposals or to raise enquires;
- (IV) the right to transfer or pledge shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (V) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - 1. the right to obtain the Articles of Association, subject to payment of cost;
 - 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (1) the register of all the Shareholders;
 - (2) personal particulars of each of the Company's Directors, Supervisors, general managers and other senior management members, including:
 - (a) present and former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and the numbers thereof.
 - (3) the status of the Company's share capital;
 - (4) reports showing the aggregate nominal value, quantity, maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the last financial year and the aggregate amount incurred by the Company for this purpose;

- (5) Minutes of general meeting (for shareholders' inspection only); special resolutions of the general meeting;
- (6) the latest audited financial report of the Company and the reports of the Board of Directors, auditors and the Supervisory Committee;
- (7) a copy of the latest annual return (if applicable) that has been filed with the PRC administration for market regulation or other competent authorities;
- (8) counterfoils of corporate bonds, resolutions of the Board of Directors, resolutions of the Supervisory Committee and financial accounting reports.

The Company shall keep the above documents stated in items (1) to (7) other than item (2) at the Company's address in Hong Kong, according to the requirements of the Hong Kong Listing Rules, for the public and H-share shareholders to inspect free of charge.

- (VI) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares in the Company;
- (VII) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (VIII) other rights under laws, administrative regulations, the relevant rules of regulatory authorities and the stock exchanges in the place where the Company's securities are listed and the Articles of Association.

The Company shall not exercise its rights to freeze or otherwise prejudice any rights attached to the shares held by any person who directly or indirectly has interest in the Company solely for the reason that such person fails to disclose to the Company any such interests.

Article 48

If the shareholders request to check relevant information or ask for materials listed in the preceding Article, they shall provide written documents which prove the category and number of their shares. The Company shall check their status and provide the materials requested upon verification.

Article 49

If the resolutions of the general meeting and the meeting of the Board of Directors violate laws and administrative regulations, the shareholders have the right to request the People's Court to judge such resolutions to be invalid.

If the convening procedures and voting ways of the general meeting and the meeting of the Board of Directors violate laws, administrative regulations or the Articles of Association, or the resolutions violate the Articles of Association, the shareholders have the right to request the People's Court to cancel the aforesaid within 60 days after the resolutions are made.

Article 50

If directors and senior management personnel violate laws, administrative regulations or the Articles of Association and cause losses to the Company when performing their duties, the shareholders individually or jointly holding over 1% of the shares of the Company for more than 180 continuous days have the right to request the Supervisory Committee in written form to file a suit in the People's Court; if the Supervisory Committee violates laws, administrative regulations or the Articles of Association and causes losses to the Company when performing its duties, the shareholders may request the Board of Directors in written form to file a suit in the People's Court.

If the Supervisory Committee and the Board of Directors refuse to file a suit after receiving a written request of shareholders prescribed in the above article, or fail to file a suit within 30 days after receiving the request, or fail to immediately file a suit due to emergency, causing irretrievable damage to the benefits of the Company, the shareholders prescribed in the above article, in their own names, have the right to directly file a suit in the People's Court.

If others infringe the lawful rights and interests of the Company and cause losses to the Company, the shareholders prescribed in the first paragraph of this Article may file a suit in the People's Court according to the regulations of the above two paragraphs.

Article 51

If directors and senior management personnel violate laws, administrative regulations or the Articles of Association and damage the profits of shareholders, the shareholders may file a suit in the People's Court.

Article 52

The ordinary Shareholders of the Company shall assume the following obligations:

- (I) to abide by laws, administrative regulations, the securities regulatory rules in the place where the Company's shares are listed and the Articles of Association;
- (II) to pay capital contribution for the shares subscribed for in the prescribed method of subscription;
- (III) not to return the shares except as otherwise provided for by laws and regulations;
- (IV) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company;

Where shareholders of the Company abuse their shareholders' rights and thereby causing loss to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with the law. Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

- (V) to fulfill other obligations as stipulated by laws, administrative regulations and the Articles of Association.

Shareholders shall not be liable for further contribution to share capital other than the conditions agreed to as a subscriber of the shares at the time of subscription.

Article 53 Provided the shareholders who hold over 5% of the voting shares of the Company pledge their shares, they shall report to the Company in writing on the very day.

Article 54 Except for the obligations required by the laws, administrative regulations or the listing rules of the stock exchanges in which the Company's shares are listed, the Controlling Shareholder shall not exercise its voting rights on the following issues to the detriment of all or part of the Shareholders:

- (I) Exempting Directors and Supervisors from acting in good faith with the best interests of the Company;
- (II) Approving Directors and Supervisors (for the benefit of themselves or others) to deprive the Company's property in any form, including (but not limited to) any opportunity that is beneficial to the Company;
- (III) Approving Directors and Supervisors (for the benefit of themselves or others) to deprive other Shareholders' own rights, including (but not limited to) any distribution rights and voting rights, but does not include the reorganisation of the Company approved by the shareholders' general meeting in accordance with the Company's Articles of Association.

Article 55 The controlling shareholders and actual controllers of the Company shall not utilize the associated relationship to damage the profits of the Company. Those who violate regulations and cause losses to the Company shall bear the liability for compensation.

The controlling shareholders and actual controllers of the Company shall bear faithful obligations to the Company and the social public shareholders. The controlling shareholders shall exercise the contributors' rights strictly following the law, and shall not damage the legal rights and interests of the Company as well as the social public shareholders through profit distribution, assets reorganization, external investment, occupation of funds, loan guarantee, etc. and shall not utilize their controlling status to damage the benefits of the Company and the social public shareholders.

Article 56 "Controlling shareholder" referred to in Article 54 and Article 55 of the Articles of Association refers to a person that satisfies any of the following conditions:

- (I) he/she, acting alone or in concert with others, has the power to elect half or more of the total number of directors;
- (II) he/she, acting alone or in concert with others, has the power to exercise above 30% (including 30%) of the Company's voting rights or control the exercise of above 30% (including 30%) of the Company's voting rights;
- (III) he/she, acting alone or in concert with others, holds more than 30% (including 30%) of the outstanding shares of the Company in issue;

- (IV) he/she, acting alone or in concert with others, has de facto control over the Company in any other manner;
- (V) other persons as defined under relevant laws, administrative regulations or the securities regulatory rules in the place where the Company's shares are listed.

Section 3 General rules for the general meeting

Article 57

The general meeting is the authority of power of the Company, and shall exercise the following duties and powers in accordance with the law:

- (I) to decide the Company's operational policies and investment plans;
- (II) to elect and change the Directors and the Supervisors who are not employee representatives and decide on the remunerations of Directors and Supervisors;
- (III) to examine and approve reports of the Board of Directors and the Supervisory Committee;
- (IV) to examine and approve the proposed annual financial budgets, final accounts of the Company;
- (V) to examine and approve the profit distribution plans and loss recovery plans of the Company;
- (VI) to make resolutions on the increase or reduction of the registered capital of the Company;
- (VII) to make resolutions on the merger, division, dissolution, liquidation or change in the corporate form of the Company;
- (VIII) to make resolutions on the issuance of corporate bonds;
- (IX) to amend the Articles of Association;
- (X) to determine the Company's engagement, removal or discontinuance of engagement of accounting firms;
- (XI) to consider the proposal of shareholders representing more than 5% (inclusive) voting shares of the Company;
- (XII) to examine and approve the guarantees required to be approved by the general meeting in accordance with the securities regulatory rules in the place where the Company's shares are listed;
- (XIII) to examine and approve the material transactions required to be approved by the general meeting in accordance with the securities regulatory rules in the place where the Company's shares are listed; to consider and approve matters relating to the purchases, disposals of material assets, or provisions of guarantees, which are more than 30% of the latest edited total assets, within one year;

(XIV) to examine and approve the connected transactions required to be approved by the general meeting in accordance with the securities regulatory rules in the place where the Company's shares are listed;

(XV) to review and approve the change of the use of the proceeds;

(XVI) to review and approve the equity incentive plan;

(XVII) to consider other matters required to be resolved by the shareholders' general meeting pursuant to laws, administrative regulations, departmental rules, the securities regulatory rules in the place where the Company's shares are listed and the Articles of Association.

Article 58

The Company shall not enter into contracts with a party (other than a Director, Supervisor, general managers and other senior management members) in relation to handover of the administration of all business or the important business of the Company to that party without the pre-approval of the general meeting.

Article 59

The general meetings consist of annual general meetings and extraordinary general meetings. The annual general meeting shall hold once every year within six months from the end of the previous financial year.

Article 60

The Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

(I) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;

(II) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;

(III) at the request of shareholders who individually or collectively hold more than 10% (inclusive) of the voting shares of the Company;

(IV) when deemed necessary by the Board of Director;

(V) when proposed by the Supervisory Committee;

(VI) when proposed by more than two independent non-executive Directors;

(VII) any other circumstances stipulated by laws, administrative regulations, departmental regulations, the securities regulatory rules in the place where the Company's shares are listed or the Articles of Association.

The number of shares in aforesaid Item (III) shall be calculated based on the date on which the shareholders make a written request.

Article 61 The venue of the Company to hold the general meeting is the domicile of the Company or such other place as notified by the convener of the general meeting.

The general meeting shall have a venue where it shall be held in the form of a meeting with physical presence. The Company shall also provide convenience for shareholders to take part in the general meeting through network or other methods. The shareholders who attend the general meeting through abovementioned methods are deemed as being present at the meeting.

Section 4 Convening of general meeting

Article 62 The general meeting of the Company shall be convened by the Board of Directors according to law.

If the Board of Directors is unable or fails to fulfill the duty of convening a general meeting, the Supervisory Committee shall convene and preside over such a general meeting. If the Supervisory Committee fails to convene or preside over such meeting, shareholders individually or jointly holding 10% or more of the shares of the Company for 90 or more consecutive days may convene or preside over a general meeting on their own.

Article 63 The Supervisory Committee has the right to give proposal to the Board of Directors to hold the extraordinary general meeting in writing. The Board of Directors, according to laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, shall give written feedback to agree or disagree to hold the extraordinary general meeting within 10 days after receiving the proposal.

If the Board of Directors agrees to hold the extraordinary general meeting, a notice shall be given within 5 days after the Board of Directors makes such a resolution. Changes to the original proposal in the notice shall be approved by the Supervisory Committee.

If the Board of Directors disagrees to hold the extraordinary general meeting or fails to give feedback within 10 days after receiving the proposal, it shall be deemed that the Board of Directors cannot or does not fulfill the obligation to convene the extraordinary general meeting and the Supervisory Committee shall convene and preside over the meeting by itself.

Article 64 Shareholders individually or jointly holding 10% or more of the Company's shares have the right to request the Board of Directors to hold an extraordinary general meeting or a class meeting, and such request shall be in writing and specify the matters to be considered at the meeting. According to laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, the Board of Directors shall give written feedback on agreeing or disagreeing to hold the extraordinary general meeting or class meeting within 10 days after receiving the written request.

If the Board of Directors agrees to hold the extraordinary general meeting or class meeting, a notice of the extraordinary general meeting or class meeting shall be given within 5 days after the Board of Directors makes such decision. Changes to the original proposal in the notice shall be approved by relevant shareholders.

If the Board of Directors disagrees to hold the extraordinary general meeting or class meeting or fails to give feedback within 10 days after receiving the request, the shareholders individually or jointly holding 10% or more of the Company's shares have the right to request the Supervisory Committee to hold the extraordinary general meeting or class meeting in writing.

If the Supervisory Committee agrees to hold the extraordinary general meeting or class meeting, a notice of the extraordinary general meeting or class meeting shall be given within 5 days after receiving the request. Changes to the original proposal in the notice shall be approved by relevant shareholders.

If the Supervisory Committee fails to give the notice of the general meeting or class meeting within the specified period, it shall be deemed that the Supervisory Committee does not convene or preside over the general meeting or class meeting. The shareholders individually or jointly holding 10% or more of the Company's shares for more than 90 consecutive days may convene the general meeting by themselves.

