

魯商生活服務股份有限公司

Lushang Life Services Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

Articles of Association

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Notes: In the marginal notes to the provisions of the Articles of Association:

1. **The Company Law** refers to the Company Law of the People's Republic of China (as amended in 2018);
2. **The Special Provisions** refers to the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (《國務院關於股份有限公司境外募集股份及上市的特別規定》) promulgated by the State Council (Order [No. 160] of the State Council);
3. **The Mandatory Provisions** refers to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) jointly issued by the former Securities Commission of the State Council and the former State Commission for Restructuring the Economic System (Zheng Wei Fa [1994] No. 21);
4. **The Letter of Opinions on Supplementary Amendments** refers to the Letter of Opinions on Supplements and Amendments to Articles of Association of Companies Listed in Hong Kong (《關於到香港上市公司對公司章程作補充修改的意見的函》) jointly promulgated by the Overseas Listing Department of China Securities Regulatory Commission and the former Production System Division of the State Commission for Restructuring the Economic System (Zheng Jian Hai Han [1995] No. 1);
5. **The Opinions** refers to the Opinions on Further Promoting Standardized Operation and Deepening Reform of Overseas Listed Companies (《關於進一步促進境外上市公司規範運作和深化改革的意見》) jointly promulgated by the former State Economic and Trade Commission and the China Securities Regulatory Commission (Guo Jing Mao Qi Gai [1999] No. 230);
6. **The Hong Kong Listing Rules** refers to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented and otherwise modified from time to time;
7. **The Guidelines for Articles of Association** refers to the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (as amended in 2019) promulgated by the China Securities Regulatory Commission (Announcement of the China Securities Regulatory Commission [2019] No. 10);
8. **The Notice on Regulating the External Guaranties** refers to the Notice on Regulating the External Guaranties Provided by Listed Companies (《關於規範上市公司對外擔保行為的通知》) issued by the China Securities Regulatory Commission and China Banking Regulatory Commission (Zheng Jian Fa [2005] No. 120);
9. **The Rules for General Meetings** refers to the Rules for General Meetings of Listed Companies (as amended in 2016) issued by the China Securities Regulatory Commission (CSRC Announcement [2016] No. 22);
10. **The Reply on Adjusting the Notice Period** refers to the Reply of the State Council on Adjustment of the Notice Period of the General Meetings and Other Matters Applicable to the Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) promulgated by the State Council (Guo Han [2019] No. 97).

CHAPTER 1 GENERAL PROVISIONS

Article 1 In order to establish modernized corporate systems, safeguard the legitimate interests of Lushang Life Services Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors, and regulate the organization and activities of the Company, the Articles of Association are hereby formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Guidelines for the Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines for the Articles of Association”), the Letter of Opinions on Supplements and Amendments to Articles of Association of Companies Listed in Hong Kong (hereinafter referred to as the “Letter of Opinions on Supplementary Amendments”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), the Administrative Measures for the Formulation of Articles of Association of State-owned Enterprises (hereinafter referred to as the “Administrative Measures for Articles of Association of State-owned Enterprises”) and the provisions of other laws, administrative regulations, departmental rules, normative documents and relevant regulatory authorities.

Article 1 of the Guidelines for Articles of Association; Article 1 of the Mandatory Provisions

Article 2 The Company is a joint stock limited company reorganized and established by way of sponsorship in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of the People’s Republic of China (the “PRC”, which, for the purposes of the Articles of Association, does not include the Hong Kong Special Administrative Region, the Macao Special Administrative Region and Taiwan).

Article 2 of the Guidelines for Articles of Association; Article 1 of the Mandatory Provisions;

The Company shall establish an organization of Communist Party of China (the “Party”) established in accordance with the provisions of the Constitution of the Communist Party of China, deal with the Party’s affairs and provide a basic guarantee for the work of the Party.

Article 6 of the Administrative Measures for Articles of Association of State-owned Enterprises

Article 3 On March 12, 2021, the Company registered with the Administrative Examination and Approval Bureau of Lixia District of Jinan (濟南市曆下區行政審批服務局) and obtained a business license. The Uniform Social Credit Code of the Company is 913701027806467687.

Article 2 of the Guidelines for Articles of Association;

The promoters of the Company are Lushang Health Industry Development Co., Ltd. (魯商健康產業發展股份有限公司) and Shandong Lushang Innovation Development Co., Ltd. (山東魯商創新發展有限公司).

Article 1 of the Mandatory Provisions

Article 4 Registered name of the Company: Lushang Life Services Co., Ltd.

Full name in Chinese: 魯商生活服務股份有限公司

Short name in Chinese: 魯商服務

Full name in English: Lushang Life Services Co., Ltd.

Short name in English: Lushang Services

Article 81 of the Company Law; Article 4 of the Guidelines for Articles of Association; Article 2 of the Mandatory Provisions

Article 5 Address of the Company: Room 202, Block 2, Lushang Guo'ao City, No. 9777

Jingshi Road, Lixia District, Jinan, Shandong Province

Postal code: 250000

Tel No.: 0531-66688977

Fax No.: 0531-66688007

Article 81 of the Company Law; Article 5 of the Guidelines for Articles of Association; Article 3 of the Mandatory Provisions

Article 6 The chairman of the board of directors is the legal representative of the Company.

Article 4 of the Mandatory Provisions; Article 8 of the Guidelines for Articles of Association

Article 7 The Company is a joint stock limited company which has perpetual existence. The entire capital of the Company shall be divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares subscribed by them. The Company shall be liable for its debts and shall cover such debts with all its assets.

Article 3 of the Company Law; Article 5 of the Mandatory Provisions; Article 7 and Article 9 of the Guidelines for Articles of Association

Article 8 The Articles of Association were adopted by a special resolution of the general meeting of the Company and shall be effective on the date on which the overseas-listed foreign shares issued by the Company are listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") with the approval of relevant governmental departments and related regulatory authorities of the People's Republic of China. From the effective date of the Articles of Association, the original Articles of Association of the Company filed with the Company's share registrar shall be substituted.

Article 11 of the Company Law; Article 6 and Article 7 of the Mandatory Provisions; Article 10 of the Guidelines for Articles of Association

The Articles of Association of the Company shall, from the date when it comes into force, constitute a legally binding document regulating the organization and activities of the Company, the rights and obligations between the Company and each of its shareholder and those among the shareholders, and shall be binding on the Company and its shareholders, directors, supervisors and senior management. All the aforementioned persons shall be entitled to claim their rights regarding matters related to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, shareholder may sue other shareholders, and shareholders may sue the directors, supervisors and senior management of the Company. Shareholders may sue the Company and the Company may sue its shareholders, directors, supervisors and senior management.

The term “sue” referred to in the preceding paragraph includes the initiation of proceedings in a court or the application for arbitration with an arbitration institution.

Article 9 For the purposes of the Articles of Association, the term “senior management” shall include the Company’s general manager, executive deputy general manager, deputy general manager, assistant general managers, person-incharge of finance, secretary to the board of directors and other officers expressly appointed by the board of directors as senior management of the Company.

Article 216 of the Company Law; Article 11 of the Guidelines for Articles of Association

Article 10 To the extent permitted by laws and regulations, the Company may invest in other entities including limited liability companies and joint stock limited companies, and assume liabilities to the extent of its capital contribution. However, unless otherwise specified in laws, the Company shall not become a contributor that is jointly and severally liable for the debts owed by the invested company.

Article 15 of the Company Law; Article 8 of the Mandatory Provisions

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 11 The business objectives of the Company: to operate property management services and other businesses in accordance with the Company Law and provisions of other laws and regulations with warm-hearted service and active income generation to create favorable economic benefits.

Article 9 of the Mandatory Provisions; Article 12 of the Guidelines for Articles of Association

Article 12 The business scope of the Company: licensed business activities: urban domestic waste operation; sewage treatment and its reuse; tourism business; sports facilities management (exclusive of high-risk sports); high-risk sports (swimming); residential interior decoration and renovation; food business; online food sales; healthcare-related food sales; liquor business; road cargo transportation (exclusive of dangerous goods); kitchen waste disposal; catering services. (operation of business activities that require approval by laws shall be conditional on the approval by the relevant authorities and the specific business activities shall be subject to approval documents or permits from the relevant authorities). General business activities: property management; human resource services (exclusive of occupational intermediary activities and labor dispatch services); parking lot-related service; real estate consultation; real estate agency services; residential leasing; non-residential real estate leasing; commercial complex management; urban greening management; urban and rural appearance management; urban park management; entities' logistics management services; highway management and maintenance; landscaping engineering construction; municipal facility management; conference and exhibition services; building cleaning services; housekeeping services; health consultancy services (exclusive of diagnosis and treatment services); professional cleaning, washing and disinfection services; general equipment repairs; furniture installation and repair services; computer and office equipment repairs; car washing services; elderly care services; etiquette services; takeaway delivery services; information consultancy services (exclusive of licensing information consultancy services); information technology consultancy services; renewable resources recycling (other than scrap metal for production purpose) [operated by branch]; sales of renewable resources [operated by branch]; rural domestic waste management; water pollution control; off-campus tutoring services for primary and secondary school students; business agency services; office equipment leasing services; sales agency services; flower and green plant leasing and agency management; internet sales (except for sales of products that require licenses); building materials sales; light building materials sales; daily necessities sales; daily goods sales; fresh vegetables retail; fresh fruits retail; edible agricultural products retail; cosmetics retail; fresh meat retail; aquatic products retail; fresh eggs retail; sales of household audio-visual equipment; sales of unprocessed nuts and dried fruits; sales of spare parts for household appliances; advertising production; advertisement release (non-radio, non-television, and non-newspaper publishers); advertising design, agency services. (business activities shall be operated independently by laws by virtue of the business license except for those subject to approval by laws.).

Article 10 of the
Mandatory
Provisions;
Article 13 of the
Guidelines for
Articles of
Association

The business scope in the preceding paragraph is subject to the record of the Company maintained by the registration authority.

CHAPTER 3 SHARES

SECTION 1 ISSUANCE OF SHARES

Article 13 The shares of the Company shall be issued in the form of share certificates. The Company shall issue ordinary shares. With the approval from the authorities authorized by the State Council, the Company may issue other classes of shares when needed.

Article 125 of the
Company Law;
Article 11 of the
Mandatory
Provisions;
Article 14 of the
Guidelines for
Articles of
Association

Article 14 The Company shall issue shares in an open, fair and just manner, and each shares of the same class shall enjoy the same rights. Article 126 of the Company Law;

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals. Article 15 of the Guidelines for Articles of Association

Article 15 All the shares issued by the Company shall have a nominal value, with each share having a nominal value of RMB1.00. Article 12 of the Mandatory Provisions

The term “RMB” referred to in the preceding paragraph shall mean the legal currency of the People’s Republic of China.

Article 16 The Company may, with approval from the securities regulatory authorities or other relevant regulatory authorities, issue shares to domestic and overseas investors. Article 13 of the Mandatory Provisions

The term “overseas investors” referred to in the preceding paragraph shall refer to investors from foreign countries or Hong Kong Special Administrative Region of the People’s Republic of China (hereinafter referred to as “Hong Kong”), Macao Special Administrative Region or Taiwan Region that subscribe for shares issued by the Company. The term “domestic investors” shall refer to investors within the People’s Republic of China, excluding the abovementioned regions, that subscribe for shares issued by the Company.

Article 17 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to overseas investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas-listed foreign shares”. Holders of domestic shares and overseas-listed foreign shares have equal rights in any distribution by way of dividend or otherwise. Article 14 of the Mandatory Provisions; Rule 9 of Appendix 3 to the Hong Kong Listing Rules

Foreign shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as “H shares”. H shares shall be referred to the shares accepted for listing on the Hong Kong Stock Exchange which are denominated in Renminbi and are subscribed for and traded in Hong Kong dollars.

For the purpose of the foregoing paragraph, the term “foreign currencies” refers to the legal currencies, other than Renminbi, of other countries or regions which are approved by the foreign exchange administrative department of the People’s Republic of China for the payment of share monies to the Company.

Subject to approval of the securities regulatory authorities of the PRC, domestic shareholders of the Company can transfer all or part of the unlisted shares (as defined below in this paragraph) held to foreign investors for listing and trading on overseas stock exchanges, or convert all or part of their unlisted shares to overseas-listed foreign shares for listing and trading on overseas stock exchanges. No general meeting or class meeting shall be required for the above conversion of unlisted shares into overseas listed shares for listing and trading on overseas stock exchanges. The listing and trading of the abovementioned shares on overseas stock exchanges shall be subject to the regulatory procedures, regulations and requirements of the relevant overseas stock markets. Domestic shares and unlisted shares held by shareholders of the Company (collectively the “unlisted shares”), upon their conversion into overseas listed shares, shall be the same class of shares as the original overseas-listed foreign shares.

Rule 19A.01(3)(b)
to the Hong Kong
Listing Rules

Article 18 The total number of ordinary shares at the time of the Company’s establishment was 100,000,000 shares and the total number of ordinary shares issued by the Company to its sponsors was 100,000,000 shares, representing 100% of the total number of ordinary shares issued at the time of its establishment, which included 95,100,000 shares and 4,900,000 shares subscribed and held respectively by Lushang Health Industry Development Co., Ltd. and Shandong Lushang Innovation Development Co., Ltd., representing 95.10% and 4.90% of the total number of ordinary shares in issue of the Company, respectively.

Article 15 of the
Mandatory
Provisions;
Article 18 of the
Guidelines for
Articles of
Association

Article 19 Upon the approval from securities regulatory authorities, the Company may issue up to 33,340,000 H shares at a nominal value of RMB1 each. If the over-allotment option is exercised, the Company may issue up to 38,341,000 H shares at a nominal value of RMB1 each.

Article 16 of the
Mandatory
Provisions;
Article 19 of the
Guidelines for
Articles of
Association

Upon the completion of the abovementioned issuance of H shares, if the over-allotment option is not exercised, the total number of shares of the Company is 133,340,000 shares. The share capital structure comprises: 133,340,000 ordinary shares, of which 95,100,000 shares, 4,900,000 shares and 33,340,000 shares are held by Lushang Health Industry Development Co., Ltd. (the sponsor), Shandong Lushang Innovation Development Co., Ltd. (the other sponsor) and holders of H shares, respectively, representing approximately 71.32%, 3.67% and 25.00% of the total ordinary shares capital, respectively.

Upon the completion of the abovementioned issuance of H shares, if the over-allotment option is exercised in full, the total number of shares of the Company is 138,341,000 shares. The share capital structure comprises: 138,341,000 ordinary shares, of which 95,100,000 shares, 4,900,000 shares and 38,341,000 shares are held by Lushang Health Industry Development Co., Ltd. (the sponsor), Shandong Lushang Innovation Development Co., Ltd. (the other sponsor) and holders of H shares, respectively, representing approximately 68.74%, 3.54% and 27.71% of the total ordinary shares capital, respectively.

Article 20 Domestic shares issued by the Company are deposited under the centralized custody of the securities depository institution that meets relevant requirements. The H shares of the Company are mainly deposited under the custody of entrusted securities clearing companies in Hong Kong and such shares may also be held under the personal names of shareholders.

Article 17 of the Guidelines for Articles of Association

Article 21 For the Company's plans for issuing overseas-listed foreign shares and domestic shares approved by the securities regulatory authorities, the board of directors of the Company may arrange for implementation of such plan by separate issues.

Article 8 of the Special Provisions; Article 17 of the Mandatory Provisions

The Company may separately implement its plan for issuing overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval from the securities regulatory authorities, save as otherwise provided by securities authorities.

Article 22 Where the Company issues overseas-listed foreign shares and domestic shares respectively within the total number of shares specified in the issue plans, the respective shares shall be fully subscribed for in one go. Where it is impossible for respective shares to be fully subscribed for in one go under exceptional circumstances, the shares may be issued in several tranches subject to the approval of the securities regulatory authorities.

Article 9 of the Special Provisions; Article 18 of the Mandatory Provisions

Article 23 Upon the completion of the aforesaid H share issuance, if the over-allotment option is not exercised, the registered capital of the Company is RMB133,340,000; if the over-allotment option is exercised in full, the registered capital of the Company is RMB138,341,000. Any change in the registered capital of the Company shall be registered with the market supervision authority.

Article 19 of the Mandatory Provisions

SECTION 2 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 24 The Company may, based on its business and development needs and in accordance with the laws, administrative regulations, normative documents,

Article 20 of the Mandatory Provisions; Article 21 of the Guidelines for Articles of Association

departmental rules, listing rules of the places where the shares of the Company are listed and the Articles of Association, increase its capital in the following manners upon resolutions being adopted by the general meetings:

- (I) by public offering of shares;
- (II) by non-public offering of shares;
- (III) by placing shares to its existing shareholders;
- (IV) by distributing bonus shares to its existing shareholders;
- (V) by capitalizing its capital reserve;
- (VI) by other means required by the laws, administrative regulations and approved by competent authorities of the government.

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 laws, administrative regulations, departmental rules, normative documents and the requirements of the listing rules of the places where the shares of the Company are listed.

Article 25 The Company may reduce its registered capital. The Company shall reduce its registered capital in accordance with the procedures stipulated in the Company Law, other relevant regulations and the Articles of Association.

Article 22 of the Mandatory Provisions

Article 26 In the event of reduction of registered capital, the Company shall prepare a balance sheet and an inventory of assets.

Article 177 of the Company Law; Article 176 of the Guidelines for Articles of Association; Article 23 of the Mandatory Provisions

The Company shall notify its creditors within ten days of adopting the resolution to reduce its' registered capital and shall publish an announcement, within thirty days, in the newspaper which shall be recognized by relevant regulatory authorities of the places where the Company's shares are listed and on the websites of the Company and relevant stock exchanges based on the requirements of the places where the Company's shares are listed. A creditor shall have the right within thirty days from the receipt of a written notice or, those who have not received a written notice, within forty-five days from the date of the public announcement, to require the Company to repay its debts or to provide a corresponding guarantee of repayment for such debts.

The Company's registered capital after the capital reduction shall not be less than the minimum statutory amount.

Article 27 In the following circumstances, provided that the laws and regulations, the listing rules of the places where the shares of the Company are listed and the Articles of Association are not violated, the Company may repurchase its issued shares in accordance with the procedures provided in the Articles of Association, and subject to the approval of the relevant competent authorities of the State:

Article 142 of the Company Law; Article 23 of the Guidelines for Articles of Association; Article 24 of the Mandatory Provisions

- (I) to reduce the registered capital of the Company by cancelling shares;

- (II) to merge with other companies which own shares in the Company;
- (III) to utilize its shares in employee stock ownership plans or equity incentive;
- (IV) where the shareholders, who disagree with the resolution in relation to merger or division of the Company made at the general meeting, require the Company to repurchase the shares held by such shareholders;
- (V) to utilize its shares to satisfy the conversion of convertible bonds issued by the Company;
- (VI) to safeguard the value of the Company and the interests of the shareholders when necessary;
- (VII) other circumstances permitted by the laws, administrative regulations, departmental rules, normative documents and the listing rules of the places where the shares of the Company are listed and other relevant regulations.

The Company shall not acquire its own shares unless provided in the aforesaid circumstances. In the event that the Company repurchases its own shares according to this paragraph, the procedure, proportion and method of repurchase and disposal of the repurchased shares shall be in compliance with the requirements of relevant laws, administrative regulations and the listing rules of the places where the shares of the Company are listed.

Article 28 Subject to the provisions of laws, administrative regulations, the listing rules of the places where the shares of the Company are listed and the Articles of Association, the Company may proceed in any one of the following manners with the approval of the relevant competent authorities of the State for repurchasing its shares:

Article 25 of the Mandatory Provisions;
Article 24 of the Guidelines for Articles of Association

- (I) making a general offer to repurchase shares from all shareholders in the same proportion;
- (II) repurchase through open transaction on stock exchanges; (III) repurchase through an off-market agreement;
- (IV) other means as permitted under the laws and regulations and by relevant regulatory authorities.

Article 29 Repurchases of shares of the Company under the circumstances specified in items (I) and (II) stated in Article 27 of the Articles of Association shall be subject to the approval of the general meeting. Repurchases of shares of the Company under the circumstances specified in items (III), (V) and (VI) stated in Article 27 of the Articles of Association shall obtain approval from a meeting of the board of directors where over two thirds of the directors are present, in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

Article 142 of the Company Law;
Article 25 of the Guidelines for Articles of Association

Unless otherwise specified in laws, regulations or the listing rules of the places where the shares of the Company are listed, for any repurchase of the Company's shares pursuant to Article 27 of the Articles of Association, shares repurchased pursuant to item

(I) shall be cancelled within ten days from the date of the repurchase; for those circumstances described in items (II) or (IV), the shares shall be transferred or cancelled within six months; for those circumstances described in items (III), (V) or (VI), the total number of the Company's shares held by the Company shall not exceed ten percent (10%) of the Company's total issued shares and shall be transferred or cancelled within three years.

Article 30 Where the Company repurchases 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 rescind or revise a contract 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.

Article 26 of the
Mandatory
Provisions;
Rule 8(1)(2) of
Appendix 3 to
the Hong Kong
Listing Rules

The contract for the repurchase of shares referred to in the preceding paragraph includes but not limited to agreements on assuming obligations of the repurchase of shares and acquiring the rights of the shares repurchased.

The Company shall not assign a contract on the repurchase of its own shares or any of its rights thereunder.

With regard to the redeemable shares that the Company has the right to repurchase, if they are not repurchased on the market or by way of tender, the prices of these shares shall not exceed a designated maximum price; if they are repurchased by way of tender, the tenders shall be available and proposed to all shareholders alike.

Article 31 After the repurchase of shares by the Company in accordance with laws, the Company shall cancel such shares that should be cancelled within the period prescribed by laws and administrative regulations, and shall apply to the original share registrar of the Company for registration of the change in its registered capital and make a relevant announcement.

Article 27 of the
Mandatory
Provisions

The amount of the Company's registered capital shall be reduced by the aggregate nominal value of those cancelled shares.

Article 32 Unless the Company is in the process of liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:

Article 28 of the
Mandatory
Provisions

- (I) If the shares are repurchased at their nominal value, payment shall be deducted from the balance of the distributable profits in the books of the Company and from the proceeds of fresh issue of new shares for the purpose of repurchase of issued shares;
- (II) If the shares are repurchased at a premium, payment up to the nominal value shall be deducted from the balance of the distributable profits in the books of

the Company and from the proceeds of fresh issue of new shares for the purpose of such repurchase. Payment of the portion in excess of the nominal value shall be effected in the following manner:

- (1) if the repurchased shares were issued at nominal value, payment shall be deducted from the balance of distributable profits in the books of the Company;
 - (2) if the repurchased shares were issued at a premium, payment shall be deducted from the balance of distributable profits in the books of the Company and from the proceeds of fresh issue of new shares for the purpose of share repurchase, provided that the amount paid out of the proceeds of fresh issue of new shares shall not exceed the aggregate of premium received on the issue of the shares repurchased, nor the amount of capital surplus reserve fund account of the Company at the time of such repurchase (including the amount of the premium received on the fresh issue of new shares).
- (III) The payment for the following shall be made out of the distributable profits of the Company:
- (1) acquisition of the rights to repurchase its shares;
 - (2) modification of any contract of the repurchase of its shares;
 - (3) release from any of its obligations under the repurchase contract.
- (IV) After the registered capital of the Company has been reduced by the total nominal amount of the shares so cancelled pursuant to relevant provisions, the amount which has been deducted from the distributable profits and used for repurchasing the nominal value of the shares shall be credited to the capital reserve fund account of the Company.

Where the laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authorities in the places where the shares of the Company are listed have any other provisions in respect of the financial arrangement relating to the aforesaid share repurchase, such provisions shall prevail.

SECTION 3 TRANSFER OF SHARES

Article 33 Save as otherwise specified by laws, administrative regulations, departmental rules, normative documents and relevant provisions of the securities regulatory authorities in the places where the shares of the Company are listed, the shares of the Company may be transferred in accordance with laws and shall also be free from any lien. Transfer of overseas-listed foreign shares listed in Hong Kong shall be registered with the local share registrar designated by the Company in Hong Kong.

Article 21 of the Mandatory Provisions, Rule 19A.46 and Rule 1 (1) (2) of Appendix 3 to the Hong Kong Listing Rules

Article 34 All fully-paid overseas-listed foreign shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with the Articles of Association. However, the board of directors may refuse to recognize any instrument of transfer without any reason unless the following conditions are satisfied:

Article 12 of the Letter of Opinions on Supplementary Amendments; Rules 1 of Appendix 3 to the Hong Kong Listing Rules

- (I) the instrument of transfer and any other documents related to or affecting the title of any shares shall be registered. Costs shall be paid to the Company at the amount as stipulated in the Hong Kong Listing Rules in respect of the registration;
- (II) the instrument of transfer only relates to the H shares listed on the Hong Kong Stock Exchange;
- (III) the stamp duty required by the laws of Hong Kong for 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 proposed to be transferred to joint holders, the number of such joint shareholders shall not be more than four (4);
- (VI) the relevant shares are free of any lien in favor of the Company.