Article 65 If the Supervisory Committee or shareholders decide to convene the general meeting by themselves, the Board of Directors shall be noticed in writing.

Article 66 The Board of Directors and the secretary of the Board of Directors shall provide assistance for the general meeting convened by the Supervisory Committee or shareholders. The Board of Directors shall provide the register of shareholders as at the date of record.

Article 67 Necessary expenses for the general meeting convened by the Supervisory Committee or shareholders shall be borne by the Company and deducted from the amounts payable by the Company to the directors who fail to perform their relevant duties.

Section 5 Proposals and notices of general meeting

Article 68 The content of proposals shall be within the authority scope of the general meeting, which shall have definite subjects and specific resolution issues and accord with relevant requirements of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

Article 69 When the Company holds the general meeting, the Board of Directors, the Supervisory Committee and the shareholders individually or jointly holding over 3% of the shares of the Company have the right to submit proposals to the Company.

Shareholders individually or jointly holding over 3% of the shares of the Company may put forward interim proposal and submit to the convener in writing 10 days before the general meeting. The convener shall send a supplementary notice of the general meeting within 2 days after receiving the proposal and announce the content of the interim proposals.

Save as specified in the preceding paragraph and provided in the Hong Kong Listing Rules, the convener shall not alter the proposals listed in the notice or add new proposals after sending the notice of the general meeting.

Proposals not listed in the notice of the general meeting or in non-conformity with the regulations of Article 68 in this Articles of Association shall not be voted with a resolution in the general meeting.

Article 70

For the purpose of holding an annual general meeting, a written notice shall be given to each of the shareholders 21 days before the holding of the meeting; for the purpose of holding an extraordinary general meeting, a written notice shall be given to each of the shareholders 15 days before the holding of the meeting.

In the calculation of the abovementioned periods of 21 days and 15 days, the date of the meeting shall be excluded.

Article 71

The notice of the general meeting shall meet the following requirements:

- (I) being in written form;
- (II) specifying the place, date and time of the meeting;
- (III) describing the matters and proposals to be discussed at the meeting;
- (IV) providing information and explanation necessary for shareholders to make informed decision on the matters to be discussed, including but not limited to the detailed conditions and contracts (if any) in respect of the transactions to be considered when proposals on the merger, repurchase of shares, capital restructuring or other reorganizations of the Company are submitted, and a detailed explanation on the reasons and results thereof;
- (V) where any director, supervisor, manager or other senior management has material interests in the matters to be discussed, the nature and extent of his/her interests shall be disclosed; if the impact of the matters to be discussed on such director, supervisor, manager or other senior management as a shareholder is different from that on the other shareholders of the same class, reasons shall be provided;
- (VI) the notice or supplementary notice of the general meeting shall contain the information required by the Hong Kong Listing Rules and the Articles of Association and shall sufficiently and completely disclose the details of all proposals. If opinions from independent directors are needed for the matters to be discussed, when the notice or supplementary notice of the general meeting is issued, the opinions and reasons from the independent directors shall also be disclosed;
- (VII) conspicuously stating: a shareholder entitled to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and a proxy need not be a shareholder of the Company;
- (VIII) containing the time at which and the place to which the proxy form for use at the meeting shall be delivered, the meeting convener, the record date for determining the entitlement of shareholders to attend and vote at the general meeting, and the name and telephone number of the permanent contact person for the meeting;

- (IX) if voting online or by correspondence is adopted at the general meeting, stating the time and procedures for voting online or by correspondence and the matters to be considered; and
- (X) other requirements of laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association.

Article 72

When the general meeting intends to discuss the voting matters of the directors and supervisors, the detailed information of the candidates of supervisors and directors shall be fully disclosed, at least including the following information:

- (I) Personal information such as educational background, work experience and part-time job;
- (II) Whether the candidates have associated relationship with the Company or the controlling shareholders and actual controllers or not;
- (III) Disclosure of shares of the Company held by them;
- (IV) Whether the candidates are punished by CSRC and other relevant departments and disciplined by the stock exchange.

A separate proposal shall be made for each director or supervisor candidate.

Article 73

Unless otherwise required by laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the shares of the Company are listed or the Articles of Association, the notice of a general meeting shall be delivered by hand or prepaid post to each of the shareholders (whether or not such shareholders have the right to vote at the general meeting) to the address specified in the register of members. For holders of domestic shares, the notice of a general meeting can be issued by announcement.

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

In compliance with the relevant requirements of laws, administrative regulations, departmental rules and the securities regulatory rules of the place where the shares of the Company are listed and after the relevant procedures have been performed, for holders of H shares, the notice of a general meeting can also be published on the website of the Company and the website designated by the Hong Kong Stock Exchange or delivered by other means as permitted under the Hong Kong Listing Rules and the Articles of Association in lieu of delivering the notice to the holders of H shares by hand or prepaid post. Once such announcement is made, all holder of H shares shall be deemed to have received the notice of the general meeting.

Article 74 The general meeting shall not be postponed or canceled without any justifiable reasons once the notice of the meeting is served. The proposals listed in the notice of the general meeting shall not be cancelled. Once the meeting is postponed or cancelled, the convener shall make an announcement and state reasons at least 2 working days before the originally determined date of the meeting. For a postponed general meeting, the postponed date for holding the meeting shall be disclosed in the notice.

Article 75 Where the notice of a general meeting is not delivered to a person who is entitled to receive such notice or such person does not receive the notice due to unexpected omission, the meeting and the resolutions passed at the meeting will not become void as a result.

Section 6 Holding of the general meeting

Article 76 The Board of Directors and other conveners of the Company shall take necessary precautions to ensure normal order of the general meeting. Precautions shall be taken to prevent behaviors that interfere with the general meeting, stir up trouble and infringe legal rights and interests of shareholders, which shall be timely reported to relevant departments for investigation.

Article 77 Any Shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as his or her proxy to attend and vote at the meeting on his or her behalf. The proxy(ies) so appointed by the Shareholder(s) may, pursuant to the instructions of the Shareholder(s), exercise the following rights (including but not limited to):

- (I) the Shareholders' right to speak at the general meeting;
- (II) the right to demand a poll by himself/herself or jointly with others;
- (III) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

If the shareholder is an accredited clearing house (or its proxy), it shall have the same legal rights as other shareholders and it may, as it thinks fit, appoint one or more persons or company representative as its proxies to attend and vote at any general meeting or class meeting and creditors' meeting. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The instrument of proxy may be signed by the authorized person of the accredited clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the accredited clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarized authorization and/or further evidences to prove the duly authorization) as if such person is an individual shareholder of the Company.

Article 78 All shareholders of the Company and their proxies recorded on the date for registration of equity rights shall have right to attend the Shareholders' Meeting and exercise the voting power according to laws, administrative regulations and the Articles of Association.

Shareholders may either attend the general meeting in person or appoint a proxy to attend the meeting and make decisions for them.

If a proxy is appointed to attend the meeting, the appointment of a proxy shall be in writing and signed by the appointing Shareholder or his/her attorney duly authorised in writing; where the appointing Shareholder is a legal person, such proxy form shall be affixed with its seal or signed by its Director or attorney duly authorised.

Article 79

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

Where the appointing shareholder is a legal person, its legal representative or the person authorized by the resolution of its board of directors or other governing bodies may attend the general meetings of the Company as a representative of such appointing shareholder, he/she shall be deemed to have attended the meeting in person.

Article 80

Any blank instrument of proxy or proxy form issued to a shareholder by the Board of Directors for the shareholder to appoint a proxy shall allow the shareholder to freely instruct the proxy to cast vote for, against or abstain from voting and enable the shareholder to give separate instructions on each matter to be voted at the meeting. Such instrument of proxy shall contain a statement that in the absence of instructions from the shareholders, whether or not his proxy may vote at his discretion.

Article 81

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

Article 82

Shareholders who attend the meeting in person shall show the identification card or other valid documents or certificates or stock account cards to show their identity; the proxy entrusted by shareholders to attend the meeting shall provide his identification card and the power of attorney of the shareholder.

The legal representative or proxy entrusted by the legal person shareholder may attend the meeting. When a legal representative attends the meeting, he shall present his identification card and an effective evidence of his qualifications a legal representative; when an entrusted proxy attends the meeting, he shall present his identification card and the power of attorney in writing issued to him by the legal representative of a legal person shareholder.

- Article 83** A meeting registration book of attendees shall be prepared by the Company. It shall contain such information as the name of the attendee (or name of organization), the number of the identification card, address, the number of shares held or voting shares represented, the name of the entrusting party (or name of organization), etc.
- Article 84** The convener shall verify the validity of the Shareholders' qualification according to the register of shareholders and register the name (or title) of shareholders and the voting shares held by them. The meeting registration shall be stopped before the meeting chairman declares the number of shareholders and proxies present at the live meeting and the total voting shares.
- Article 85** All directors, supervisors and the secretary of the Board of Directors of the Company shall attend the general meeting. The general manager and other senior management personnel shall also attend the meeting as non-voting delegates.
- Article 86** The chairman of the Board of Directors shall preside over the general meeting. If the chairman can not fulfill or doesn't fulfill his duties, the meeting shall be presided over by one director collectively elected by more than half of the directors.
- The general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee can not fulfill or doesn't fulfill his duties, the meeting shall be presided over by one supervisor elected by over half of the supervisors.
- The general meeting convened by shareholders themselves shall be presided over by the representative elected by conveners. If for any reason, the shareholders fail to elect a person to preside over the general meeting, the general meeting shall be presided over by the shareholder (including his/her proxy) holding the largest number of voting shares among the attending shareholders.
- During the general meeting, if the meeting can not be continued due to violation of the rules of procedure by the meeting chairman, upon consent of over half of the present shareholders with voting power, one person can be elected as the chairman by the general meeting to continue the meeting.
- Article 87** The Company shall prepare the rules of procedure of the general meeting to stipulate the convening and voting procedure in detail including notice, registration, examination of proposals, voting, vote counting, declaration of voting results, determination of meeting resolutions, meeting minutes and subscription, etc., as well as the authorization principle of the general meeting to the Board of Directors. The authorization should be specific in content. The rules of procedures for general meeting shall be stipulated by the Board of Directors as an appendix to the Articles of Association and approved by the general meeting.
- Article 88** The Board of Directors and the Supervisory Committee shall give reports on the work in the past year at the annual general meeting. Each independent non-executive director shall also submit his/her work report.
- Article 89** Directors, supervisors and senior management personnel shall explain and account for shareholders' inquiries and suggestions at the general meeting.

- Article 90** The chairman of the meeting shall, prior to voting, declare the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares held by them, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.
- Article 91** Minutes of a general meeting shall be kept by the secretary of the Board of Director. The minutes shall state the following contents:
- (I) the time, location, agenda, name or title of the convener of the meeting;
 - (II) name of the meeting chairman and directors, supervisors, manager and other senior management personnel present at the meeting or attending the meeting;
 - (III) the number of shareholders and proxies present at the meeting, total voting shares held by them and the proportion of the total shares of the Company;
 - (IV) the examination procedure, key points of the speech and voting result of each proposal;
 - (V) inquiries or suggestions of the shareholders and corresponding answers or explanations;
 - (VI) name of the lawyer, vote counter and counting witness;
 - (VII) other content that should be included in the meeting minutes as specified by the Articles of Association.
- Article 92** The convener shall ensure the truth, accuracy and integrity of the meeting minutes. The present directors, supervisors, the secretary of the Board of Directors, convener or the representative and the meeting chairman shall sign on the meeting minutes which shall be kept at the domicile of the Company together with the signing book of shareholders present at the live meeting and the power of attorney for proxy, effective materials of the voting by network or other methods for a term of 10 years.
- Article 93** Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings from the Company, the Company shall send such photocopies within seven days upon receipt of the payment for reasonable charges.
- Article 94** The convener shall ensure the general meeting to be held continuously until the final resolution is made. If the general meeting is stopped or fails to make resolutions due to special reasons such as force majeure, necessary precautions shall be taken to resume the general meeting as soon as possible or directly terminate the general meeting.