If the board of directors refuses to register the share transfer, the Company shall notify the transferor and transferee in writing of such refusal of share transfer registration within two (2) months from the date of the formal transfer application.

Article 35 All transfers of H shares listed in Hong Kong may be effected by instruments of transfer in writing in a common form of the place where the shares of the Company are listed or in any other form acceptable to the board of directors. Transfers of H shares may be effected by the standard form of transfer or instrument of transfer specified by Hong Kong Stock Exchange. Such transfer instruments may be only signed by hand or be affixed with the seal of the Company (if the transferor or transferee is the Company). If the transferor or transferee is a recognized clearing house defined under the Securities and Futures Ordinance in Hong Kong or other relevant ordinances in force from time to time by the laws of Hong Kong or its agent, the transfer instruments may be signed by hand or by machine imprinted signature.

All the transfer instruments shall be kept at the legal address of the Company, the address of its share registrar or the address designated by the board of directors from time to time.

Article 36 The Company shall not accept its own shares as the subject of a pledge.

Article 27 of the Guidelines for Articles of Association; Article 142 of the Company Law

Article 37 The shares of the Company held by the promoters shall not be transferred within one (1) year after the incorporation of the Company. The shares issued before the Company's public offering of shares shall not be transferred within one (1) year from the date when the Company's shares are listed and traded on the stock exchange.

Article 28 of the Guidelines for Articles of Association; Article 141 of the Company Law

Save as specified in the preceding paragraph, transfer of the shares of the Company by the sponsors and shareholders of the Company shall also conform with relevant provisions of laws, regulations and the places where the Company's shares are listed then in force.

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 twenty-five percent (25%) of the total number of their shares in the Company per annum during their terms of office. These shares of the Company held thereby shall not be transferred within one (1) year from the date when the Company's shares are listed and traded on the stock exchange. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

SECTION 4 FINANCIAL ASSISTANCE FOR THE PURCHASE OF THE SHARES OF THE COMPANY

Article 38 The Company or its subsidiaries (including the subsidiary enterprises of the Company) 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 include persons directly or indirectly undertaking obligations due to purchase of the Company's shares.

Article 29 of the Mandatory Provisions; Article 20 of the Guidelines for Articles of Association

The Company or its subsidiaries (including the subsidiary enterprises of the Company) 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 in this Article shall not apply to the circumstances stated in Article 40 of the Articles of Association.

Article 39 For the purpose of this section, the term "financial assistance" shall include but not limited to the assistance in the following means:

Article 30 of the Mandatory Provisions

- (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

obligator), indemnity (excluding, however, indemnity arising from the Company's own fault), termination or waiver of rights;

- (III) provision 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 contract as well as the assignment of rights under such loan or contract;
- (IV) financial assistance in any other form provided by the Company 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.

For the purpose of this section, the term "undertaking of obligations" shall include the undertaking of an obligation by the obligor by entering into a contract or making an arrangement (irrespective of whether or not such contract or arrangement is enforceable and irrespective of whether or not such obligation is assumed by the obligor individually or jointly with any other person), or by the changing of the obligor's financial position in any other ways.

Article 40 The following activities shall not be deemed to be those prohibited under Article 38 of the Articles of Association:

Article 31 of the
Mandatory
Provisions

- (I) the financial assistance by the Company is given in good faith and in the interest of the Company, and the financial assistance is not provided mainly for the acquisition of shares of the Company, or the financial assistance is an ancillary part of a master plan of the Company;
- (II) the lawful distribution of the Company's assets by way of dividends; (III) the allotment of shares as dividends;
- (IV) a reduction of registered capital, a repurchase of shares or a reorganization of the capital structure of the Company in accordance with the Articles of Association;
- (V) the provision of a loan by the Company within its scope of business and for its ordinary businesses (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is paid out of the distributable profits of the Company);
- (VI) the provision of funds by the Company for an employee stock ownership plan (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is paid out of the distributable profits of the Company).

SECTION 5 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 41 The share certificates of the Company shall be in registered form.

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required by the stock exchange(s) on which the Company's shares are listed.

Article 128 and
Article 129 of the
Company Law;
Article 32 of the
Mandatory
Provisions;
Article 3 of the
Special
Provisions

The Company may issue overseas-listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with laws and the practice of registration and depository of securities in the listing places.

Article 42 The share certificates shall be signed by the chairman of the board of directors. Where the signatures of the general manager or other senior management of the Company are required by the securities regulatory authorities or the stock exchange(s) where the Company's shares are listed, the share certificates shall also be signed by the general manager or such other senior management. The share certificates shall become valid after the Company's seal is affixed thereto or printed thereon. The affixing of the Company's seal to the share certificates shall be authorized by the board of directors. The signature of the chairman of the board of directors, the general manager or such other senior management on the share certificates may also be in printed form.

Article 128 of the Company Law; Article 33 of the Mandatory Provisions; Article 1 of the Letter of Opinions on Supplementary Amendments; Rule 2(1) of Appendix 3 to the Hong Kong Listing Rules

In case of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the securities regulatory authorities or the stock exchange(s) where the Company's shares are listed shall apply.

Article 43 The Company shall establish a register of shareholders in accordance with certificates from the share registrar, and shall register therein the following particulars:

Article 34 of the Mandatory Provisions

- (I) the name, address (domicile), and 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 44 The Company may keep overseas the register of shareholders of overseas-listed foreign shares and entrust the administration thereof to an overseas agent in accordance with the understandings and agreements reached between the securities regulatory authority and the overseas securities regulatory authorities. The original register of shareholders of H shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong.

Article 35 of the Mandatory Provisions; Article 2 of the Letter of Opinions on Supplementary Amendments; Rule (b) of Section 1 of Part D of Appendix 13 to the Hong Kong Listing Rules

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 shareholders 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 45 The Company shall maintain a complete register of shareholders. The register of shareholders shall include the following parts:

Article 36 of the
Mandatory
Provisions

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

Article 46 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.

Article 37 of the
Mandatory
Provisions

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with laws of the places where that part of the register of shareholders is kept. The Company must ensure that all of the title documents of the securities listed on the Hong Kong Stock Exchange (including share certificates of H shares) include the statements as follows. The Company shall also instruct and procure the share registrars not to register the subscription, purchase or transfer of its shares in the name of any individual holder unless and until such individual holder submits such properly executed forms in respect of such shares to the share registrars which shall include the statements as follows:

Rule 19A.52 to
the Hong Kong
Listing Rules

- (I) the share purchasers and the Company and each of its shareholders, and the Company and each of the shareholders shall agree to observe and comply with the provisions of the Company Law, the Special Provisions as well as other relevant laws and regulations and the Articles of Association of the Company;
- (II) the share purchasers and the Company, each of the shareholders, directors, supervisors and senior management of the Company shall agree, and the Company acting for itself and on behalf of each of the directors, supervisors and senior management shall agree with each of the shareholders, that disputes or claims incurred as a result of the Articles of Association or in respect of the rights and obligations provided in the Company Law or other relevant laws or regulations or in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association of the Company, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive;

- (III) the share purchasers and the Company and each of its shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (IV) the share purchasers authorize the Company to enter into a contract on their behalf with each of the directors and senior management. Pursuant to the contract, the directors and senior management undertake to observe and fulfil their responsibilities to the shareholders under the Articles of Association of the Company.

Article 47 If any provisions of the applicable laws, regulations and the Hong Kong Listing Rules require a period of closure of the register of shareholders prior to the date of a general meeting or before the record date for the Company’s determining the distribution of dividends, such provisions shall apply.

Article 38 of the Mandatory Provisions;
Article 139 of the Company Law

Article 48 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 or the convener of the general meeting shall decide the record date. The shareholders whose names registered on the register of shareholders at the close of trading on the record date shall be entitled to relevant shareholders rights.

Article 39 of the Mandatory Provisions;
Article 31 of the Guidelines for Articles of Association

Article 49 If any person objects to the register of shareholders and requests to have his name recorded in or deleted from the register of shareholders, such person may apply to the court with jurisdiction for correcting the register of shareholders.

Article 40 of the Mandatory Provisions

Article 50 If any shareholder in the register of shareholders or any person requesting to have his name recorded in the register of shareholders loses his share certificates (the “Original Share Certificate”), such shareholder or person may apply to the Company for issuing replacement certificates in respect of the shares held by him (the “Relevant Shares”).

Article 41 of the Mandatory Provisions

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

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

If a shareholder who has lost his share certificate of overseas-listed foreign shares applies for a replacement share certificate, it shall be dealt with in accordance with the following requirements:

- (I) The applicant shall make an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration both stating the grounds upon which the application is made and the circumstances and the evidence of the steal, loss or destruction, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (II) Before the Company decides to issue the new replacement share certificate, no statement made by any person other than the applicant declaring that his 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 new replacement share certificate to the applicant, publish an announcement in respect of the issuance of a new replacement share certificate in such newspapers as may be designated by the board of directors; the period of announcement shall be ninety (90) days and the announcement shall be reissued at least once every thirty (30) days.
- (IV) The Company shall, prior to the publication of the announcement of its proposed issuance of a replacement share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such 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 said stock exchange for a period of ninety (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 period of ninety (90) days 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 issuance of a replacement share certificate, the Company may issue a new replacement share certificate to the applicant accordingly.
- (VI) Where the Company issues a new replacement share certificate under this Article, it shall immediately cancel the Original Share Certificate and record the cancellation and replacement issue in the register of shareholders accordingly.
- (VII) All expenses related to the cancellation of the Original Share Certificate and the issuance of a new replacement 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 51 Where the Company issues a new replacement share certificate pursuant to the Articles of Association, the name 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 the holder of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 42 of the
Mandatory
Provisions

Article 52 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.

Article 43 of the
Mandatory
Provisions

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

SECTION 1 SHAREHOLDERS

Article 53 A shareholder of the Company is a person who lawfully holds shares of the Company and has his name recorded in the register of shareholders.

Article 44 of the
Mandatory
Provisions;
Rule 1(3) of
Appendix 3 to
the Hong Kong
Listing Rules

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

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

- (I) the Company shall not register more than four (4) persons as joint holders of any shares;
- (II) the joint holders of any shares shall assume joint and several liabilities for all amounts payable for relevant shares;
- (III) if any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as having title to the relevant shares, but the board of directors may, for the purpose of modifying the register of shareholders, require the surviving joint shareholders to provide a death certificate as it deems appropriate;
- (IV) for joint shareholders of any shares, the person whose name stands first in the register of shareholders shall be entitled to receive the share certificate of the relevant shares or receive the notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders of relevant shares. Any of the joint shareholders may sign a proxy form, attend the general meetings of the Company or exercise all the voting rights attached to the relevant shares, provided that if one or more of the joint shareholders attend a meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote will be accepted to the exclusion of the vote(s) of the other joint shareholder(s). For this purpose, seniority will be determined by the order in which the names stand in the register of shareholders in respect of relevant shares.

Where one of the joint shareholders delivers receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as valid receipt from such joint shareholders to the Company.

Article 54 The ordinary shareholders of the Company shall enjoy the following rights:

- (I) the rights to receive dividends and other distributions in proportion to their shareholdings;
- (II) the rights to attend or appoint a proxy to attend general meetings and to exercise the voting rights;
- (III) the rights to supervise the Company's business operations, to present proposals and to raise inquiries;
- (IV) the right to transfer, give as a gift or pledge shares in accordance with laws, administrative regulations, normative documents and relevant requirements of the securities regulatory authorities of the places where the shares of the Company are listed as well as the Articles of Association;
- (V) the right to obtain relevant information in accordance with the Articles of Association, including:
 1. the right to obtain a copy of the Articles of Association after the payment of a reasonable charge;
 2. the right to inspect free of charge, and copy after the payment of a reasonable charge:
 - (1) a complete copy of the register of shareholders;
 - (2) personal particulars of the Company's directors, supervisors and senior management, including:
 - (a) present and former name and alias;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) full-time jobs and all other part-time jobs and duties;
 - (e) identification documents and the numbers thereof.
 - (3) report on the status of the issued share capital of the Company;
 - (4) special resolutions of the general meeting of the Company;
 - (5) 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 end of the last accounting year and the aggregate amount incurred by the Company for this purpose, breakdown by domestic shares and foreign shares;
 - (6) the latest audited financial reports and the Directors', auditors' and Supervisors' reports of the Company;
 - (7) a copy of the latest annual report filed with the company registration authority or other competent authorities;
 - (8) corporate bond counterfoils; and
 - (9) minutes of the general meetings.