Section 7 Voting and resolutions of the general meeting

Article 95 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders (including proxies) present at the meeting.

Special resolutions of the general meeting shall be passed by more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

Article 96 When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting rights that they represent, and each share shall carry one voting right.

The shares held by the Company shall not enjoy the voting power and such shares shall not be included in the total voting shares present at the general meeting.

Article 97 Voting at general meetings shall be conducted by a show of hands, only when the chairman of the meeting make the decision on the principle of good faith, and on purely procedural or administrative matters. Other matters shall be voted by way of polls.

If the chairman of the meeting decides to vote on a show of hands, the general meeting shall vote on a show of hands unless a vote is demanded by the following persons before or after the show of hands:

- (I) chairman of the meeting;
- (II) at least two voting shareholders or proxies of voting shareholders;
- (III) one or more shareholders (including shareholder's proxy) holding more than 10% (including 10%) of the voting shares at the meeting shall be calculated separately or jointly.

If the chairman of the meeting decides to vote on a show of hands, unless a poll is proposed, the chairman of the meeting shall, on the basis of the result of the show of hands, announce the adoption of the proposal and record it in the minutes of the meeting as the final basis, without proving the number or proportion of votes for or against the resolution passed at the meeting.

The demand for a poll can be withdrawn by the proposer.

- Article 98** If the matter required to be voted by way of a poll relates to election of chairman or adjournment of meeting, a poll shall be conducted immediately; in respect of other matters required to be voted by way of a poll, the chairman may decide the time of a poll, and the meeting may proceed to consider other matters. The voting results shall still be deemed as resolutions passed at the said meeting.
- Article 99** When voting by a poll, Shareholders (including their proxies) entitled to two or more votes need not cast all their votes for or against in the same way.
- Article 100** When the numbers of votes against and in favour are equal, the chairman of the meeting shall be entitled to an additional vote.
- Article 101** Where applicable laws and regulations or the Hong Kong Listing Rules require any shareholder to abstain from voting on any particular resolution or being restricted to voting only for (or only against) any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.
- Article 102** The following matters shall be passed as ordinary resolutions in a general meeting:
- (I) work reports of the Board and the Supervisory Committee;
 - (II) profit distribution plans and loss recovery plans formulated by the Board;
 - (III) appointment and dismissal of the Board and relevant members of the Supervisory Committee (non-employee representative supervisors) and remuneration and payment methods thereof;
 - (IV) annual budget plans, financial account plans, the balance sheet, profit statement and other financial statements of the Company;
 - (V) matters other than those requiring approval by special resolutions in accordance with laws, administrative regulations, the rules of securities regulations where the Company's shares are listed or the Articles of Association.
- Article 103** The following matters shall be passed as special resolutions in a general meeting:
- (I) the increase or reduction of the Company's registered capital and the issuance of any class of shares, warrants and other similar securities;
 - (II) issuance of corporate bonds;
 - (III) division, merger, dissolution and liquidation of the Company or change in the corporate form of the Company;

- (IV) amendments to the Articles of Association;
- (V) other matters stipulated by laws, administrative regulations, the rules of securities regulations where the Company's shares are listed or the Company's Articles of Association, and the general meeting adopting ordinary resolutions that are considered to have a significant impact on the Company, requiring approval by special resolutions.

Article 104

When any general meeting considers relevant related party transactions or connected transactions matters, if the applicable laws and regulations or the listing rules of the stock exchange where the Company's shares are listed require, the related shareholder shall not vote and the number of voting shares that he represents shall not be counted as part of the total number of valid votes; the announcement of the resolutions of the general meeting shall fully clarify the voting situation of the non-related shareholders.

The related shareholders shall offer themselves to avoid and not participate in the voting, and when the related shareholders failed to do so, other shareholders attending the meeting or the presenter are entitled to request the related shareholders to avoid from voting. The voting shall be made by other shareholders according to their voting rights after the avoidance of the related shareholders, and the corresponding resolutions shall be passed in accordance with the provisions of the Articles of Association. The avoidance and voting procedures for the related shareholders shall be included in the minutes of the meeting.

To be valid, the resolutions on the related party transactions or connected transactions matters thereof made at the general meeting must be passed by more than half of voting rights held by the non-related shareholders presented at the general meeting. However, if the related party transactions or connected transactions matters thereof involved in the matters need to be passed by special resolutions as required in the Articles of Association, the resolution at the general meeting shall be valid only if it is passed by over two-thirds of the voting rights held by the non-related shareholders present at the general meeting.

Article 105

The Company shall, on the premise of ensuring the validity and effectiveness of the general meeting, provide convenience for shareholders to attend the meeting through various methods and ways.

Article 106

Except for special situations such as crisis, without being prior approved as a special resolution on the general meeting, the Company shall not sign contracts to consign other person to be in charge of the management of all or part of important business with people other than directors, general manager and other senior management personnel.

Article 107

The candidates' name list of directors and supervisors who are not employee representatives shall be submitted to the general meeting in proposal for voting. Unless otherwise specified in the Articles of Association, the Board and Supervisory Committee of the Company and the shareholders who individually or in aggregate hold more than 3% of the Company's shares may have rights to propose candidates for directors and supervisors who are not employee representatives. The Board and Supervisory Committee of the Company and the shareholders who individually or in aggregate hold more than 3% of the Company's shares may propose independent candidates for directors.

- Article 108** The general meeting shall resolve all the proposals separately case-by-case. Where there are several proposals for the same matter, such proposals shall be resolved in the order of time at which they are submitted. Shareholders or its proxies shall not vote in favour of the different proposals for the same matters at the general meeting concurrently. Unless the general meeting is adjourned or no resolutions can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused to vote at the general meeting.
- Article 109** In considering a proposal, the general meeting shall not modify the proposal; or else, a modification shall be deemed as a new proposal, and shall not be subject to voting at this meeting.
- Article 110** The general meeting shall be voted by registered voting.
- Article 111** Before voting at general meeting, two shareholder representatives shall be appointed to be counter and scrutineer respectively. If a shareholder is interested in the subject matter, such shareholder and its proxy shall not be appointed as counter or scrutineer.
- In a voting at general meeting, the lawyers, shareholder representatives, supervisor representatives and other relevant person appointed pursuant to the Hong Kong Listing Rules shall jointly count and scrutinize the votes, and publish the voting results on site in accordance with the Hong Kong Listing Rules. The voting results will be included in the minutes of meeting.
- Article 112** The chair of meeting shall announce the voting status and results of every proposal, and announce whether the proposal is passed or not according to the voting results, the decision of which shall be conclusive, and shall be announced at the meeting and included in the minutes of the meeting.
- Article 113** Shareholders present at general meeting shall give any of the following opinions to a proposal: vote for, vote against, or abstain.
- The unfilled, wrongly filled, unrecognizable votes, and blank votes shall be deemed as abstention by the voter, and the voting result of the number of shares held by such voter shall be counted as “abstention”.
- Article 114** If the chair of meeting has any doubt about the voting results, a recounting of votes can be organized; if there is no recounting and a shareholders or proxy has any doubt on the chair’s announced results, then such shareholder or proxy may ask for a recounting immediately after the announcement of voting results, while the chair of meeting shall organize the recounting immediately.
- If votes are recounted at a general meeting, the result of the recounting shall be recorded in the minute book.
- The minutes, together with the shareholders’ attendance lists and proxy forms shall be kept at the domicile of the Company.

Article 115 If a proposal of director or supervisor election is adopted at general meeting, if without special requirements or illustration, then the appointment time of new director or supervisor shall be counted from the date when adoption of the resolution of the general meeting.

Article 116 Where any proposal relating to cash dividends, bonus shares or capitalization from capital public reserve is adopted at the general meeting, the Company will implement the specific scheme within two months upon the conclusion of the general meeting.

Section 8 Special procedures for voting of class shareholders

Article 117 Shareholders holding different classes of shares shall be class Shareholders.

Class Shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations, the rules of securities regulations where the Company's shares are listed and the Articles of Association. The Company, as the case may be, shall ensure that the Preferential Shareholders can obtain sufficient voting rights.

Article 118 The Company shall not proceed to change or abrogate the rights of class Shareholders unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the class Shareholders so affected in accordance with Article 120 to Article 124 of the Articles of Association, respectively. Except for the circumstances of the transferred shares listed and trade in the overseas stock exchange and the domestic shares converted into overseas listed foreign shares as stipulated in Article 17 to the Articles of Association.

Article 119 The following circumstances shall be deemed as change or abrogation of the rights of a certain class shareholder;

- (I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class' voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (II) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (III) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;
- (IV) to reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (V) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;

- (VI) to cancel or reduce rights to receive Company payables in a particular currency attached to the shares of the said class;
- (VII) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;
- (VIII) to restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;
- (IX) to issue rights to subscribe for, or to convert into, shares of the said class or another class;
- (X) to increase the rights and privileges of the shares of other class;
- (XI) to restructure the Company in such a way to cause Shareholders of different classes to undertake liabilities disproportionately during the restructuring;
- (XII) to amend or cancel provisions in this chapter.

Article 120

Shareholders of the affected class, whether or not with the rights to vote at general meetings originally, shall have the right to vote at shareholders' class meetings in respect of matters referred to in items (2) to (8) and (11) to (12) of Article 119 to the Articles of Association, except that interested shareholders shall not vote at such shareholders' class meetings.

The term interested shareholders in the preceding paragraph shall mean:

- (I) in case of a buy-back of shares by the Company by way of a general offer to all Shareholders in equal proportion or by way of open market transactions on a stock exchange where our shares are listed in accordance with Article 24 to the Articles of Association, the controlling shareholders as defined in Article 56 to the Articles of Association shall be the "interested shareholders";
- (II) in case of a buy-back of shares by the Company by an agreement outside the stock exchange where our shares are listed in accordance with Article 24 to the Articles of Association, holders of shares in relation to such agreement shall be the "interested shareholders";
- (III) in case of a proposed restructuring of the Company, Shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other Shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other Shareholders of that class shall be the "interested shareholders".

Article 121 Resolution of a shareholders' class meeting shall be passed only by more than two-thirds of the total voting rights being held by the Shareholders of that class, who are entitled to do so, present and vote at the shareholders' class meeting in accordance with Article 120 to the Articles of Association.

Article 122 When the Company is to convene a shareholders' class meeting, it shall issue a written notice according to the requirements of Article 70 to the Articles of Association, informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting. If provisions otherwise provided by the listing rules of the stock exchange in the place where the Company's shares are listed, these provisions shall apply.

In the event that the number of the voting shares represented by the shareholders intending to attend the meeting is more than one half of the total number of voting shares of that class, the Company may convene a shareholders' class meeting. Otherwise, the Company shall within five 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.

Article 123 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 procedure for the holding of a general meeting shall be applicable to a shareholders' class meeting.

Article 124 Except for other classes of Shareholders, domestic shareholders and foreign shareholders of listed shares are deemed as different classes of shareholders. In the following circumstances, the special procedures for voting by class shareholders shall not apply:

- (I) with the approval by a special resolution at the general meeting, the Company issues domestic shares or overseas listed foreign shares alone or at the same time at each interval of 12 months and the number of the proposed domestic shares and overseas listed foreign shares does not exceed 20% of the respective outstanding shares of such class.
- (II) the Company has made the plans to issue domestic shares or overseas listed foreign shares at the time of incorporation and the implementation of such plan has been completed within 15 months from the date of approval by the securities regulatory authorities of the State Council.
- (III) the circumstances of the transferred shares listed and trade in the overseas stock exchange and the domestic shares converted into overseas listed foreign shares as stipulated in Article 17 to the Articles of Association.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 125

Directors shall be elected or replaced by the general meeting and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. Directors shall serve a term of three years for each session. A director may serve consecutive terms if re-elected upon the expiration of his/her term.