Article 97 and Article 102 of the Company Law; Article 45 of the Mandatory Provisions; Article 32 of the Guidelines for Articles of Association; Rule 19A.50 and Rule 12 of Appendix 3 to the Hong Kong Listing Rules

The Company shall publish the above documents mentioned in items (3) to (7) of point 2 and other applicable documents on the websites of the Hong Kong Stock Exchange and the Company in accordance with the requirements of the Hong Kong Listing Rules. The Company shall keep items (1) and (9) of point 2 at the designated address in Hong Kong for free inspection by the public and shareholders, but the minutes of general meetings are for shareholders' inspection only.

Register of shareholders kept in Hong Kong shall be available for shareholders to inspect, but the Company is allowed to suspend the registration of shareholders in accordance with the same terms as Article 632 of the Companies Ordinance (Chapter 622 under the Laws of Hong Kong). Specifically, after giving notice, the Company may close its register of members, or the part of it relating to members holding shares of any class, for any period or periods not exceeding in the whole 30 days in each year.

- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in proportion to the shareholdings;
- (VII) for shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (VIII) for shareholders severally or jointly holding more than three percent (3%) of the shares of the Company, the right to submit provisional proposals in writing to the Board ten (10) working days prior to the general meeting;
- (IX) other rights under laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association.

The Company shall not exercise any power 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 55 Where shareholders request for inspection of the relevant information such as minutes of general meetings and register of shareholders or demand for materials as mentioned in the preceding Article, they shall provide the Company with written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide the same requested by such shareholder.

Article 33 of the Guidelines for Articles of Association

Article 56 If any resolution of the general meetings or the board of directors of the Company violates the laws or administrative regulations, the shareholders shall have the right to request the court to invalidate the resolution.

Article 34 of the Guidelines for Articles of Association

If the convening procedure or voting method of the general meetings or meetings of the board of directors violates the laws, administrative regulations or the Articles of Association or the contents of a resolution run counter to the Articles of Association, the shareholders shall have the right to request the court to cancel such resolution within sixty days from the date of passing the resolution.

Article 57 Subject to the provisions of the Articles of Association, in the event of any loss caused to the Company as a result of violation of any laws, administrative regulations or the Articles of Association by any of the directors or senior management when performing their duties, shareholders holding 1% or more shares separately or jointly for over 180 consecutive days shall have the right to submit a written request to the supervisory committee to file an action with the people's court. Where the supervisory

Article 35 of the Guidelines for Articles of Association

committee violates the laws, administrative regulations or the Articles of Association when performing their duties and causes loss to the Company, the shareholders may submit a written request to the board of directors to file an action with the people's court.

In the event that the supervisory committee or the board of directors refuse to file an action upon receipt of the shareholders' written request specified in the preceding paragraph, or fail to file an action within 30 days upon receipt thereof, or in the event that the failure to immediately file an action in an emergency case will cause irrecoverable damage to the interests of the Company, the shareholders specified in the preceding paragraph may, in their own name, directly file an action to the people's court for the interest of the Company.

In the event of any other person infringes upon the legitimate rights and interests of the Company and causes losses thereto, the shareholders specified in paragraph 1 of this Article may file an action with the people's court pursuant to the provisions of the preceding two paragraphs.

Article 58 In the event of the directors or senior management violate the laws, administrative regulations or the Articles of Association, thereby causing damage to the interests of the shareholders, the shareholders may file an action with the people's court.

Article 36 of the Guidelines for Articles of Association

Article 59 The ordinary shareholders of the Company shall have the following obligations:

Article 83 of the Company Law; Article 46 of the Mandatory Provisions; Article 37 of the Guidelines for Articles of Association

- (I) to abide by laws, administrative regulations and the Articles of Association;
- (II) to pay for the shares based on the shares subscribed for and the manners in which they became shareholders;
- (III) to be liable to the Company to the extent of the shares they hold;
- (IV) save as stipulated in laws or regulations, no share refund is allowed upon the approval for registration with the Company;
- (V) not to abuse shareholder's rights to harm the interests of the Company or other shareholders; not to abuse the Company's position as an independent legal person or shareholder's limited liability protection to harm the interests of the creditors of the Company; if any shareholder of the Company abuses his shareholder's right, thereby causing any loss to the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company abuses the Company's position as an independent legal person or shareholder's limited liability protection for the purpose of debt evasion, thereby seriously causing damage to the interests of the creditors of the Company, the said shareholder shall bear joint and several liabilities for the Company's debts.
- (VI) other obligations imposed by the laws, administrative regulations, listing rules of the places where the Company's shares are listed and the Articles of Association.

Shareholders shall not liable for making any further contribution to the share capital other than the conditions as agreed at subscription in the capacity of subscribers.

Article 60 The controlling shareholders and de facto controllers of the Company shall not damage the Company's interests by making use of their connected relationship. In case of a contravention of the requirements which results in any loss to the Company, they shall be liable to compensate.

Article 47 of the Mandatory Provisions; Article 39 of the Guidelines for Articles of Association

The controlling shareholders and de facto controllers of the Company shall have fiduciary duties towards the Company and public shareholders. The controlling shareholders shall strictly exercise their rights as a capital contributor according to law. The controlling shareholders shall not make use of methods such as distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or loan guarantee to harm the lawful rights and interests of the Company and public shareholders. They shall not make use of their controlling position to harm the lawful interests of the Company and public shareholders.

Save for the obligations required by laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the shares of the Company are listed, the controlling shareholders shall not, in the exercise of their shareholders' rights, make decisions prejudicial to the interests of all or part of the shareholders in the exercise of their voting rights on the issues set forth below:

- (I) releasing the responsibility of a director or supervisor to act in good faith in the best interest of the Company;
- (II) approving the expropriation by a director or supervisor (for his own or others' benefits), in any means, of the Company's assets, including but not limited to opportunities beneficial to the Company;
- (III) approving the expropriation by a director or supervisor (for his own or others' benefits) of the personal interests of other shareholders, including but not limited to any rights to distributions and voting rights, but excluding restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

SECTION 2 GENERAL PROVISIONS FOR GENERAL MEETINGS

Article 61 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers in accordance with laws:

Article 49 and Article 50 of the Mandatory Provisions; Article 40 of the Guidelines for Articles of Association

- (I) to decide on the business operation guidelines and investment plans for the Company;
- (II) to elect and change directors and supervisors who are not employees' representatives, and decide on the remuneration of directors and supervisors;
- (III) to consider and approve reports of the board of directors;
- (IV) to consider and approve reports of the supervisory committee;
- (V) to consider and approve the annual financial budgets and final accounts of the Company;

- (VI) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to resolve on the increase or reduction of the registered capital of the Company;
- (VIII) to resolve on the issuance of corporate bonds;
- (IX) to resolve on the merger, division, dissolution and liquidation or change in the form;
- (X) to formulate and amend the Articles of Association;
- (XI) to resolve on the Company's appointment, dismissal or non-reappointment of accounting firms;
- (XII) to consider proposals put forward by shareholders who, severally or jointly, hold more than three percent of the voting shares of the Company's;
- (XIII) to consider and approve the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding thirty percent of the latest audited total assets of the Company;
- (XIV) to consider and approve the change of use of proceeds;
- (XV) to consider and approve share incentive schemes;
- (XVI) to consider and approve the external guarantees in accordance with the Articles of Association;
- (XVII) to consider connected transactions which shall be approved at the general meeting in accordance with laws, administrative regulations, departmental rules, normative documents and securities regulatory requirements of the places where the shares of the Company are listed;
- (XVIII) to resolve on the acquisition of shares of the Company for the reasons set forth in items (I) and (II) of the first paragraph of Article 27 of the Articles of Association;
- (XIX) to consider other matters required to be resolved at the general meeting in accordance with laws, administrative regulations, departmental rules, normative documents, relevant requirements of securities regulator of the places where the shares of the Company are listed and the Articles of Association.

Subject to laws and regulations and the mandatory provisions of the listing rules of the places where the Company's shares are listed, the general meeting may authorize or delegate the board of directors to process matters authorized or delegated by the general meeting.

Article 62 The following external guarantees of the Company must be considered and approved by the general meeting:

- (I) any external guarantee provided by the Company at a total amount reaching or exceeding 30% of the latest audited total assets;
- (II) guarantees provided to the shareholders, de facto controller and their related parties.
- (III) guarantees required to be considered and approved at the general meeting under the requirements of laws and the Articles of Association.

Article 41 of the Guidelines for Articles of Association; Paragraph 2 and Paragraph 3 under Article 1 of Notice on Regulating the External Guaranties

The provision of external guarantee other than as mentioned above in this Article shall be subject to the consideration and approval of the board of directors as authorized by the general meeting.

Guarantees as provided in paragraph (I) shall be approved by votes representing not less than two-thirds of the voting rights of shareholders present at the relevant meeting. Any shareholder referred to in the preceding paragraph (II) or any shareholder controlled by the de facto controller referred to in the preceding paragraph shall not vote on such matters referred to in the preceding paragraph. Any such matter shall be decided by a majority of the voting rights held by other shareholders attending the meeting.

A director, general manager, deputy general manager or other senior management shall be liable for compensation if he causes losses to the Company due to violation the requirements on approval authority and review procedure of external guarantees set forth in laws or the Articles of Association, and the Company may take legal action against him according to laws.

Article 63 The Company shall not enter into contracts with a party (other than a Director, Supervisor, the general manager 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 approval of the general meeting by special resolution.

Article 51 of the
Mandatory
Provisions

Article 64 General meetings consist of annual general meetings and extraordinary general meetings. General meetings shall be held by the board of directors in general. The annual general meeting shall be held once every year within six months after the end of the previous accounting year.

Article 100 of the
Company Law;
Article 52 of the
Mandatory
Provisions;
Article 6 of the
Opinions

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

- (I) when the number of directors falls below the minimum requirement of the Company Law, or is less than two thirds (2/3) of the number specified by the Articles of Association;
- (II) when the unrecovered losses of the Company amount to one third (1/3) of the total amount of its paid-in share capital;
- (III) when shareholder(s) severally or jointly holding more than ten per cent (10%) of the Company's shares request(s) to convene such meeting in writing;
- (IV) when the board of directors considers necessary or the supervisory committee proposes to convene such meeting;
- (V) when two or more independent non-executive Directors propose to convene such meeting;
- (VI) other circumstances stipulated by laws, administrative regulations, departmental rules, listing rules of the places where the shares of the Company are listed or the Articles of Association.

The number of shares held by the shareholder(s) as described in item (III) shall be calculated at the close of trading on the date when such shareholder(s) request in writing or on the preceding trading day (if the written request is made on a non-trading day).

Article 65 The venue for convening a general meeting of the Company shall be the domicile of the Company or a convenient location for more shareholders to attend.

Article 44 of the
Guidelines for
Articles of
Association

The general meeting shall be held onsite at the venue prepared in advance. The Company may facilitate the shareholders to attend the general meeting by providing internet services or through other means recognized or required by relevant securities regulatory authorities. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed present at the meeting.

SECTION 3 CONVENING OF GENERAL MEETINGS

Article 66 The general meetings shall be convened by the board of directors. The supervisory committee or shareholders may convene the general meetings on their own initiative, subject to the relevant requirements specified in this section.

Article 46 of the
Guidelines for
Articles of
Association;
Article 6 of the
Opinions

Two or more of independent non-executive directors shall be entitled to propose to the board of directors to convene an extraordinary general meeting. Regarding the proposal requesting to convene an extraordinary general meeting by the independent non-executive Directors, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene an extraordinary general meeting within ten (10) days upon receipt of the proposal.

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the board of directors. If the board of directors does not agree to convene the extraordinary general meeting, it shall give the reasons and publish an announcement thereof.

Article 67 The supervisory committee shall be entitled to propose to the board of directors to convene an extraordinary general meeting, and shall put forward its proposal to the board of directors in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the proposal.

Article 47 of the
Guidelines for
Articles of
Association

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such general meeting within five (5) days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of the supervisory committee shall be obtained.

If the board of directors does not agree to convene the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the supervisory committee may convene and preside over the meeting itself.

Article 68 Shareholder(s) severally or jointly holding more than ten percent (10%) of the shares of the Company shall be entitled to request the board of directors to convene an extraordinary general meeting, and shall put forward such request to the board of directors in writing. The board of directors shall, in accordance with the laws, administrative regulations and the Articles of Association, inform in writing whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of the request.