The term of office of directors shall be computed from the date of formal appointment to the expiration of the term of office of the Board of Directors. In case of failure to re-elect directors in a timely manner upon the expiration of the term of office of directors, the incumbent directors shall continue performing their duties until the new directors assume office according to laws, administrative regulations, department rules and the Articles of Association.

The general meeting, at the premise of abiding by the provisions of relevant laws and administrative regulations, may by ordinary resolutions to remove any director (but without prejudice to any claim for damages under any contract).

Directors may be taken by general manager or other senior management personnel. But directors who hold concurrent posts of general manager or other senior management personnel shall not exceed 1/2 of the total directors of the Company.

Directors need not be the shareholders of the Company.

The Company does not have any directors taken by worker representatives.

Article 126

Directors shall follow the laws, administrative regulations, regulatory rules of the places where the shares of the Company are listed and the Articles of Association and bear following faithful obligations to the Company:

- (I) directors are not allowed to abuse their authorities to accept bribes or other illegal income, and may not encroach on the Company's property;
- (II) directors are not allowed to misappropriate the property of the Company;
- (III) directors are not allowed to deposit the assets of the Company into an account in their own names or in any other individual's name;
- (IV) directors are not allowed to lend the funds of the Company to other people or provide guarantees for other people with the assets of the Company in violation of regulations of the Articles of Association or without consent of the general meeting or the Board of Directors;
- (V) directors are not allowed to execute any contract or engage in any transaction with the Company in violation of the Articles of Association or without consent of the general meeting;

- (VI) Without consent of the general meeting, directors shall not, taking advantage of their positions, seek for commercial opportunity which shall belong to the Company and engage in the same business as the Company either for his own account or for any other person's account;
- (VII) directors are not allowed to possess the commission obtained from the transaction between others and the Company;
- (VIII) directors are not allowed to disclose confidential information of the Company without authorization;
- (IX) directors shall not make use of the associated relationship to damage the interest of the Company;
- (X) other faithful obligations specified by laws, administrative regulations, department rules, regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

Any income of directors earned by violating this article shall belong to the Company; if losses are caused to the Company, such directors shall bear the liability for compensation.

Article 127

Directors shall follow laws, administrative regulations, regulatory rules of the places where the shares of the Company are listed and the Articles of Association and bear following assiduous obligations to the Company:

- (I) Directors shall exercise their rights given by the Company restrainedly, carefully and assiduously to ensure that the commercial activities of the Company are in consistent with State's laws, administrative regulations and requirements of various national economic policies and do not exceed the Company's scope of business as regulated by the business license;
- (II) Directors shall treat all shareholders equally;
- (III) Directors shall timely know the operation and management of business of the Company;
- (IV) Directors shall subscribe on the periodic report with written confirmation opinions to ensure the truth, accuracy and integrity of the information disclosed by the Company;
- (V) Directors shall provide relevant circumstances and materials to the Supervisory Committee according to the facts and shall not interfere the Supervisory Committee or supervisors to exercise authorities;
- (VI) Other assiduous obligations specified by laws, administrative regulations, department rules, regulatory rules of the places where the shares of the Company are listed and the Articles of Association.

Article 128 If a director fails to attend in person twice in succession, and hasn't authorized other director to attend the meeting, such director shall be regarded as failure to fulfill his obligations, and the Board of Directors shall suggest the general meeting for dismissal and replacement.

The general meeting, at the premise of abiding by the provisions of relevant laws and administrative regulations, may by ordinary resolutions to remove any director (but without prejudice to any claim for damages under any contract) before the expiration of his term of office.

Article 129 Directors may resign before expiration of the term of office. The directors who ask for resignation shall submit a written resignation report to the Board of Directors.

If the resignation of directors leads to the number of the Board of Directors below the minimum quorum, before the accession of the re-elected director, the original directors shall fulfill their obligations according to laws, administrative regulations, department rules, normative documents and the Articles of Association. The Company shall complete the by-election within two months.

Except for the preceding paragraph, the resignation of directors shall take effect upon the resignation report is submitted to the Board of Directors.

Article 130 If the resignation of a director takes effect or the term of office expires, such director shall complete all turnover procedures with the Board of Directors and his faithful obligations to the Company and the shareholders shall not be released after the term of office expires, and his/her obligation of confidentiality in respect of the Company's business secrets remains valid, until such secrets become public information other than for reasons attributable to the director leaving office. A director shall still assume other faithful obligations to the Company within a reasonable period of time after the effective date of resignation or expiry of his/her term of office.

Article 131 Unless specified in the Articles of Association or legal authorization by the Board of Directors, any director shall not take an action in his/her own name on behalf of the Company or the Board of Directors. The director shall state his/her position and identity when taking an action in his/her own name, provided the third party may consider it reasonable when such director takes an action on behalf of the Company or the Board of Directors.

Article 132 Directors shall bear the liability for compensation if losses are caused to the Company due to violation of the laws, administrative regulations, department rules or the Articles of Association during performance of duties.

Section 2 Board of Directors

Article 133 The Company shall establish a Board of Directors, which shall be responsible to the general meeting.

Article 134 The Board of Directors shall be composed of 12 directors and shall have one chairman and one deputy chairman (as required). At least one-third of members of the Board of the Company shall be independent non-executive Directors (hereinafter referred to as “Independent Director(s)”), and the total numbers shall not fewer than 3, including at least one member must has appropriate accounting or relevant financial management expertise, and satisfies the requirements with Rule 3.10(2) of the Hong Kong Listing Rules.

The aforementioned Independent Directors refer to the Directors who hold no position in the Company other than the position of the Director and have no relationship with the Company and its major shareholder(s) that may prevent them from making objective and independent judgment.

For Independent Directors rules which are not stipulated in the Articles of Association, shall be subject to relevant laws, regulations and relevant provisions of the listing rules of the stock exchange on which the Company’s shares are listed.

Article 135 The Board of Directors shall exercise the following functions and powers:

- (I) to convene the general meeting and to report on its work to the general meeting;
- (II) to implement the resolutions of the general meeting;
- (III) to decide on the business plans and investment plans of the Company;
- (IV) to formulate the proposed annual financial budgets and final accounts of the Company;
- (V) to formulate the plans for profit distribution and making-up losses of the Company;
- (VI) to formulate the plans for increasing or decreasing the registered capital of the Company, for issuing bonds or other securities and the plans for the listing;
- (VII) to formulate the plans for the material acquisition and acquisition of shares of the Company pursuant to the Article 23 (I) and (II) of the Articles of Association;
- (VIII) to formulate the plans for the merger, division, dissolution and changing corporate form of the Company;
- (IX) to decide on the plan of the Company’s shares repurchase and share disposal pursuant to the Articles 23 (III), (V) and (VI) of the Articles of Association;

- (X) to decide upon external investment, acquisition of disposal assets, assets pledge, external guaranty issues, entrustment of financing, related party transactions and other matters of the Company in accordance with the securities regulatory rules of the place where the Company's shares are listed within the scope authorized by the general meeting;
- (XI) to decide on the establishment of the Company's internal management organization;
- (XII) to engage or dismiss the general manager and the secretary of the Board of Directors of the Company; and, upon the recommendation of the general manager, to engage or dismiss the executive deputy general manager, deputy general manager, heads of financial department and other senior management personnel of the Company, and to decide upon matters concerning their remuneration, rewards and punishment;
- (XIII) to formulate the basic management system of the Company;
- (XIV) to formulate proposals for amendment of the Articles of Association;
- (XV) to manage the disclosure of information of the Company;
- (XVI) to propose the amount of Directors' remuneration and the scheme of payment method, and report to the general meeting for decision;
- (XVII) to submit to the general meeting a recommendation regarding the engagement or change of the accounting firm that provided auditing services to the Company;
- (XVIII) to listen to the work reports prepared by the general manager and to examine the work of the general manager;
- (XIX) other functions and rights empowered by laws, administrative regulations, department rules, listing rules of the places where the shares of the Company are listed or the Articles of Association and the general meeting.

Unless otherwise specified by the Articles of Association or listing rules of the places where the shares of the Company are listed, resolutions relating to the above, with the exception of Items (VI), (VIII) and (XIV) which shall be approved by not less than two-thirds of the Directors, shall be approved by not less than half of the Directors.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the place(s) where the Company's shares are listed, such shall be submitted to the general meeting for consideration and review. Matters beyond the scope authorized by the general meeting shall be submitted to the general meeting for consideration and review.

- Article 136** The Board of Directors of the Company shall explain the non-standard auditing opinions on the financial reports of the Company issued by a certificate public accountant to the general meeting.
- Article 137** The Board of Directors shall prepare the rules of procedure to ensure the fulfillment of the general meeting's resolutions, increase working efficiency and ensure the scientific decision-making. The rules of procedures for the Board of Directors shall be appended to this Articles of Association, stipulated by the board of directors and approved by the general meeting.
- Article 138** When the Board of Directors disposes assets, if the sum of the expected value of the fixed assets to be disposed of, and the amount or value of the cost received from the fixed assets of the Company disposed of within the four months immediately preceding this suggestion for disposal exceeds 33% of the value of fixed assets of the Company indicated on the latest balance sheet reviewed at the general meeting, the Board of Directors shall not dispose or agree to dispose such fixed assets without prior approval by the general meeting.
- A disposition of fixed assets in this Article includes certain acts of transfer of interests in assets but does not include the provision of fixed assets as security.
- The validity of the transactions with respect to the disposal of fixed assets of the Company shall not be affected by the violation of the above restrictions contained in the first paragraph of this Article.
- Article 139** The provision of guarantee by the Company for the debts of others shall comply with the provisions of the Articles of Association and be subject to the consideration of the Board of Directors or the general meeting. The provision of guarantee by the Company for a related party, regardless of the amount, shall be submitted to the general meeting for consideration after being considered and approved by the Board of Directors.
- Article 140** The Board of Directors of the Company shall have one chairman, which shall be elected and removed by more than half of all Directors with a term of office of three years and may be re-elected.
- Article 141** The chairman of the Board of Directors shall exercise the following functions and powers:
- (I) to preside over the general meeting and to convene and preside over meetings of the Board of Directors;
 - (II) to check and procure the implementation of resolutions of the board of directors and listen to relevant reports;
 - (III) to procure and organize the formulation of various rules and coordinate operation of the board of directors;
 - (IV) to sign on important legally binding documents on behalf of the Company and sign the securities issued by the Company;
 - (V) other functions and powers authorized by the laws, administrative regulations or the Articles of Association and the Board of Directors.

- Article 142** If the chairman can't perform or fails to perform his duties, one director jointly elected by over half of the directors shall perform the duties.
- Article 143** The Board meetings should be held at least four times a year at approximately quarterly intervals, which shall be convened by the chairman via giving a written notice to all directors and supervisors at least 14 days (excluding the date of the meeting) before the meetings are held.
- Article 144** The shareholders, representing one-tenth or more of the voting power and one-third or more of the directors or the Supervisory Committee, may put forward a proposal to convene the Extraordinary Board Meeting. The chairman shall convene and preside over the Board Meeting within 10 days after receiving the proposal.
- In the event of emergency matters, an extraordinary meeting of the Board of Directors may be proposed by five or above directors or by the general manager of the Company.
- Article 145** Extraordinary meetings of the Board of Directors shall be notified in the following ways:
- The chairman shall notify all directors and supervisors through the secretary to the board of directors at least three days in advance by telephone, mail, facsimile, e-mail or hand. Where an extraordinary Board meeting shall be convened as soon as possible in emergency, a notice for the meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.
- If the directors have attended the meeting and haven't raised an objection to the failure of receiving the meeting notice before attending the meeting or the beginning of the meeting, it shall be deemed that the meeting notice has been sent to the directors.
- Article 146** A notice of Board meeting shall include the following contents:
- (I) the date and venue of the meeting;
 - (II) the duration of the meeting;
 - (III) the subject matters and topics of the meeting;
 - (IV) the date of dispatch of the notice.
- Article 147** The Board meeting shall not be held unless more than one half of the Directors are present. The resolutions made by the Board must be approved by more than half of the Directors.
- As for the voting on a Board resolution, each Director shall have one vote only.
- When the number of votes against and in favour are equal, the chairman of the meeting shall be entitled to an additional vote.