Article 48 and
Article 49 of the
Guidelines for
Articles of
Association

If the board of directors agrees to convene the extraordinary general meeting, it shall serve a notice of such extraordinary general meeting within five (5) days after the resolution is made by the board of directors. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

If the board of directors does not agree to convene the extraordinary general meeting or fails to respond within ten (10) days upon receipt of the request, shareholder(s) severally or jointly holding more than ten percent (10%) of the shares of the Company shall be entitled to propose to the supervisory committee to convene an extraordinary general meeting, and shall put forward such request to the supervisory committee in writing.

If the supervisory committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five (5) days upon receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice of extraordinary general meeting within the prescribed period, the supervisory committee shall be deemed as failing to convene and preside over such meeting and the shareholder(s) severally or jointly holding more than ten per cent (10%) of the shares of the Company for more than ninety (90) consecutive days may convene and preside over such meeting by itself/themselves.

The shareholding of the convening shareholders shall be no less than ten percent (10%) before a resolution passed at the general meeting is announced.

Article 69 Shareholders requesting the convening of a class shareholders' meeting shall do so by the procedure set forth below:

Article 72 of the
Mandatory
Provisions

- (I) Two or more shareholders holding in aggregate more than ten percent (inclusive) of the shares carrying the voting right at the meeting to be held may sign one or more written requests of identical form and content requesting that the board of directors convene a class shareholders' meeting and stating the topics to be discussed at the meeting. The board of directors

shall convene the class shareholders' meeting as soon as possible after having received the aforementioned written request. The shareholding referred to above shall be calculated as of the day on which the written request is made.

- (II) If the board of directors fails to issue a notice to convene such meeting within thirty days after having received the aforementioned written request, the shareholders who made such request may themselves convene the meeting within four months after the board of directors received the request. The procedure for the shareholders to convene such meeting shall, to the extent possible, be identical to the procedure for the board of directors to convene the shareholders' meetings.

If shareholders convene and hold a meeting themselves because the board of directors failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the amounts due by the Company to the negligent directors.

Article 70 Where the supervisory committee or shareholders convene and preside over a meeting by themselves in accordance with the provisions of this section, a written notice shall be sent to the board of directors and, in accordance with applicable regulations, filed with the local securities regulatory authorities and relevant stock exchange at the places where the Company is located. The board of directors and the secretary to the board of directors shall cooperate in terms of such meetings. The board of directors shall provide the register of shareholders on the shareholding record date. The expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amounts due by the Company to the negligent directors.

Article 50 and Article 51 of the Guidelines for Articles of Association

If the Board fails to provide the register of shareholders, the convener may carry relevant notice or announcement on convening the general meeting to apply with the securities registration and clearing or agent institutions. The convener shall not use the register of shareholders for purposes other than convening a general meeting.

SECTION 4 PROPOSALS AND NOTICES OF GENERAL MEETINGS

Article 71 The contents of the proposals of the general meetings to be put forward shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved, and shall be in compliance with relevant provisions of the laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the Company's shares are listed and the Articles of Association. Proposals of the general meetings shall be in writing form.

Article 52 of the Guidelines for Articles of Association

Article 72 When a general meeting is convened by the Company, the board of directors, supervisory committee and shareholder(s) who severally or jointly hold(s) more than three percent (3%) of the shares of the Company shall be entitled to make proposals to the general meetings.

Article 53 of the Guidelines for Articles of Association; Article 54 of the Mandatory Provisions

Shareholder(s), who severally or jointly hold(s) more than three percent (3%) of the shares of the Company, may submit ad hoc proposals in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within two (2) days upon receipt of the proposals and announce the contents of the ad hoc proposals, and place the proposals on the agenda for the general meeting and submit the proposals for consideration at the general meeting if such proposals fall within the scope of duties of general meetings.

Except for circumstances provided in the above paragraph, the convener, after issuing the notice of the general meeting, shall neither modify the proposals stated in the notice of general meetings nor add new proposals.

Proposals not specified in the notice of the general meeting or not complying with Article 71 of the Articles of Association shall not be voted or resolved at the general meeting.

Article 73 The nomination of directors and supervisors (other than employee representative supervisors) at the general meeting shall follow the approaches and procedures below:

Article 4 of the Letter of Opinions on Supplementary Amendments; Rule 4(4) and Rule 4(5) of Appendix 3 to the Hong Kong Listing Rules

- (I) Shareholder(s) severally or jointly holding more than three percent (3%) of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors and supervisors (not being employee representatives). However, the number of candidates nominated must comply with the provisions of the Articles of Association, and shall not be more than the number to be elected. The aforesaid proposal put forward by the shareholders to the Company shall be served to the Company at least seven (7) days before the convening of the general meeting.
- (II) Within the number of persons as specified in the Articles of Association and based on the proposed number of candidates to be elected, the directors and supervisors may propose a list of candidates for directors and supervisors, which shall be submitted to the board of directors and the supervisory committee for examination, respectively. The list of candidates for directors and supervisors, which has been determined by deliberation and resolution of the board of directors and the supervisory committee, shall be proposed at a general meeting by way of a written proposal.
- (III) The written materials for the intention to nominate a candidate for election as a director or a supervisor (not being an employee representative), the written notice of the candidate on his willingness to accept the nomination, and the details of the nominees in writing shall be given to the Company no less than seven (7) days prior to the date of the convening of the general meeting (and such notice period of seven (7) days shall commence no earlier than the day following the date of serving the notice of the meeting for such election and end no later than seven (7) days before the date of the general meeting). The board of directors and the supervisory committee shall provide shareholders with the biography and basic information of the candidates for directors and supervisors.
- (IV) The period for the nominator to give the Company the notice of nominating a candidate for election as a director or a supervisor and the period for the nominee who has indicated his willingness to accept the nomination to submit the aforesaid notice and documents (such period shall commence from the day following the date of serving the notice of the general meeting) shall be no less than seven (7) days.
- (V) At the general meeting, voting for each candidate for a director or a supervisor shall be taken on a one-by-one basis.

The provisional addition and supplement of directors and supervisors shall be proposed by the board of directors and the supervisory committee to the general meeting for election and replacement.

Article 74 Where an annual general meeting is convened by the Company, it shall issue a written notice of the meeting to the registered shareholders twenty-one (21) working days prior to the convening of the meeting to notify all the registered shareholders of the matters proposed to be considered as well as the date and venue of the meeting, and in the case of an extraordinary general meeting, it shall notify all the registered shareholders fifteen (15) days or ten (10) working days (whichever is longer) prior to the convening of the meeting, and specify in such notice the date, time and venue of the meeting and the matters to be considered, and state that a shareholder may appoint in writing a proxy to attend and vote at the meeting on his behalf.

the Reply on
Adjusting the
Notice Period;
Code E.1.3 of
Corporate
Governance Code
to the Hong Kong
Listing Rules

When calculating the time limit of the notice, the date of the general meeting convened shall be excluded, but the issue date of such notice shall be included.

Article 75 A notice of general meeting shall:

- (I) be made in writing;
- (II) specify the time, venue and date of the meeting;
- (III) state the matters to be considered at the meeting;
- (IV) provide such information and explanation as are necessary for the shareholders to make an informed decision on the matter to be considered. This principle includes (but not limited to), where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;
- (V) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, the general manager and other senior management in the matter to be considered, and difference in the effect which the matter to be considered will have on them in their capacity as shareholders so far as it is different from the effect on the interests of shareholders of the same class;
- (VI) contain the full text of any special resolution to be proposed for approval at the meeting;
- (VII) conspicuously contain a statement stating that any shareholder entitled to attend and vote at the general meeting shall be entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;
- (VIII) specify the date and place for the delivery of proxy form for voting at the meeting;
- (IX) specify the record date for determining the shareholders who are entitled to attend the general meeting;
- (X) state the names and telephone numbers of the contact persons for the meeting.

Article 56 of the
Mandatory
Provisions;
Article 55 of the
Guidelines for
Articles of
Association

The period between the record date and the date of the meeting shall be in compliance with the provisions of relevant regulatory authorities at the places where the securities of the Company are listed. The record date shall not be changed once it is confirmed.

Article 76 In the event that the election of directors and supervisors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose details of candidates for the directors and supervisors, and shall at least include the following particulars:

Article 17 of Rules of General Meetings;
Rule 13.51(2) to the Hong Kong Listing Rules

- (I) their educational background, work experience, part-time jobs and other personal details;
- (II) whether or not they have any related relationship with the Company or the Company's controlling shareholder(s) and de facto controller(s);
- (III) to disclose number of shares of the Company they hold;
- (IV) whether or not they have been penalized by the China Securities Regulatory Commission and other relevant securities regulatory authorities, and disciplined by the stock exchange;
- (V) other information required to be disclosed by the securities regulatory authorities and listing rules of the places where the Company's shares are listed.

A single proposal on each of the candidates for directors and supervisors shall be submitted.

Article 77 Unless otherwise provided in the Articles of Association, the notice of general meeting shall be served on shareholders (whether or not entitled to vote at the meeting) by hand or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic shares, the notice of general meeting may also be given by way of public notice.

Article 57 of the Mandatory Provisions;
Rule 7 of Appendix 3 to the Hong Kong Listing Rules

The "public notice" referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council in accordance with applicable laws, regulations and the listing rules of the places where the shares of the Company are listed. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of general meeting.

The notice of general meeting issued to the holders of H shares may be published on the website of the Hong Kong Stock Exchange and the Company's website. Once the announcement is made, all holders of H shares shall be deemed to have received the notice of general meeting.

Article 78 After the issuance of the notice of general meeting, the general meeting shall not be postponed or cancelled, and the proposals set out in such notice of general meeting shall not be cancelled without valid reasons. Where a general meeting has to be postponed or cancelled in special circumstances, the convener shall publish an announcement stating the relevant reasons at least two (2) working days prior to the original date of the general meeting.

Article 57 of the Guidelines for Articles of Association

Article 79 The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed thereat.

Article 58 of the
Mandatory
Provisions

SECTION 5 HOLDING OF GENERAL MEETINGS

Article 80 The board of directors of the Company and other conveners shall take necessary measures to ensure the normal order at the general meeting. For any disturbance to the order at the meeting and acts infringing the lawful interests of the shareholders, preventive measures shall be taken, and any such incidents shall be reported to the relevant authorities for investigation and tackling.

Article 58 of the
Guidelines for
Articles of
Association

Article 81 Any shareholder who has the right to attend and vote at the general meeting may attend the general meeting in person, or appoint a proxy to attend and vote on his behalf. The shareholder has the right to appoint one or more person(s) (the person may not be a shareholder) as his proxy to attend and vote on his behalf. The shareholder's proxy may exercise the following rights in accordance with the shareholder's authorization:

Article 59 of the
Mandatory
Provisions

- (I) the shareholders' right to speak at the general meeting;
- (II) the right to demand a poll by himself or jointly with others;
- (III) unless otherwise provided in the Articles of Association, 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 the voting rights by a poll.

Article 82 The appointment of a proxy shall be in writing and signed by the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person, such appointment shall be affixed with its seal or signed by its Director or attorney duly authorized.

Article 60 of the
Mandatory
Provisions;
Article 61 of the
Guidelines for
Articles of
Association

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

- (I) name of the principal and name of the proxy;
- (II) number of shares the proxy represent on behalf of the principal;
- (III) whether the proxy has voting rights;
- (IV) indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (V) whether the proxy has any voting right(s) in respect of provisional motions which may be included in the agenda of the general meeting; and, if the proxy

has such voting right(s), specific instructions as to the exercise of those voting rights;

(VI) date of signing of the instrument and term of validity;

(VII) signature (or seal) of the principal. If the principal is a corporate shareholder, the corporate seal shall be affixed.

Article 83 The proxy form shall be deposited at the domicile of the Company or such other place as the notice of general meeting may specify not less than twenty-four (24) hours prior to the convening of the general meeting at which the relevant matters will be voted on, or twenty-four (24) hours before the designated voting time. If the principal authorizes any other person to sign the proxy form, the power of attorney or other authority shall be notarized. The notarized power of attorney or other authorization documents must be maintained at the domicile of the Company or such other place specified in the notice of general meeting together with the proxy form.

Article 61 of the Mandatory Provisions; Article 63 of the Guidelines for Articles of Association

If the principal is a corporation, its legal representatives or any other person authorized by its board of directors or other governing bodies shall act as a representative to attend the general meeting of the Company.

If a shareholder is a recognized clearing house or its agent within the meaning of the Securities and Futures Ordinance in Hong Kong or relevant ordinances in force under the laws of Hong Kong from time to time, it may authorize one (1) or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or class meeting of shareholders. However, if more than one (1) proxy is appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization. Such authorized proxies may exercise the right on behalf of the recognized clearing house or its agent (**without being required to present share certificate, notarized power of attorney and/or further evidence to prove that they are duly authorized**), as if they are the individual shareholders of the Company.

Article 84 Any proxy form issued to a shareholder by the board of directors of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the proposals according to his free will, and instructions shall be given in respect of each single matter to be voted on at the meeting. The proxy forms shall contain a statement that in the absence of specific instructions by the shareholder, whether the proxy may vote as he thinks fit.

Article 62 of the Mandatory Provisions; Article 60 and Article 62 of the Guidelines for Articles of Association

Any proxy attending a general meeting on behalf of a shareholder shall produce his identity documents and the proxy form signed by the principal or the principal's legal representative. The proxy form shall specify the date of issue. Where corporate

shareholder appoints its legal representative to attend the meeting, the legal representative shall produce his identity documents or a notarially certified copy of the resolution signed by the board of directors or other authorized bodies of the corporate shareholders or other notarially certified documents permitted by the Company.

Article 85 Where the principal has deceased, incapacitated to act, withdrawn the signed appointment or withdrawn the power of attorney under which it is signed prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of proxy form shall remain valid as long as the Company did not receive a written notice of the event before commencement of the relevant meeting.

Article 63 of the
Mandatory
Provisions

Article 86 Where the directors, supervisors, general manager and other senior management of the Company are required by a general meeting to attend the general meeting, they shall attend such meeting. Except for those related to trade secrets of the Company that shall not be disclosed, the directors, supervisors, general manager and other senior management attend or present at the meeting shall answer or provide explanation to the inquiries of shareholders at the general meeting.

Article 150 of the
Company Law;
Article 66 of the
Guidelines for
Articles of
Association

Article 87 The chairman of the board of directors shall preside over and act as chairman of the general meeting convened by the board of directors. If the chairman of the board of directors is unable to attend the general meeting, the vice chairman of the board of directors shall preside over and act as chairman of the general meeting. Where the vice chairman of the board of directors is unable to attend the general meeting, the board of directors may appoint one director to convene the general meeting and act as chairman of the general meeting. Where it is unable to select the chairman of the general meeting, one person elected by shareholders attending the general meeting shall act as chairman of the general meeting. Where the shareholders fail to elect a chairman of the general meeting for any reason, the shareholder (including his proxy) present the meeting who holds the largest number of voting shares shall be the chairman of the general meeting.

Article 73 of the
Mandatory
Provisions,
Article 67 of the
Guidelines for
Articles of
Association;
Article 101 of the
Company Law

The chairman of the supervisory committee shall preside over the general meeting convened by the supervisory committee. If the chairman of the supervisory committee is unable or fails to fulfill his duties, one (1) supervisor jointly elected by more than half of the supervisors shall preside over the general meeting.

A representative elected by the convener(s) shall preside over the general meeting convened by the shareholders.

At a general meeting, if the chairman of the meeting contravenes the rules of procedures for the general meeting, making the meeting impossible to proceed, with consent from the attending shareholders holding more than one half of voting shares, the shareholders may recommend one (1) person to chair the general meeting and continue with the meeting. If for any reason the shareholders are unable to elect a chairman of the meeting, the attending shareholder holding the largest number of voting shares (including his proxy) shall chair the meeting.

Article 88 The Company shall formulate the rules of procedures for the general meetings and specify in detail the procedures for convening and voting at the general meeting, as well as the principle for the authorization granted to the board of directors by the general meeting, and the authorization shall be clear and specific. The rules of procedures for the general meetings shall be appended to the Articles of Association. They shall be formulated by the board of directors and approved by the general meeting.

Article 68 of the Guidelines for Articles of Association

Article 89 The board of directors and the supervisory committee shall report on their work during the past year to the general meeting at annual general meetings. Each independent non-executive director shall also give a report on the performance of his duties.

Article 69 of the Guidelines for Articles of Association

Article 90 The directors, supervisors and senior management members shall provide explanations in response to the queries and suggestions made by shareholders at a general meeting, unless a matter involves trade secrets of the Company that cannot be disclosed at a general meeting.

Article 70 of the Guidelines for Articles of Association

Article 91 The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting held in person and the total number of voting shares that they hold before a vote is held. The meeting registration shall prevail in respect of the number of shareholders and proxies present at the meeting held in person and the total number of voting shares held by them.

Article 71 of the Guidelines for Articles of Association

Article 92 The convener shall ensure that the meeting minutes are true, accurate and complete. The directors, supervisors and secretary to the board of directors who attended the meeting, the convener or his representative and the chairman of the meeting shall sign the minutes. The meeting minutes shall be kept together with the sign-in register of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of not less than 10 years.

Article 73 of the Guidelines for Articles of Association

Article 93 The convener shall ensure that the general meeting continues until the final resolution has been adopted. If a general meeting is suspended or if it is unable to reach a resolution due to force majeure or other such special reason, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be directly adjourned and the same announced and reported in a timely manner in accordance with laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the Company's shares are listed.

Article 74 of the Guidelines for Articles of Association

SECTION 6 VOTING AT AND RESOLUTIONS OF THE GENERAL MEETINGS

Article 94 Resolutions of the general meetings include ordinary resolutions and special resolutions.

Article 103 of the Company Law; Article 64 of the Mandatory Provisions; Article 75 of the Guidelines for Articles of Association

Ordinary resolution at a general meeting shall be adopted by more than half of the voting rights held by shareholders (including their proxies) attending the general meeting.

Special resolution at a general meeting shall be adopted by more than two thirds (2/3) of the voting rights held by shareholders (including their proxies) attending the general meeting.

Article 95 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) the work reports of the board of directors and the supervisory committee;
- (II) the profit distribution plan and loss recovery plan formulated by the board of directors;
- (III) the appointment and removal of members of the board of directors and supervisory committee (other than employee representatives), and their remuneration and payment method thereof;
- (IV) the annual financial budgets, reports of final accounts, balance sheets, income statements and other financial statements of the Company, as well as the annual reports of the Company;
- (V) the matters other than those requiring the approval by way of special resolutions in accordance with provisions of the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed or the Articles of Association.

Article 70 of the Mandatory Provisions; Article 76 of the Guidelines for Articles of Association

Article 96 The following matters shall be resolved by way of special resolutions at a general meeting:

- (I) increase or reduction of the registered capital and issue of shares of any class, warrants and other similar securities of the Company;
- (II) issuance of corporate bonds of the Company;
- (III) division, merger, dissolution and liquidation or change in the form of the Company;
- (IV) purchase or disposal of major assets or guarantee of the Company within one year with the amount exceeding 30% of the latest audited total assets of the Company;
- (V) amendments to the Articles of Association;
- (VI) employee stock ownership plans or share incentive schemes;
- (VII) other matters as required by laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed or the Articles of Association, and matters which, as resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need to be approved by way of special resolutions.

Article 71 of the Mandatory Provisions; Article 77 of the Guidelines for Articles of Association

Article 97 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

Article 103 of the Company Law;

However, shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

Article 65 of the Mandatory Provisions; Article 78 of the Guidelines for Articles of Association; Rule 14 of Appendix 3 to the Hong Kong Listing Rules

Pursuant to applicable laws, administrative regulations, departmental rules, normative documents and listing rules of the places where the shares of the Company are listed, where any shareholder shall abstain from voting for any particular resolution, or is restricted to vote only for or against such resolution, any vote in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

Article 98 When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares they represent shall not be counted in the total number of valid voting shares; any resolution made at the general meeting shall adequately disclose information related to voting by non-connected shareholders. Where applicable laws, administrative regulations, departmental rules, normative documents or the listing rules of the places where the shares of the Company are listed have any other provisions in this regard, such provisions shall prevail.

Article 79 of the Guidelines for Articles of Association

Article 99 Votes at a general meeting shall be taken by a show of hands, unless otherwise provided in laws and regulations, or the regulations of the securities regulatory authorities or the Mandatory stock exchange of the places where shares of the Company are listed or unless a vote by ballot is Provisions demanded before or after any vote by show of hands by:

Article 66 of the Mandatory Provisions

- (I) the chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies with voting rights; or
- (III) one or several shareholders (including proxies) holding, individually or jointly, more than ten percent (inclusive) of the shares carrying the right to vote at the general meeting.

Unless as otherwise required by the laws, the securities regulatory authorities or the stock exchange where the shares of the Company are listed, or a vote is held by ballot in accordance with the preceding paragraph, the chairman of the meeting shall announce whether the motion has been carried in accordance with the results of the vote by show of hands, and shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.

The demand for a vote by ballot may be withdrawn by the person who made it.

Article 100 A poll demanded on the election of the chairman of the meeting, or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken as the chairman of the meeting directs, and the meeting may

Article 67 of the Mandatory Provisions

proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at the meeting.

Article 101 Shareholders who attend the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain.

Article 89 of the Guidelines for Articles of Association

Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as “abstentions” in the voting results.

Article 102 On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes is not required to cast all his votes for or against any resolution on all his votes or abstain from voting on such resolution.

Article 68 of the Mandatory Provisions

Article 103 In the event of an equality of the number of votes for and against a resolution, regardless of whether the vote was taken by show of hands or by ballot, the chairman of the meeting shall be entitled to cast one additional vote.

Article 69 of the Mandatory Provisions

Article 104 The chairman of the meeting shall decide whether the resolutions of the meeting have been passed according to the poll results and his decision shall be conclusive, announced at the meeting and be recorded in the minutes.

Article 74 of the Mandatory Provisions

Article 105 If the chairman of the meeting has any doubt on the poll results of the proposed resolutions, he may arrange for vote counting. If the chairman of the meeting does not arrange for vote counting and the shareholders or their proxies attending the meeting object to the results announced by the chairman, they shall have the right to demand vote counting immediately after announcement of the poll results, and the chairman of the meeting shall arrange for vote counting immediately.

Article 75 of the Mandatory Provisions; Article 90 of the Guidelines for Articles of Association

Article 106 If vote counting is held at a general meeting, the result of the counting shall be recorded in the minutes of the meeting.

Article 76 of the Mandatory Provisions

Minutes of meetings together with the sign-in register of the shareholders present in person and instruments of appointment of proxies shall be kept at the domicile of the Company.

Article 107 Shareholders may access the photocopies of minutes of meetings for free during the office hours of the Company. If any shareholder asks the Company for the photocopies of relevant meeting minutes, the Company shall provide the photocopies of minutes of general meetings after verification of identity of shareholders and receipt of reasonable fees.

Article 77 of the Mandatory Provisions

SECTION 7 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 108 Shareholders holding different classes of shares shall be class shareholders.

Article 78 and Article 85 of the Mandatory Provisions; Rule 10 of Appendix 3 to the Hong Kong Listing Rules

Class shareholders shall enjoy the rights and assume the obligations in accordance with laws, administrative regulations, listing rules of the places where the shares of the Company are listed and the Articles of Association.

Apart from holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be shareholders of different classes. Where the share capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.

Where the share capital 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 rights” or “limited voting rights”.

Article 109 The Company shall not proceed to change or abrogate the shareholders’ rights of a class of shares unless such change or abrogation has been approved by way of a special resolution at the general meeting and at a separate class meeting by the shareholders of the affected class in accordance with Articles 111 to 115 of the Articles of Association.

Article 79 of the Mandatory Provisions

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

The holders of domestic shares of the Company may transfer all or part of their unlisted shares to overseas investors for listing and trading overseas, or convert all or part of the unlisted shares into overseas-listed foreign shares for listing and trading on overseas stock exchanges, which shall not be deemed to be a proposed change or abrogation of the rights conferred on any class of shareholders and no approval by a general meeting or a class meeting is required.

Article 110 The following circumstances shall be deemed as change or abrogation of the rights of shareholders of a certain class:

Article 80 of the Mandatory Provisions

- (I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to 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 such class;
- (IV) to reduce or cancel rights attached to the shares of such class to preferentially receive dividends or 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 such class;
- (VI) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of such 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 such class;
- (VIII) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions;
- (IX) to issue rights to subscribe for, or convert into, shares of such class or another class;
- (X) to increase the rights and privileges of the shares of another class;
- (XI) to restructure the Company in such a way as to cause shareholders of different classes to undertake liabilities disproportionately during the restructuring;
- (XII) to amend or cancel provisions in this section.

Article 111 For shareholders of the affected class whether or not with the rights to vote at general meetings originally, to have the right to vote at shareholders' class meetings in respect of matters referred to in items (II) to (VIII) and (XI) to (XII) of Article 110, except that interested shareholders have no voting right at such shareholders' class meetings.