Article 148

Apart from certain exceptions specified in Hong Kong Listing Rules or those permitted by Hong Kong Stock Exchange, a director shall abstain from voting on adoption of any contract or arrangement in which he himself or any of his/her/its associates (as defined in Hong Kong Listing Rules) is materially interested or any resolution proposed at a board meeting, or if a director is connected to companies involved in a resolution to be resolved at a Board meeting and has a material interest in the matters to be resolved or there are other circumstances stipulated by laws, such director shall abstain from voting and shall not vote on that resolution, and shall not vote on behalf of other Directors. When calculating the quorum of directors present at the meeting, such director shall not be counted. Unless otherwise provided in the Articles of Association, such Board meeting can be held if more than one half of the non-related Directors attend and the resolutions made by the Board meeting shall be passed by more than one half of the non-related Directors in the event that the directors abstain from voting. If less than three non-related Directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

Article 149

The Board meeting shall vote by way of a show of hands or a poll in writing (including voting by facsimile).

Provided that the directors can fully express their opinions at the extraordinary board meetings, if the proposed resolutions have been distributed in writing to all the members of the Board of Directors, and if the number of the directors who have signed the proposal has reached quorum that stipulated in the law, administrative regulations and the Articles of Association, a valid resolution can be made accordingly.

Article 150

The Directors shall attend a Board meeting in person. If a Director is unable to attend for any reasons, he/she may appoint another Director in writing to attend on his/her behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal.

The directors attending the meeting on behalf shall exercise rights of directors within the scope of authorization. If a Director does not attend a Board meeting in person and does not appoint a representative to attend the meeting, he/she shall be deemed to have waived the voting rights in the meeting.

Any director shall not be appointed as the proxy to attend the same board meeting by more than two directors. When examining and discussing a related party transaction, the non-associated directors shall not appoint the associated directors to attend the meetings on behalf of them; the independent directors shall not appoint the non-independent directors to attend the meetings on behalf of them, and non-independent directors shall not accept the appointment of independent directors.

Article 151

The Board of Directors shall keep minutes of its resolutions on the matters discussed at the meeting. The Directors who attended the meeting, the secretary to the board of directors and the recorder shall sign on the minutes of that meeting.

The minutes of the board meetings shall be kept as archives of the Company for 10 years.

The directors shall bear liability for the resolutions of the Board of Directors. Provided a resolution of the Board of Directors is in violation of laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, the directors who take part in the resolution shall be liable to the Company for damages. However, provided a director can prove that he/she has expressed his/her opposition to such resolution when it is put to the vote, and that such opposition has been recorded in minutes of the meeting, the director may be relieved from such liability.

Article 152

The minutes of the Board meeting shall include:

- (I) the date, venue and convener of the meeting;
- (II) the names of the Directors attending the meeting and the names of the Directors (proxies) appointed by other Directors to attend the meeting;
- (III) the agenda of the meeting;
- (IV) the main points of the speeches of the Directors;
- (V) the methods and results of the voting for each resolution (the voting results shall state the number of votes voting for, against or in abstention).

CHAPTER 6 SPECIAL COMMITTEES UNDER THE BOARD

Article 153

The Board of Directors established four special committees, including the strategic and investment decision committee, the audit committee, the nomination committee, and the remuneration and evaluation committee, and the rules of procedure of each special committee shall be formulated by the Board of Directors, to determine their composition, duties and operation.

The special committees shall be responsible to the Board of Directors and shall perform their duties as stipulated in the Articles and as authorized by the Board of Directors. Proposals shall be submitted to the Board of Directors for consideration and approval. All members of the special committees shall be directors, and independent directors shall account for the majority of members of the audit committee, nomination committee and remuneration and evaluation committee. The convener of the audit committee shall be an accounting professional. The composition and rules of procedure of the special committee shall be separately agreed by the Board of Directors in accordance with relevant laws, regulations, regulatory documents and the rules of securities regulation of the place where the shares of the Company are listed.

Article 154

The major functions and duties of the strategic and investment decision committee are to research on the Company's long-term development strategy and major investment decision-making and raise proposals.

Article 155

The major functions and duties of the audit committee are as follows:

- (I) to supervise and evaluate the external auditing work and make proposal on engagement or replacement of the external auditing institutions;
- (II) to supervise and evaluate the internal auditing work and take charge of coordination of the internal and external audits;
- (III) to review the financial information of the Company and its disclosure;
- (IV) to supervise and evaluate the internal control of the Company;
- (V) other matters authorized by the laws and regulations, the Articles of Association and the Board of Directors.

Article 156

The major functions and duties of the nomination committee are as follows:

- (I) to research on the criteria and process for selecting directors and senior management personnel and make advice thereon;
- (II) to select qualified candidates to be directors and senior management personnel;
- (III) to examine the candidates of directors and senior management personnel and make recommendations in connection therewith;
- (IV) other matters authorized by the laws and regulations, the Articles of Association and the Board of Directors.

Article 157

The major functions and duties of the remuneration and evaluation committee are as follows:

- (I) to research on the criteria for evaluation of the directors and senior management personnel, carrying out such appraisal, and raising proposals thereon;
- (II) to study and examine the policies and plans for remuneration of the directors and senior management personnel;
- (III) other matters authorized by the laws and regulations, the Articles of Association and the Board of Directors.

CHAPTER 7 THE GENERAL MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL**Article 158**

The Company shall have one general manager, one secretary of the Board, both of whom shall be nominated by the chairman of the Board of Directors; shall have one chief financial officer, who shall be nominated by the general manager.

The general manager, executive deputy general manager, deputy general manager, chief financial officer and secretary of the Board are senior management personnel, who shall be appointed or dismissed by the Board of Directors.

Article 159 The provisions on the faithful obligations of Directors in Article 126 and assiduous obligations in Article 127 of the Articles of Association are applicable to senior management personnel. In the exercise of their functions and powers, the managers of the Company shall perform their faithful and assiduous duties in accordance with laws, administrative regulations and the Articles of Association.

Article 160 The personnel who hold other administrative posts (except for directors, supervisors) in the controlling shareholder of the Company shall not hold the post of senior management personnel of the Company.

Article 161 The term of office of The general manager is three years and the general manager can renew his term of office through re-election.

Article 162 The general manager of the Company shall be accountable to the Board and shall exercise the following functions and powers:

- (I) To be in charge of the day-to-day management of the operations of the Company and report his work to the Board;
- (II) To organize the implementation of decision on the minutes of the resolutions of the Board of Directors;
- (III) To draft the Company's annual business plans, investment, financing and entrusted financial management plans, and organize the implementation of the Company's annual business plans and investment plans;
- (IV) To draft the Company's annual financial budget and final accounting proposals as per the instructions of the Board of Directors;
- (V) To draft the policies of employee's wages, benefits, rewards and punishment and the overall plans;
- (VI) To draft the plan for establishment of the Company's internal management organization;
- (VII) To propose the plan for establishment of the Company's branches and other sub-branches;
- (VIII) To draft the Company's basic management system;
- (IX) To formulate the basic rules and regulations of the Company;
- (X) To propose the Board to conduct the employment or dismissal of the senior management other than the general manager and the Board secretary of the Company and advise on their remuneration, rewards and the punishment;
- (XI) To hire or dismiss other management personnel other than those to be hired or dismissed by the Board, and decide on their assessments, remunerations, incentives and punishments;
- (XII) Other functions and powers granted by the Articles of Association and the Board.

The manager of the Company shall attend the Board Meetings; the manager who is not a Director does not have any voting rights at Board meetings.

- Article 163** The detailed working procedures for the general manager shall be prepared by the general manager and shall be implemented after approval by the Board.
- Article 164** The detailed working procedures for the general manager shall contain the following:
- (I) The conditions, procedures and attendees for meetings convened by the general manager;
 - (II) The specific duties and allocation of duties among the general manager and other senior management personnel;
 - (III) The authority to use funds and assets of the Company and to sign major contracts, as well as the system of reporting to the Board and the Supervisory Committee;
 - (IV) Other matters that the Board deems necessary.
- Article 165** The general manager can resign before expiration of the term of office. For the purpose of resignation, the general manager shall submit a resignation report in writing. Specific procedures and methods on the resignation of the general manager shall be specified by the labor contract between the general manager and the Company.
- Article 166** The Company shall have a secretary of the Board of Directors. The secretary of the Board of Directors shall be a natural person with the necessary professional knowledge and experience, and shall be appointed by the Board of Directors. His main duties shall be as set forth below:
- (I) To ensure that the Company has complete organization documents and records;
 - (II) To ensure that the Company prepares and submits reports and documents as required by relevant authorities according to laws;
 - (III) To ensure that the register of shareholders of the Company is properly maintained and that the persons who have the right of access to the relevant documents and records of the Company can obtain the same in a timely manner;
- The secretary of the Board of Directors shall observe laws, administrative regulations, department rules and relevant provisions of the Articles of Association.
- Article 167** Directors or other senior management members may concurrently act as the secretary to the Board. The accountant of the accounting firm engaged by the Company shall not concurrently serve as the secretary of the Board of the Company.
- Where the secretary to the Board concurrently act as a director, for an act which is required to be made by a director and the secretary to the Board separately, the person who concurrently acts as a director and the secretary to the Board may not perform the act in dual capacity.
- Article 168** Senior management personnel shall bear the liability for compensation if losses are CAUSED to the Company due to violating the regulations of laws, administrative regulations, department rules or the Articles of Association when implementing duties of the Company.

CHAPTER 8 SUPERVISORY COMMITTEE

Section 1 Supervisors

- Article 169** Directors, general manager and other senior management, as well as their spouses and direct relatives shall not serve as Supervisors during such directors and senior management personnel's term of office.
- Article 170** The Supervisors shall comply with the laws and the Articles of Association, perform their duty of loyalty and duty of diligence to the Company, and faithfully perform their supervisory duties. They shall not abuse their positions to accept bribes or other illegal income and not to misappropriate any properties of the Company.
- Article 171** The Supervisors shall serve for a term of three years. The term of a Supervisor is renewable and subject to re-election upon the expiration of his/her term of office.
- Article 172** A Supervisor may resign before the term of office expires. The resigning Supervisor shall submit a resignation report in writing to the Supervisory Committee.
- Article 173** If no re-election is timely conducted upon expiry of the term of office of a Supervisor, or if the number of Supervisors is less than the quorum due to the resignation of a Supervisor during his/her term of office, and the number of employee representative Supervisors is less than one third of members of the Supervisory Committee due to the resignation of an employee representative Supervisor, the original Supervisor shall continue to perform his/her duties as a Supervisor in accordance with the requirements of laws, administrative regulations, normative documents and the Articles of Association until a newly elected Supervisor takes office.
- Other than the circumstances referred to in the preceding paragraph, the resignation of a supervisor shall become effective upon submission of his/her resignation report to the Supervisory Committee.
- Article 174** Supervisors shall ensure the truth, accuracy and integrity of the information disclosed by the Company.
- Article 175** The Supervisors attend Board meetings as non-voting participants, and put forward queries or suggestions regarding resolutions at Board meetings.
- Article 176** The Supervisors shall not exploit their related relationship with the Company to prejudice the interests of the Company, thereby causing any loss to the Company, they shall be liable for compensation for the loss.
- Article 177** If supervisors violate laws, administrative regulations, departmental rules or the Articles of Association in fulfilling their duties, thereby causing any loss to the Company, they shall be liable for compensation for the loss.

Section 2 Supervisory Committee

Article 178

The Company shall establish a Supervisory Committee. The Supervisory Committee consists of five members.