Article 81 of the
Mandatory
Provisions

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 in accordance with the Articles of Association, the controlling shareholders as defined in Chapter 15 of the Articles of Association shall be the "interested shareholders";
- (II) in case of a buy-back of shares by the Company by an off-market agreement in

accordance with 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 different from those of other shareholders of that class shall be the “interested shareholders”.

Article 112 Resolutions of a shareholders’ class meeting shall be passed only by more than two thirds (2/3) of the total voting rights held by the shareholders of that class who are present and entitled to vote at the shareholders’ class meeting.

Article 82 of the
Mandatory
Provisions

Article 113 In respect of a shareholders’ class meeting convened by the Company, the period of issuing a written notice shall be the same as the period of issuing a written notice of a non-class meeting to be convened together with such class meeting, and the provisions of Article 77 of the Articles of Association shall apply.

Article 83 of the
Mandatory
Provisions;
the Reply on
Adjusting the
Notice Period

Where the listing rules of the places where the shares of the Company are listed have any specific provisions in this regard, such provisions shall prevail.

Article 114 The notice of the shareholders’ class meeting shall be delivered only to the shareholders entitled to voting thereat.

Article 84 of the
Mandatory
Provisions

The procedures of a shareholders’ class meeting shall, to the extent possible, be identical with the procedures of a general meeting. The provisions of the Articles of Association in relation to the procedures for the holding of a general meeting shall be applicable to a shareholders’ class meeting.

Article 115 The special procedures for voting in the shareholders’ class meetings shall not apply under the following circumstances:

Article 85 of the
Mandatory
Provisions;
Rule 9 of
Appendix 3 and
Rule (f) of Section
I of Part D of
Appendix 13 to
the Hong Kong
Listing Rules

- (I) where the Company issues domestic shares and overseas-listed foreign shares, upon approval by way of a special resolution by its shareholders at a general meeting, either separately or concurrently, once every twelve (12) months and the respective number of domestic shares and overseas-listed foreign shares to be issued is not more than twenty percent (20%) of the same class of shares in issue;
- (II) where the Company’s plan to issue domestic shares and overseas-listed foreign shares upon its establishment is implemented within fifteen (15) months from the date of approval by the securities regulatory authority;
- (III) where the holders of domestic shares of the Company transfer their unlisted shares to overseas investors for listing and trading on overseas stock exchanges, or convert all or part of the unlisted shares into overseas-listed shares for listing and trading on overseas stock exchanges upon the approval from the securities regulatory authority of the PRC.

CHAPTER 5 BOARD OF DIRECTORS

SECTION 1 DIRECTORS

Article 116 Directors shall be elected or replaced by the general meeting and serve a term of three (3) years. A director may serve consecutive terms if re-elected upon the expiry of his term, but an independent non-executive director shall be re-elected upon corresponding review procedures in accordance with the listing rules of the places where the Company's shares are listed if such director has served in his position for more than nine years.

Article 45 of the Company Law; Article 87 of the Mandatory Provisions; Article 4 of the Letter of Opinions on Supplementary Amendments; Section 4(3) of Appendix 3 to the Hong Kong Listing Rules

The term of office of a director shall commence from the date when such director takes office, until the expiry of the term of the board of directors.

A general meeting may remove a director before expiry of his term of office by an ordinary resolution subject to compliance with relevant regulations. Such removal does not prejudice the Director's claim for compensations pursuant to any contract.

Article 117 A director shall continue to perform his duties in accordance with relevant regulations and the Articles of Association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office or if the resignation of a director results in the number of directors being less than the quorum.

Article 45 and Article 108 of the Company Law; Article 100 of the Guidelines for Articles of Association; Rule A.4.2 of Appendix 14 to the Hong Kong Listing Rules

A director may resign before the expiration of his term of office. If a director resigns, such director shall tender in writing a letter of resignation to the board of directors, and the board of directors shall disclose relevant board of directors in a timely manner and when necessary. Except that the members of the directors fall below the minimum statutory requirements due to the resignation of a director set out in this Article, the resignation of a director shall take effect at the time when the letter of resignation has been served on the board of directors, unless a later effective date of resignation is prescribed in the letter of resignation. If the resignation of an independent non-executive director results in the number of independent non-executive directors of the board of directors of the Company being less than the quorum, the resignation of this independent non-executive director shall be effective only after the succeeding independent non-executive director has filled his vacancy.

Without violation of relevant laws and regulations and the regulatory rules of the places where the shares of the Company are listed, any director appointed by the board of directors to fill a casual vacancy to the board of directors shall hold office until the first general meeting after acceptance of the appointment and shall then be eligible for re-election.

Article 118 When a director resigns or his term of office expires, the director shall complete all handover procedures with the board of directors. The fiduciary duty of such director towards the Company and the shareholders shall remain for a reasonable period after the termination of the term of office. The length of such period shall be decided upon

Article 101 of the Guidelines for Articles of Association

in accordance with the principle of fairness, taking into account the time elapsed between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates. His confidentiality obligation in relation to the Company's trade secrets shall remain for a period of two (2) years from the expiry of his terms of office.

Article 119 A director shall comply with laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association, and shall owe fiduciary duties towards the Company in the following aspects:

Article 97 of the
Guidelines for
Articles of
Association

- (I) not to use his powers and positions to receive bribes or other illegal income or embezzle properties of the Company;
- (II) not to misappropriate assets of the Company;
- (III) not to deposit assets or funds of the Company in accounts in his own name or other person's name;
- (IV) not to lend funds of the Company to any persons or provide guarantee to other persons with assets of the Company without the approval of a general meeting or the board of directors, in violation of the provisions of the Articles of Association;
- (V) not to enter into any contracts or transactions with the Company in violation of the provisions of the Articles of Association or without the approval of a general meeting;
- (VI) not to use his powers and position to obtain for himself or others any business opportunities which should have been the business opportunities of the Company or to be engaged for himself or others in the same type of business which the Company is engaged in without the approval of a general meeting;
- (VII) not to encroach the commission generated as a result of any transaction with the Company;
- (VIII) not to disclose any secrets of the Company without any authorization;
- (IX) not to prejudice the interests of the Company by using his related relationship;
- (X) to comply with other duties of loyalty under the laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed and the Articles of Association.

Any income obtained by a director in violation of the above provisions shall be attributable to the Company; if the Company suffers any losses, such director shall be liable to compensate.

Article 120 A director shall comply with laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Company shares are listed and the Articles of Association, and shall owe duties of diligence towards the Company in the following aspects:

Article 98 of the
Guidelines for
Articles of
Association

- (I) to exercise the rights conferred on him by the Company in a prudent, careful and diligent manner to ensure that the business conduct of the Company is in

compliance with the requirements of the state laws, administrative regulations and various economic policies and the business activities of the Company are not beyond the business scope as stipulated in the business license;

- (II) to give equal treatment to all shareholders;
- (III) to understand the operation and management of the business of the Company in a timely manner;
- (IV) to confirm any regular reports of the Company by signing on such reports; to ensure that the information disclosed by the Company is true, accurate and complete;
- (V) to provide relevant true information and materials to the supervisory committee and not to interfere with duties and powers exercised by the supervisory committee or any supervisor;
- (VI) other duties of diligence as provided for by laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the Company shares are listed and the provisions of the Articles of Association.

Article 121 The directors shall, both collectively and individually, fulfill fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by the laws of Hong Kong, which means every director must, in the performance of his duties as a director:

Rule 3.08 to the
Hong Kong
Listing Rules

- (I) act honestly in good faith in the interests of the Company as a whole;
- (II) act for proper purpose;
- (III) be accountable to the listed issuer for the application or misapplication of its assets;
- (IV) avoid actual and potential conflicts of interest and duty;
- (V) disclose fully and fairly his interests in contracts with the listed issuer; and
- (VI) apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office as a director of the listed issuer.

Article 122 If a director fails to attend any two (2) consecutive board meetings in person or by appointing other directors to attend such meetings on his behalf, such director shall be deemed incapable of performing his duties, and the board of directors shall make recommendation to a general meeting for replacement.

Article 99 of the
Guidelines for
Articles of
Association

Article 123 Without any legal authorization by the Articles of Association or the board of directors, no director shall use his personal capacity to act on behalf of the Company or the board of directors. If any third parties reasonably believe that a director acts on behalf of the Company or the board of directors while such director acts in his own name, such director shall make a prior statement as to his position and capacity.

Article 102 of the
Guidelines for
Articles of
Association

Article 124 If the Company suffers any losses due to the exercise of the duties by a director in violation of laws, administrative regulations, departmental rules and the provisions of the Articles of Association, such director shall be liable to compensate.

Article 103 of the Guidelines for Articles of Association

SECTION 2 INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 125 Independent non-executive directors refer to the directors who do not hold any other positions in the Company (other than as a director of the Company), and are not related to the Company and its shareholders in a way that may hinder their independent and objective judgment, and comply with the requirements on independence under the listing rules of the places where the shares of the Company are listed.

Rules 3.10(1)-(2), 3.10A and 19A.18(1) to the Hong Kong Listing Rules

The board of directors of the Company shall include independent non-executive directors. There shall be no less than three (3) independent non-executive directors and they shall constitute no less than one third (1/3) of the board of directors. At least one (1) independent non-executive director shall possess appropriate accounting or related financial management expertise and one (1) independent non-executive director shall reside in Hong Kong.

Article 126 If at any time the number of the independent non-executive directors of the Company does not satisfy the number, qualifications or independence requirements under the Hong Kong Listing Rules, the Company shall notify the Hong Kong Stock Exchange promptly, and shall state in the form of announcement the particulars and reasons. The Company shall also appoint a sufficient number of independent non-executive directors to meet the requirements of the Hong Kong Listing Rules within three (3) months after its failure to comply with relevant requirements.

Rule 3.11 to the Hong Kong Listing Rules

Article 127 The independent non-executive director shall have the following powers in addition to those powers conferred upon him by the Company Law and other relevant laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association:

- (I) to propose the convening of extraordinary general meetings. If the board of directors refuses to do so, he may propose to the supervisory committee to convene extraordinary general meetings;
- (II) to propose to convene board meetings;
- (III) to engage auditing firms or consultancy firms necessary for performing duties;
- (IV) to offer independent opinions on matters related to the remuneration plans, incentive scheme and so forth for the Company's directors and senior management members;
- (V) to offer his independent opinions on the material connected transactions (as determined according to the criteria issued by the regulatory authorities in the place(s) of listing from time to time);

(VI) publicly solicit proxies from shareholders before general meetings.

The Company shall ensure that independent non-executive directors will enjoy the same right to information as other directors.

SECTION 3 BOARD OF DIRECTORS

Article 128 The Company shall have a board of directors which shall be accountable to the general meeting. The board of directors consists of seven (7) to nine (9) directors, and the number of independent non-executive directors shall be no less than three (3) and shall account for more than one third (1/3) of the total number of members of the board of directors.

Article 86 of the Mandatory Provisions; Articles 1 and 6 of the Opinions, Rules A.4.3, 3.10 and 3.10A of Appendix 14 to the Hong Kong Listing Rules; Article 96 of the Guidelines for Articles of Association

A director may be the general manager or other senior management officer concurrently, provided that the number of directors who serve as general manager or other senior management officers concurrently and director representatives of the employees shall not exceed one half (1/2) of the number of directors of the Company.

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

An independent non-executive director shall have a term of office of three (3) years and may be reappointed upon re-election for a maximum period of not more than nine (9) years (if more than nine (9) years, such independent non-executive director's re-election and re-appointment shall be approved by the shareholders by means of separate resolution), unless the term of office of the independent non-executive director is otherwise stipulated by the relevant laws and regulations and listing rules of the stock exchange where the shares of the Company is listed.