The Supervisory Committee shall have a chairman, which shall be appointed or dismissed by the votes of two thirds (two thirds inclusive) or more of the members of the Supervisory Committee. The chairman of Supervisory Committee shall convene and preside over the meeting of Supervisory Committee; if the chairman of the Supervisory Committee cannot or doesn't fulfill his/her duties, a supervisor shall be jointly elected by over half of supervisors to convene and preside over the meeting of Supervisory Committee.

The supervisory committee shall be composed of 3 shareholder representative supervisors and 2 employee representative supervisors. The shareholder representative supervisors shall be elected and dismissed by the general meeting. The employee representatives of the supervisory committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.

Article 179

The Supervisory Committee shall be accountable to the general meeting, and exercise the following powers and duties:

- (I) to review the Company's regular reports prepared by the Board and deliver the written review opinion;
- (II) to review the financial position of the Company;
- (III) to supervise the performance of Directors and senior management members in fulfilling their duties to the Company, and propose dismissal of Directors and senior management members that have violated laws, administrative regulations and the Articles of Association or resolutions of the general meeting;
- (IV) to demand rectification by Directors and senior management members of the Company when the acts of such persons are prejudicial to the Company's interest;
- (V) to review financial information such as financial reports, business reports, and profit distribution plans as proposed by the Board to the general meetings, and to engage certified public accountants and practising auditors to assist with further examination in the name of the Company if there are any queries;
- (VI) to propose the convening of an extraordinary general meeting and convene and preside over the general meeting when the Board fails to perform such duties under the Company Law;
- (VII) to submit proposals to general meeting;
- (VIII) to negotiate with Directors on behalf of the Company or initiate litigations against Directors and senior management members according to the Company Law;

- (IX) to conduct investigation in case of any abnormality found in the operation of the Company; and if necessary, to engage professional parties such as accounting firm or law firm to assist in this work at the expense of the Company;
- (X) other duties and powers conferred by laws and the Articles of Association.

Article 180 The Supervisory Committee shall hold a meeting at least every six months. The chairman of the Supervisory Committee shall be responsible for convening such meetings. The supervisors may put forward a proposal to hold the interim meeting.

Resolution of the Supervisory Committee shall require approval from more than two thirds (two thirds inclusive) of the members of the Supervisory Committee.

Article 181 The Supervisory Committee shall formulate rules of procedure and define the discussion methods and voting procedures to ensure the working efficiency and scientific decision-making of the Supervisory Committee. The rules of procedure of the Supervisory Committee shall be taken as the annex of the Articles of Association, drawn up by the Board of Directors and approved by the general meeting.

Article 182 The Supervisory Committee shall prepare meeting minutes of resolutions made for issues discussed at the meeting and supervisors and recorders present at the meeting shall sign their names on the meeting minutes.

Supervisors shall have the right to make an explanatory record for the speech addressed at the meeting in the minutes. The minutes of meeting of Supervisory Committee shall be preserved as file of the Company for 10 years.

Article 183 The notice of meeting of Supervisory Committee shall contain the following content:

- (I) Date, location and duration of the meeting;
- (II) Reasons and issues;
- (III) The date on which the notice is served.

Article 184 The reasonable expenses incurred by the Supervisory Committee in the employment of professionals such as lawyers, certified public accountants and practicing auditors in the exercise of its functions and powers shall be borne by the Company.

**CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF
THE COMPANY'S DIRECTORS, SUPERVISORS, GENERAL MANAGER
AND OTHER SENIOR MANAGEMENT**

Article 185

None of the following persons may serve as a director, supervisor, general manager or other senior management of the Company:

- (I) Persons without capacity or with limited capacity for civil acts;
- (II) Persons who were sentenced for crimes for corruption, bribery, encroachment or embezzlement of property or disruption of the social or economic order where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime where five years have not lapsed following the serving of the sentence;
- (III) Persons who are former directors, or factory directors or managers of a company or enterprise which has become insolvent due to mismanagement and bear personal liability for the insolvency where three years have not lapse following the date of completion of such bankruptcy liquidation;
- (IV) The legal representatives of companies or enterprises that had their business licenses revoked for breaking the law, where such representatives bear individual liability therefor and three years have not lapsed following the date of revocation of such business licenses;
- (V) Persons with relatively heavy individual debts that have not been settled upon maturity;
- (VI) Persons whose cases have been placed on file for investigation by the judicial authorities as a result of violation of the criminal law, and have not been closed;
- (VII) Persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;
- (VIII) Non-natural persons;
- (IX) Persons ruled by a relevant competent authority for violating securities-related regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling;
- (X) Circumstances specified by laws and regulations of the place where the shares of the Company are listed.

Article 186

The validity of an act of a director, general manager or other senior management of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his current position, election or qualifications.

Article 187

In addition to the obligations required by laws, administrative regulations or listing rules of the stock exchange where the shares of the Company are listed, the Company's directors, supervisors, general manager and other senior management shall have the following obligations to each shareholder in the exercise of the functions and powers granted to them by the Company:

- (I) Not to cause the Company to act beyond the scope of business stipulated in its business license;
- (II) To act honestly in the best interests of the Company;
- (III) Not to deprive the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (IV) Not to deprive the shareholders of their individual rights and interests, including (but not limited to) distribution right and voting right, but excluding the right to submit the proposal on restructuring of the Company to the general meeting for approval in accordance with the Articles of Association.

Article 188

The Company's directors, supervisors, general manager and other senior management shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their due acts with care, diligence and skill as a reasonable and prudent person should do under similar circumstances.

Article 189

The Company's directors, supervisors, general manager and other senior management must, in the discharge of their duties, abide by the principles of honesty and credibility and shall not place themselves in a position where there is a conflict between their personal interests and their duties. Such principles shall include (but not limited to) the fulfillment of the following obligations:

- (I) To act honestly in the best interests of the Company;
- (II) To exercise powers within the scope of their functions and powers and not to act beyond such powers;
- (III) To personally exercise the discretion granted to them, not to allow themselves to be manipulated by another person and, not to delegate the exercise of their discretion to another party unless permitted by laws and administrative regulations or with the informed consent of the general meeting;
- (IV) To be impartial to shareholders of the same category and of different categories;
- (V) Not to enter into a contract, transaction or arrangement with the Company except as otherwise provided in the Articles of Association or with the approval of the general meeting that has been informed;
- (VI) Not to use the Company's property for their own benefit in any way without the informed consent of the general meeting;

- (VII) Not to use their functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally appropriate the Company's property in any way, including (but not limited to) any opportunities that are favorable to the Company;
- (VIII) Not to accept commissions in connection with the Company's transactions without the informed consent of the general meeting;
- (IX) To abide by the Articles of Association, perform their duties faithfully and protect the interests of the Company but not to seek personal gain with their position, functions and powers in the Company;
- (X) Not to compete with the Company in any way unless with the informed consent of the general meeting;
- (XI) Not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in accounts opened in their own or in another's name, not to use the Company's assets as security for the debts of the Company's shareholders or other individuals except for otherwise required by laws, regulations, securities regulatory rules of the place where the shares of the Company are listed and the Articles of Association;
- (XII) Not to disclose confidential information relating to the Company that was acquired by them during their office without the informed consent of the general meeting, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities if:
 - 1. Provided by law;
 - 2. Required in the public interest;
 - 3. Required in the interest of such directors, supervisors, general manager and other senior management.

Article 190

Directors, supervisors, general manager or other senior management of the Company may not instigate the following persons or organizations (the "affiliated persons") to do what such directors, supervisors, general manager or other senior management may not do:

- (I) The spouse or minor child of directors, supervisors, general manager and other senior management of the Company;
- (II) The trustee of directors, supervisors, general manager and other senior management of the Company or of any person referred to in Item (I) hereof;

- (III) The partner of directors, supervisors, general manager and other senior management of the Company or of any person referred to in Items (I) and (II) hereof;
- (IV) The company over which any director, supervisor, general manager and other senior management of the Company, alone has or jointly with any person referred to in Items (I), (II) and (III) hereof or any other director, supervisor, general manager and other senior management of the Company have, actual control;
- (V) Directors, supervisors, general manager and other senior management of a company being controlled as referred to in Item (IV) hereof.

Article 191

The obligations of good faith assumed by the Company's directors, supervisors, general manager and other senior management may not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company's trade secrets shall remain upon termination of their office. The term for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between their termination and the occurrence of the matter as well as the circumstances and conditions under which their relationship with the Company terminates.

Article 192

Directors, supervisors, general manager and other senior management of the Company may be relieved from liability for a specific breach of obligations after the general meeting has been informed, except in circumstances as specified in Article 54 hereof.

Article 193

If a director, supervisor, general manager and other senior management of the Company directly or indirectly have a material interest in a contract, transaction or arrangement entered into or proposed by the Company (except their employment contracts with the Company), they shall disclose the nature and extent of their interest to the Board of Directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the Board of Directors.

Unless the interested director, supervisor, general manager and other senior management of the Company have disclosed such interest to the Board of Directors as required under the preceding paragraph hereof and the matter has been approved by the Board of Directors at a meeting in which they are not counted in the quorum and didn't cast a vote, the Company shall have the right to void the contract, transaction or arrangement, except the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, general manager and other senior management concerned.

A director, supervisor, general manager and other senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which an affiliated person of that director, supervisor, general manager and other senior management has an interest.

Article 194 If a director, supervisor, general manager and other senior management of the Company give a written notice to the Board of Directors before the entering into of a contract, transaction or arrangement is first considered by the Company, stating that due to the content of the notice, they have an interest in the contract, transaction or arrangement that may subsequently be made by the Company, that director, supervisor, general manager and other senior management of the Company shall be deemed as having declared their interest for the purposes of the preceding Article of this Chapter to the extent of the notice.

Article 195 The Company may not in any manner pay tax on behalf of its directors, supervisors, general manager and other senior management.

Article 196 The Company may not directly or indirectly provide a loan to or loan security for its directors, supervisors, general manager or other senior management, those of its parent company, or affiliated persons of the above-mentioned persons.

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

- (I) The provision of a loan to or loan security for a subsidiary of the Company by the Company;
- (II) The provision of a loan to or loan security for or other funds to directors, supervisors, general manager and other senior management of the Company by the Company under an employment contract approved by the general meeting, so as to enable them to pay the expenses incurred for the sake of the Company or for the performance of their duties in the Company;
- (III) The provision of a loan to or loan security for relevant directors, supervisors, general manager and other senior management of the Company or their affiliated persons by the Company on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

Article 197 A loan provided by the Company in violation of the preceding Article shall be immediately repaid by the recipient of the loan, regardless of the terms of the loan.

Article 198 A loan security provided by the Company in violation of the first paragraph of Article 196 hereof is not enforceable, except:

- (I) When the loan is provided to affiliated persons of directors, supervisors, general manager and other senior management of the Company or its parent company, and the loan provider is not aware of the condition;
- (II) When collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 199 For the purposes of the preceding Article of this Chapter, the term “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.

Article 200 If directors, supervisors, general manager and other senior management of the Company breach their obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have a right to:

- (I) Require the relevant directors, supervisors, general manager and other senior management to compensate for the losses caused to the Company as a consequence of their dereliction of duty;
- (II) Rescind any contract or transaction entered into by the Company with the relevant directors, supervisors, general manager and other senior management and contracts or transactions with a third party (when such third party is aware or should be aware that such directors, supervisors, general manager and other senior management representing the Company were in breach of their obligations to the Company);
- (III) Require the relevant directors, supervisors, general manager and other senior management to surrender the gains derived from the breach of their obligations;
- (IV) Recover any funds received by the relevant directors, supervisors, general manager and other senior management that should have been received by the Company, including (but not limited to) commissions;
- (V) Require the relevant directors, supervisors, general manager and other senior management to return the interest earned or possibly earned on the funds that should have been paid to the Company.

Article 201 The Company shall enter into a written contract with each director, supervisor and senior management of the Company concerning their emoluments. Such contract shall be approved by the general meeting before it is entered into. The above-mentioned emoluments shall include:

- (I) Emoluments in respect of the service as a director, supervisor or senior management of the Company;
- (II) Emoluments in respect of the service as a director, supervisor or senior management of a subsidiary of the Company;
- (III) Emoluments otherwise in connection with the management of the Company or its subsidiaries;
- (IV) Funds as compensation for aforementioned directors and supervisors’ loss of office or retirement;

The aforementioned written contract shall include the following provisions:

- (I) An undertaking by the directors, supervisors and senior management to the Company to observe and comply with the Company Law, the Special Regulations, the Articles of Association, the Codes on Takeover and Mergers and the Codes on Share Buy-backs and other rules of the Hong Kong Stock Exchange, and an agreement that the Company shall be entitled to the remedies provided in the Articles of Association, and that neither the contract nor their office is transferable;
- (II) An undertaking by the directors, supervisors and senior management to the Company representing each shareholder to observe and perform their obligations to shareholders in accordance with the Articles of Association; and
- (III) Arbitration clause as provided in the Articles of Association and the Hong Kong Listing Rules.

A director or supervisor may not sue the Company for the benefits he may enjoy on the basis of the above-mentioned matters, except under a contract as mentioned above.

Article 202

The Company shall specify in the contract entered into with a director or supervisor of the Company concerning his emoluments that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the general meeting, have the right to receive the compensation or other funds for loss of office or retirement. For the purpose of the preceding sentence, the term “a takeover of the Company” shall refer to any of the following circumstances:

- (I) Anyone makes a takeover offer to all the shareholders;
- (II) Anyone makes a takeover offer so that the offeror becomes a controlling shareholder as defined in Article 56 hereof.

If the relevant director or supervisor has failed to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be deducted from such fund.

CHAPTER 10 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and accounting system

- Article 203** The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations and the provisions of the China's accounting standards formulated by the competent finance departments under the State Council.
- Article 204** The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be examined and verified according to law.
- Article 205** The Company shall not set up other account books except for the statutory account books. No assets of the Company may be deposited into any individual's account.
- Article 206** The Board of Directors of the Company shall submit such financial reports of the Company as required by relevant laws, administrative regulations, securities regulatory rules of the place where the shares of the Company are listed and normative documents promulgated by the local government and the authorities to the shareholders at each annual general meeting.
- Article 207** The financial reports of the Company shall be made available at the Company for inspection by shareholders twenty days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.
- The Company shall send copies of the report of directors and the balance sheet (including each document appended to the balance sheet as required by laws) and the statement of profit or loss or the statement of income and expenditure, or summary of financial report to each holder of overseas listed foreign shares by prepaid mail at the recipient's address shown in the register of shareholders not later than twenty-one days before the date of every annual general meeting. It can also inform the shareholders by way of publishing an announcement (including publishing the same on the Company's website) subject to laws, administrative regulations and the listing rules of the stock exchange where the Company is listed.
- Article 208** The financial statements of the Company shall be prepared in accordance with the China's accounting standards and regulations, as well as the international accounting standards or the accounting standards of the place of overseas listing. If there is a significant discrepancy in the financial statements prepared according to the two accounting standards, it shall be noted in the notes to the financial statements. When the Company distributes the after-tax profits of the relevant fiscal year, it shall take the lower of the after-tax profits in the two financial statements stated above.
- Article 209** The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the China's accounting standards and regulations, as well as the international accounting standards or the accounting standards of the place of overseas listing.

Article 210 The Company shall publish two financial reports in each fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year. If the securities regulatory rules of the places where the shares of the Company are listed have other provisions, such provisions shall prevail.

Article 211 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed to the shareholders in proportion to their respective shareholdings, except for those distributions not pursuant to the ratio of the shareholding as provided by the Articles of Association.

If the general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

The Company shall not be entitled to any distribution of profits in respect of the shares held by it.

Article 212 The reserve fund of the Company shall be applied to make up for the Company's losses, expand its business operations or increase its capital. The capital reserve fund, however, shall not be used to make up for the Company's losses.

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

The capital reserve funds shall include the following funds:

- (I) The premiums obtained from the issue of stocks in excess of the par;
- (II) Other revenue required by the competent finance departments under the State Council to be included in the capital reserve fund.

After the resolution on the profit distribution plan is approved at the general meeting of the Company, the Board of the Company shall complete the distribution of dividends (or shares) within two months after conclusion of the general meeting.

Article 213 The Company may distribute dividends in the form of cash or shares.

Article 214 The Company shall appoint a receiving agent for holders of overseas listed foreign shares to receive on behalf of the relevant shareholders the dividends distributed and other funds payable by the Company in respect of overseas listed foreign shares.

The receiving agent appointed by the Company shall meet the requirements of the law of the place, or the relevant regulations of the stock exchange where the shares are listed. The receiving agent for the holders of overseas listed foreign shares listed in Hong Kong appointed by the Company shall be the trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Article 215 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holders of the shares to receive a dividend subsequently declared.

Where power is taken to forfeit unclaimed dividends, that power shall not be exercised until the applicable deadline expires.

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

The Company has the right to sell, by such means as the Board of Directors considered appropriate, the shares of a holder of overseas listed foreign shares who is untraceable under the following circumstances:

- (I) During a period of 12 years at least three dividends in respect of the shares in question have been distributed by the Company and no dividend during that period has been claimed; and
- (II) Upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies the stock exchange where the shares of the Company are listed.

Section 2 Appointment of accounting firm

Article 216 The Company shall employ an independent accounting firm that complies with relevant national regulations to audit the annual financial reports of the Company, and review other financial reports of the Company. The term of employment of an accounting firm employed by the Company shall be between the conclusion of the annual general meeting of the Company and the conclusion of the next annual general meeting.

- Article 217** An accounting firm employed by the Company shall have the following rights:
- (I) The right of access at all times to the account books, records or vouchers of the Company and the right to require directors, general manager or other senior management of the Company to provide the relevant information and explanations;
 - (II) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
 - (III) The right to attend the general meeting, to receive a notice of or other information relating to any meetings that shareholders have a right to receive, and to speak at any general meetings on any matter concerning its role as the accounting firm of the Company.

Article 218 If the position of accounting firm becomes vacant, the Board of Directors may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms of the Company holding the position while such vacancy still exists, such accounting firms shall continue to act.

Article 219 The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of employment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 220 The remuneration or method for determining remuneration of an accounting firm shall be decided by the general meeting.

Article 221 The employment, dismissal or refusal of the renewal of the employment of an accounting firm shall be decided by the general meeting and reported to the competent securities authority under the State Council for filing.

When the general meeting is to make any resolution concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, re-appointment of an accounting firm which was appointed by the Board of Directors of the Company to fill a casual vacancy, or removal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

- (I) A copy of the proposal of employment and dismissing shall be sent before notice of the general meeting is given to the accounting firm proposed to be appointed or proposing to leave its post, or the accounting firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

- (II) If the accounting firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall take the following measures unless the representations are received too late:
 - 1. To state the fact of the representations having been made in any notice of the resolutions given;
 - 2. To deliver a copy of the representations as an attachment to the notice to each shareholder in the way regulated in the Articles of Association.
- (III) If the accounting firm's representations are not sent in accordance with Item (II) hereof, the relevant accounting firm may require that the representations are read out at the meeting and may make further appeals.
- (IV) An accounting firm which is leaving its post shall be entitled to attend the following meetings:
 - 1. The general meeting at which its term of office would otherwise have expired;
 - 2. Any general meeting at which it is proposed to fill the vacancy caused by its removal;
 - 3. Any general meeting convened on its resignation.

An accounting firm which is leaving its post shall be entitled to receive all notices of, or other information relating to, any such meetings, and to speak at any such meetings on matters concerning its role as the former accounting firm of the Company.

The term of employment of an accounting firm employed by the Company shall be between the conclusion of the annual general meeting of the Company and the conclusion of the next annual general meeting.

Article 222

When the Company dismisses or does not renew the employment of an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views to the general meeting. Where an accounting firm tenders its resignation, it shall inform the general meeting of whether there is any irregularity in the Company.

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

- (I) A statement to the effect that there are no matters in relation to its resignation which should be brought to the attention of the shareholders or creditors of the Company; or
- (II) A statement of any such circumstances.

Where a notice is deposited as mentioned in the preceding paragraph, the Company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under Item (II) hereof, a copy of such statement shall be placed at the Company for inspection by shareholders. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares (being those entitled to receive the reports on the financial position of the Company) at the address registered in the register of shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstance which should be brought to the attention of the shareholders or creditors of the Company, it may require the Board of Directors to convene the extraordinary general meeting for the purpose of receiving an explanation of the circumstances in relation to its resignation.

CHAPTER 11 NOTICE & ANNOUNCEMENT

Article 223

In compliance with the relevant requirements of the laws, administrative regulations and regulatory rules of the place where the shares of the Company are listed, notices of the Company shall be delivered by the following means:

- (I) By hand;
- (II) By mail;
- (III) By facsimile or email;
- (IV) By publishing on the websites designated by the Company and the Hong Kong Stock Exchange;
- (V) By other means.

Notice of general meeting, data or written statement to holders of overseas listed foreign shares shall be delivered by any of the following means:

- (I) by hand or mail to the registered address of each of the holders of overseas listed foreign shares;
- (II) in compliance with the requirements of applicable laws, administrative regulations and relevant listing rules, by publishing them on the websites designated by the securities regulatory authorities or stock exchanges of the place where the securities and shares of the Company are listed;
- (III) otherwise in accordance with the requirements of the stock exchanges and the listing rules of the place where the securities and shares of the Company are listed.

Notwithstanding any other requirements of the Articles of Association on the means of delivery of any document, notice or other communications, in compliance with the relevant requirements of the securities regulatory rules of the place where the shares of the Company are listed, the Company may select to deliver corporate communications of the Company by the means set out in Item (IV) of the first paragraph of this article or as otherwise required by the stock exchanges where the shares of the Company are listed in lieu of delivering written documents to each of the holders of overseas listed foreign shares by hand or by mail. The above corporate communications refer to any documents delivered or to be delivered by the Company for reference by shareholders or for shareholders to take action, including but not limited to annual report (including annual financial report), interim report (including interim financial report), directors' report (together with balance sheet and income statement), notice of general meeting, circular and other communication documents.

Article 224

For a notice of the Company delivered by hand, the addressee shall sign (or affix his seal) on the return receipt of service and the date of his signature shall be the date of service. For a notice of the Company delivered by mail, the date of the service shall be the date after the forty-eight (48) hours from delivery to the post office. For a notice of the Company delivered by facsimile or email or publishing relevant information on websites, the date of service shall be the delivery date. For a notice of the Company delivered by announcement, the date of service shall be the first day of the publishing of the announcement.

Article 225

Shareholders or directors may deliver any notices, documents, materials or written statements by hand or registered mail to the registered office of the Company.

Article 226

To confirm shareholders or directors have served notices, documents, materials or written statements on the Company, evidences that the relevant notices, documents, materials or written statements have been served within the prescribed period of time by the means set out in Article 223 of the Articles of Association must be provided. For delivery by hand, confirmation of receipt by the Company should be provided, and for delivery by registered mail, only clear evidence of delivery to the correct address by prepaid post is needed.

Article 227

Where the listing rules of the stock exchange on which the shares of the Company are listed require the Company to deliver, mail, distribute, issue, publish or otherwise provide the relevant documents of the Company in both English and Chinese, if the Company has made proper arrangement to confirm whether it shareholders wish to only receive the English version or the Chinese version, to the extent permitted under and in accordance with applicable laws and regulations, the Company may (according to the willingness expressed by the shareholders) only deliver the English version or the Chinese version.

CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, division, capital increase and capital reduction

- Article 228** Upon approval at the general meeting by special resolution, the Company may divide itself or merge with another company in accordance with the laws, administrative regulations and the Articles of Association.
- For the purpose of merger or division, the Board of Directors of the Company shall propose a plan, which shall be subject to approval procedures under the laws after being passed in accordance with the Articles of Association. Shareholders who are against the merger or division plans of the Company may request the Company or shareholders agreeing on such merger or division plans of the Company to purchase their shares at a fair price. Special document containing the relevant information on the merger or division of the Company shall be made available to the shareholders.
- For holders of H shares, the abovementioned document shall be delivered by mail or other means as provided in the Articles of Association.
- Article 229** Merger of companies may take the form of merger by absorption or amalgamation.
- In the case of merger by absorption, one company absorbs another company and the absorbed company is dissolved. In the case of amalgamation, two or more companies combine to form a new company and the combining companies are dissolved.
- Article 230** When companies merge, the parties to the merger shall sign a merger agreement and prepare balance sheets and checklists of property. The companies involved shall, within ten days after making the decision of merger, notify the creditors, and shall make a public announcement on a newspaper within 30 days. The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the company to settle its debts or to provide corresponding security.
- Upon merger of companies, the claims and debts of all the parties to the merger shall be succeeded by the company that survives the merger or by the newly established company.
- Article 231** Where the Company proceeds into a division, its assets shall be divided correspondingly.
- Where the Company intends to divide itself, it shall prepare a balance sheet and a checklist of assets. The Company shall, within 10 days from the date on which the resolution on such division is adopted, notify its creditors of the intended division, and make an announcement about it in the newspaper within 30 days therefrom.
- Article 232** The companies after the division shall assume joint and several liabilities for the debts prior to the division, except where the Company has otherwise reached a written agreement on repayment of the debts with its creditors before the division.

Article 233 Where the Company needs to reduce its registered capital, it must prepare a balance sheet and a checklist of assets.

The Company shall, within 10 days from the date on which a resolution on reduction of its registered capital is adopted, notify its creditors of such resolution, and shall make an announcement in the newspaper within 30 days therefrom. The creditors may, within 30 days after receiving the notice or within 45 days after the issuance of the public announcement if it fails to receive a notice, demand the Company to settle its debts or to provide corresponding security.

Article 234 Where the merger or division of the Company involves changes in the registration particulars, such changes shall, in accordance with law, be registered with the company registration authority; where the Company is dissolved, it shall apply for cancellation of its registration according to law; where a new company is incorporated, it shall have its incorporation registered according to law.

Where the Company increases or reduces its registered capital, it shall go through modification registration with the company registration authority according to law.

Section 2 Dissolution and liquidation

Article 235 The Company shall be dissolved when:

- (I) the term of business operation as stipulated in the Articles of Association expires or other causes for dissolution as stipulated in the Articles of Association occur;
- (II) a resolution on dissolution is adopted by the general meeting;
- (III) merger or division of the Company necessitates its dissolution;
- (IV) the Company is declared bankrupt because it is unable to pay its debts due;
- (V) the business license of the Company is revoked, or the Company is ordered to close down, or its registration is cancelled, according to law;
- (VI) the Company is confronted with serious difficulties in operation and management, as a result of which its continued existence may seriously harm the interests of its shareholders, and the difficulties cannot be surmounted by other means, in which case the shareholders holding 10% or more of the voting rights held by all the shareholders of the Company may request a people's court to dissolve the Company.

Article 236 Where any of the circumstances as prescribed in Item (I) of Article 235 of the Articles of Association occurs, the Company may continue to exist by amending the Articles of Association.

Amending the Articles of Association according to the preceding paragraph shall be subject to approval by two thirds or more of the voting rights of the shareholders present at the general meeting.

Where the Company is dissolved according to the provisions of Article 235 (I), (II), or (VI) of the Articles of Association, a liquidation group shall be formed within fifteen days after the occurrence of the cause of dissolution to carry out the liquidation. The liquidation group shall be composed of directors or persons as determined by the general meeting. Where no liquidation group is formed within the time limit, the creditors may apply to a people's court for designating relevant persons to form a liquidation group to conduct the liquidation.

Where the Company dissolves according to Article 235 (IV), the people's court shall, in accordance with relevant requirements of the laws, arrange the shareholders, relevant agencies and relevant professionals to form a liquidation group to conduct the liquidation.

Where the Company dissolves according to Article 235 (V), relevant competent authorities shall arrange the shareholders, relevant agencies and relevant professionals to form a liquidation group to conduct the liquidation.

Article 237

Where the Board of Directors decides to liquidate the Company (except liquidation due to being declared bankrupt), in the notice convening the general meeting for this purpose, it shall be stated that the Board of Directors has conducted a comprehensive investigation on the Company's position and considers that the Company will be able to fully settle its debts within 12 months after the commencement of the liquidation.

Upon the passing of the resolution on the liquidation at the general meeting, the powers and duties of the Board of Directors of the Company shall cease immediately.

The liquidation group shall, at least once per annum, report its income and expenditure and the business and process of the liquidation to the general meeting, and submit its final report to the general meeting upon completion of the liquidation.

Article 238

During the process of liquidation, the liquidation group shall exercise the following functions and powers:

- (I) to check up on the property of the Company and draw up a balance sheet and a checklist of assets separately;
- (II) to notify the creditors by notice or announcement;
- (III) to dispose of and liquidate the Company's unfinished business;
- (IV) to pay off the outstanding taxes and the taxes incurred in the process of liquidation;
- (V) to clear up claims and debts;
- (VI) to dispose of the property remaining after the Company pays off its debts;
- (VII) to participate in civil lawsuits on behalf of the Company.

- Article 239** The liquidation group shall, within 10 days after its formation, notify the creditors of its establishment and make an announcement in the newspaper within 60 days after its formation. The creditors shall declare their claims to the liquidation group within 30 days from the date on which they receive the written notice, or within 45 days from the date on which the announcement is made in the case of having not received such notice.
- When declaring claims, a creditor shall specify the matters in respect of each claim, and provide supporting materials. The liquidation group shall register the claims.
- During the period when creditors declare their claims, the liquidation group shall not pay off the debts to them.
- Article 240** After the liquidation group has checked up on the property of the Company and prepared the balance sheet and the checklist of assets, it shall work out a liquidation plan and submit the plan to the general meeting or a people's court for confirmation.
- After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensation and the outstanding taxes and debts, the remaining property of the Company shall be distributed to the shareholders in accordance with the class and percentage of shares held by them.
- During the process of liquidation, the Company continues to exist, but it shall not engage in any operational activities not related to liquidation. The property of the Company shall not be distributed to its shareholders before it has made the payments as specified in the provisions of the preceding paragraph.
- Article 241** In the event of liquidation due to dissolution, if, after checking up on the property of the Company and preparing the balance sheet and the checklist of assets, the liquidation group finds that the assets of the Company is insufficient to pay off its debts, it shall, in accordance with law, apply to a people's court for declaration of bankruptcy of the Company.
- After the people's court has ruled to declare the Company bankrupt, the liquidation group shall turn the liquidation matters over to the people's court.
- Article 242** After the liquidation of the Company is completed, the liquidation group shall prepare a liquidation report and an income and expenditure statement and financial accounts for the liquidation period, which after being verified by a Chinese CPA shall be submitted to the general meeting or a people's court for confirmation.
- The liquidation group shall, within 30 days after the confirmation by the general meeting or the people's court, submit the abovementioned documents to the company registration authority applying for cancellation of the registration of the Company and shall announce termination of the Company.
- Article 243** Members of the liquidation group shall be devoted to their duties and perform their liquidation obligations according to law. Members of the liquidation group shall not take advantage of their roles to accept bribes or other illegal income, or to take illegal possession of the property of the Company. Where a member of the liquidation group causes losses to the Company or its creditors intentionally or through gross negligence, he/she shall be liable for compensation.
- Article 244** Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted in accordance with applicable laws.

CHAPTER 13 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 245 The Company shall amend the Articles of Association under any of the following circumstances:

- (I) After the Company Law or relevant laws, administrative regulations or the securities regulatory rules of the place where the shares of the Company are listed are amended, the Articles of Association is in conflict with them;
- (II) The Company's situation changes, causing inconsistency with the provisions of the Articles of Association;
- (III) The Shareholders' general meeting decides to amend the Articles of Association.

Article 246 Where matters concerning an amendment to the Articles of Association passed by a resolution of the Shareholders' general meeting require approval by the competent authority, such matters shall be submitted to the competent authority for approval; where an amendment to the Articles of Association involves matters of the Company's registration, registration changes shall be made according to law.

Article 247 The Board shall amend the Articles of Association according to the resolution to amend the Articles of Association adopted at the Shareholders' general meeting as well as the examination and approval opinions of relevant authorities in charge.

Article 248 Amendments to the Articles of Association involving the contents of the Mandatory Provisions shall be subject to the approval by the company approving authority authorized by the State Council and the securities regulatory agency under the State Council. Amendments to the Articles of Association involving registration particulars shall be registered according to law.

CHAPTER 14 DISPUTE SETTLEMENT

Article 249 The Company shall comply with the following rules for dispute settlement:

- (I) If any dispute or claim concerning the Company's affairs arises, on the basis of the rights and obligations provided in the written contracts between the Company and its directors, supervisors or senior management, the Articles of Association, the Company Law and other relevant laws, administrative regulations and the securities regulatory rules of the place where the shares of the Company are listed, between (i) the Company and its directors or senior management; and (ii) holders of overseas listed foreign shares and the Company, the Company's directors, supervisors, general manager or other senior management, or holders of domestic shares, the parties concerned shall submit the dispute or claim for arbitration.

When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all parties that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by arbitration award if it/he/she is the Company or the Company's shareholder, director, supervisor, general manager or other senior management.

Disputes on identification of shareholders and register of members can be settled not through arbitration.

- (II) Parties applying for arbitration may choose to submit the dispute or claim to the China International Economic and Trade Arbitration Commission for arbitration according to its arbitration rules or to the Hong Kong International Arbitration Centre for arbitration according to its arbitration rules. After the applicant submits the dispute or claim for arbitration, the other party shall proceed with the arbitration at the arbitration institution as chosen by the applicant.

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

- (III) Except as otherwise required by the laws and administrative regulations, the settlement of dispute or claim as described in Article 249 (I) by arbitration shall be governed by the laws of the People's Republic of China.
- (IV) The award made by the arbitration institution shall be final and binding upon the parties.

CHAPTER 15 SUPPLEMENTARY PROVISIONS

Article 250

Unless otherwise required in the Articles of Association, the following terms used herein shall have the following meanings:

- (I) The actual controller refers to the person who is not a shareholder of the Company but could dominate the performance of the Company effectively through investment relationship, agreement or other arrangement.
- (II) The associated relationship refers to the relationship between the controlling shareholders, actual controllers, directors, supervisors, senior management personnel of the Company and companies directly or indirectly controlled by them and other relationship which may lead to profit transfer of the Company. However, state-controlling enterprises shall not be deemed to have associated relationship only because they are under the same control by the state.

- Article 251** In the Articles of Association, the terms “not less than,” “not more than,” “within” and “not less than” include the given figure; the terms “beyond,” “less than,” “more than” and “over” do not include the given figure.
- Article 252** In the Articles of Association, “accounting firm” shall have the same meaning as that of “auditor.”
- Article 253** The Articles of Association shall be construed by the Board of Directors of the Company. The Articles of Association was prepared in Chinese. In case of any discrepancy between the Articles of Association made in any other languages or prepared in different versions and the Articles of Association, the Articles of Association of the latest Chinese version approved by and filed in the registration authority of the Company shall prevail.
- Article 254** The annexes to the Articles of Association include the rules of procedure of the general meeting, the rules of procedure of the Board of Directors and the rules of procedure of the Supervisory Committee.
- Article 255** After being considered and approved at the general meeting of the Company, the Articles of Association shall be submitted to the relevant regulatory authorities for approval or filing and shall take effect from the date of the listing of the shares of the Company on the Main Board of the Hong Kong Stock Exchange.

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