Article 129 The board of directors shall exercise the following powers and duties:

- (I) to convene a general meeting and report its work to such meeting;
- (II) to implement resolutions of a general meeting;
- (III) to decide on the operation plans and investment plans for the Company;
- (IV) to prepare the annual financial budgets and final accounts of the Company;
- (V) to prepare the Company's profit distribution plans and loss recovery plans;
- (VI) to prepare the plan for the Company to increase or reduce its registered capital, issue of corporate bonds and other securities and other listing plans;

Article 46 of the Company Law; Article 88 of the Mandatory Provisions; Article 107 of the Guidelines for Articles of Association

- (VII) to prepare plans of the Company with respect to merger, division, dissolution or change in the form of the Company;
- (VIII) to prepare plans of the Company with respect to material acquisitions and acquisition of the Company's shares;
- (IX) to decide on the establishment of the internal organizations;
- (X) to establish a basic management system of the Company;
- (XI) to appoint or remove the general manager and secretary to the Board of the Company; to appoint or remove the deputy general manager and other senior management members of the Company nominated by the general manager, and decide on the remunerations and rewards and punishments thereof; to establish a basic management system of the Company;
- (XII) to prepare plans to amend the Articles of Association;
- (XIII) to propose to the general meeting with respect to the appointment or replacement of the audit firm of the Company;
- (XIV) to receive the work report of the general manager of the Company and examine such work;
- (XV) to manage the disclosure of information by the Company in accordance with laws and regulations, the listing rules of the places where the shares of the Company are listed and the Company's internal rules and regulations;
- (XVI) to decide on external investment, acquisition and disposal of assets, asset pledge, external guarantee, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting; to determine other material matters of the Company, except for the matters to be resolved at the general meeting in accordance with the Company Law and the Articles of Association;
- (XVII) to exercise any other duties and powers specified in laws, administrative regulations, departmental rules, normative documents, the listing rules of the places where the shares of the Company are listed or the Articles of Association.

For the above matters of duties and powers exercised by the board of directors which is beyond the scope of authorization by the general meeting or any transaction or arrangement of the Company which shall be considered and approved by a general meeting according to listing rules of the places where the shares of the Company are listed, shall be submitted to the general meeting for consideration and approval.

Article 130 In cases where the expected value of fixed assets proposed for disposal by the board of directors, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds thirty-three percent (33%) of the fixed assets value set out in the latest balance sheet approved by the general meetings, the board of directors shall not dispose of or consent to dispose of such fixed assets without prior approval by the general meeting.

Article 89 of the
Mandatory
Provisions

The term "disposal of fixed assets" referred to in this Article includes transfer of certain interests in assets, but excludes provision of guarantees with fixed assets.

The validity of transactions regarding disposal of fixed assets by the Company shall not be affected due to a violation of the first paragraph of this Article.

Article 131 The board of directors shall formulate the rules of procedures for the board of directors to ensure the implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the board of directors shall be appended to the Articles of Association. It shall be formulated by the board of directors and approved by the general meeting.

Article 109 of the Guidelines for Articles of Association

Article 132 The board of directors shall have one (1) chairman and one (1) vice chairman who shall be elected and removed by more than one half of all the directors. The chairman and vice chairman shall serve a term of three (3) years and may be re-elected upon the expiry of their terms.

Articles 86 and 87 of the Mandatory Provisions

Article 133 The chairman shall exercise the following functions and powers:

Article 90 of the Mandatory Provisions

- (I) to preside over general meetings and to convene and preside over board of directors meetings;
- (II) to procure and check the implementation of resolution of the board of directors;
- (III) to sign on securities issued by the Company;
- (IV) to sign important documents of the board of directors;
- (V) to exercise functions and powers of the legal representative;
- (VI) other functions and powers authorized by the board of directors;
- (VII) other functions and powers stipulated in the laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association.

Article 134 The vice chairman of the Company shall assist the chairman. When the chairman is unable to or does not carry out his duties, they shall be carried out by the vice chairman. If the vice chairman is unable to or does not carry out his duties, they shall be carried out by one (1) director nominated by more than half of the directors.

Article 113 of the Guidelines for Articles of Association

Article 135 The board of directors meetings include regular board meetings and extraordinary board meetings.

Rules A.1.1, A.1.3 and A.7.1 of Appendix 14 to the Hong Kong Listing Rules; Article 91 and Article 92 of the Mandatory Provisions; Article 115 of the Guidelines for Articles of Association; Article 110 of the Company Law

Regular board meetings shall be held at least four (4) times a year at approximately quarterly intervals. The board meeting shall be convened by the chairman of the board by giving a notice to all directors and supervisors fourteen (14) days before the meeting is held.

The chairman shall, convene and preside over the extraordinary board meeting within ten (10) days upon receipt of the proposal in any of the following circumstances:

- (I) proposal of shareholders holding one tenth (1/10) or more of the voting rights;
- (II) it deems necessary by the chairman;
- (III) proposal of one-third (1/3) or more of the directors;
- (IV) proposal of two (2) or more of the independent non-executive directors;
- (V) proposal of the supervisory committee;
- (VI) proposal of the general manager.

The extraordinary board meeting shall be convened by giving a notice in writing to all directors three (3) days before the meeting is held. The body that is responsible shall issue the written notice of meeting to all directors, supervisors and general manager via fax, by post, by hand, via email or through other modes. All notices sent other than by hand shall be confirmed by telephone and the corresponding records shall be kept. Where an extraordinary board meeting shall be convened as soon as possible in emergency, a shorter notice for the meeting may be allowed or the notice of meeting may be sent by telephone or by other verbal means at any time with consent of all directors, but the convener shall make explanations and minutes thereof at the meeting.

Article 136 The notice of the meeting shall be deemed to have been served to a director if he is present at the meeting and does not raise any objection regarding the non-receipt of such notice prior to or at the time of his arrival at the meeting.

A regular or extraordinary board meeting can be held by way of telephone conference or held through other telecommunication devices. As long as such devices enable clear communication among all directors, all directors participating shall be deemed as present in the meeting.

Article 137 The board of directors may accept the board meetings in the form of written resolutions in lieu of meetings on site. However, draft proposals of the meeting must be delivered to each director by hand, post, telegraph, fax or email. After the board of directors has delivered the proposals to all directors and that the number of directors giving consent and signature to the proposals has reached the quorum, such proposals, if delivered to the secretary to the board of directors by means of methods referred to above, shall become a board resolution. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

Rule A.1.1 of
Appendix 14 to
the Hong Kong
Listing Rules

Regular board meetings shall not be convened in the manner provided in the first paragraph of this Article.

Article 138 A notice of board meeting shall include the following contents:

Article 117 of the
Guidelines for
Articles of
Association

- (I) the date, venue and duration of the meeting;
- (II) the method of holding the meeting;
- (III) the subject matters and topics of the meeting;
- (IV) the date of dispatch of the notice.

Article 139 The board meeting shall not be held unless more than one half of the directors are present.

Article 88 and
Article 93 of the
Mandatory
Provisions;
Article 118 of the
Guidelines for
Articles of
Association

Except for the board resolutions in respect of the matters specified in items (VI), (VII) and (XII) above which shall be passed by more than two-thirds (2/3) of all the directors, the board resolutions in respect of all other matters may be passed by the affirmative vote of a simple majority of the directors. Every director shall have one vote when voting on the board resolution. In the case of an equality of votes, the chairman of the board of directors shall be entitled to an additional vote.

Article 140 When a director is related to companies which are the subject of a resolution to be decided at a board meeting, the related director shall not exercise the voting rights on that resolution, and shall not exercise the voting rights on behalf of other directors. Such board meeting can be held if more than one half of the non-related directors attend. Resolutions made by the board meeting shall be passed by more than one half of the non-related directors (in the case of items (VI), (VII) and (XII), such matters shall be approved by more than two-thirds (2/3) of the non-related directors). If less than three (3) non-related directors attend the board meeting, the matter shall be submitted to the general meeting for consideration.

Article 119 of the
Guidelines for
Articles of
Association

Article 141 The board meeting shall vote by way of a show of hands, disclosed ballot or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the board meeting shall be signed by the voting directors.

Article 120 of the
Guidelines for
Articles of
Association

Article 142 The directors shall attend a board meeting in person. If a director is unable to attend for any reasons, he may appoint another director in writing to attend on his behalf. An independent non-executive director must not appoint a director other than an independent non-executive director to attend the meeting. The authorized director shall present authorization letters and exercise the voting right to the extent of the

Article 94 of the
Mandatory
Provisions

authorization conferred. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. It shall be signed or sealed by the principal. If a director does not attend a board meeting in person and does not appoint a representative to attend the meeting, he shall be deemed to have waived the voting rights in the meeting.

Article 143 All directors shall be notified of all material matters to be resolved at the board meeting at the time required by the Articles of Association and be provided with sufficient information strictly in accordance with the procedures as stipulated. Directors may request supplementary information. When at least one-fourth (1/4) of directors or at least two (2) independent non-executive directors consider the information provided is incomplete, the argument is not sufficient or where an informed judgment cannot be made due to other reasons, they may jointly propose to postpone the board meeting or to postpone the discussion of certain matters. The board of directors shall accept such proposal.

Article 3 of the
Opinions

Article 144 The board of directors shall keep minutes of its resolutions on the matters discussed at the meeting. The directors who attended the meeting and the person who drafted the minutes shall sign on the minutes of that meeting.

Article 95 of the
Mandatory
Provisions;
Article 122 of the
Guidelines for
Articles of
Association

The directors shall be responsible for the resolutions of the board of directors. Where 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 took part in the resolution shall be liable for the damages suffered by the Company. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the director shall be relieved from such liability.

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

Article 145 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).

Article 123 of the
Guidelines for
Articles of
Association

SECTION 4 SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS

Article 146 The board of directors consists of four special committees, namely the audit committee, remuneration committee, nomination committee, and strategy committee. The duties, composition and the rules of procedures for such committees shall be decided by the board of directors separately. The board of directors may establish other special committees as necessary.

Article 107 of the Guidelines for Articles of Association

The special committees under the board of directors are special working bodies established by the board of directors to provide suggestions or advice for major decisions of the board of directors. The special committees shall not make any decision in the name of the board of directors, but they may exercise decision-making power on authorized matters according to the special authorization of the board of directors.

CHAPTER 6 SECRETARY TO THE BOARD OF DIRECTORS

Article 147 The Company shall have one (1) secretary to the board of directors. The secretary to the board of directors shall be one of the senior management members.

Article 96 of the Mandatory Provisions

Article 148 The secretary to the board of directors shall be a natural person with necessary professional knowledge and experience. The secretary shall be nominated by the chairman of the board of directors, and appointed or dismissed by the board of directors. The main duties of the secretary to the board of directors are:

Article 97 of the Mandatory Provisions

- (I) to guarantee that the Company has complete organizational documents and records; to keep and manage shareholders' information; to assist the directors in addressing the routine tasks of the board of directors;
- (II) to organize and arrange for the board meetings and general meetings, to prepare meeting materials, to handle relevant meeting affairs, to be responsible for keeping minutes of the meetings and to ensure their accuracy, to keep meeting documents and minutes and to take initiative to keep abreast of the implementation of relevant resolutions. Any important issues occurring during the implementation shall be reported to the board of directors with suggestions proposed;
- (III) as the contact person between the Company and the securities regulatory authorities, to be responsible for preparation and timely submission of the reports and documents as required to the regulatory authorities, and to accept any task from the regulatory authorities and organize the implementation thereof;
- (IV) to be responsible for coordinating and organizing information disclosure of the Company, to establish and improve the information disclosure system, to participate in all meetings of the Company involving information disclosure, and to keep informed of the material operational decisions and relevant information of the Company in a timely manner;
- (V) to ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information;

- (VI) to perform other duties and powers as conferred by the board of directors, as well as other duties and powers as required by laws and regulations and the stock exchange of the places where the Company's shares are listed.

Article 149 Executive directors or other senior management members of the Company may serve concurrently as the secretary to the board of directors of the Company. The accountants of the accounting firm engaged by the Company shall not serve concurrently as the secretary to the board of directors of the Company.

Article 98 of the
Mandatory
Provisions

In the event that a director concurrently serves as the secretary to the board of directors of the Company, and if an act concerned shall be conducted by the directors and the secretary to the board of directors of the Company separately, such person concurrently serving as a director and the secretary to the board of directors of the Company shall not conduct such act in dual capacities.

CHAPTER 7 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article 150 The Company shall have one (1) general manager, one (1) executive deputy general manager, several deputy general managers, several assistant general managers, and one (1) person-in-charge of finance, who shall be nominated by the general manager. Executive directors may also concurrently serve as general manager, deputy general manager or other senior management members. The general manager, deputy general manager and other senior management members shall be appointed and dismissed by the board of directors.

Article 99 of the
Mandatory
Provisions

Article 151 The provisions of the Articles of Association concerning the obligations of loyalty and due diligence of directors shall equally apply to the senior management.

Article 125 of the
Guidelines for
Articles of
Association

Article 152 The general manager shall be accountable to the board of directors and exercise the following powers and duties:

Article 100 and
Article 101 of the
Mandatory
Provisions

- (I) to take charge of the operation and management of the Company, organize the implementation of board of directors resolutions and report his work to the board of directors;
- (II) to organize the implementation of the annual operation plans and investment plans of the Company;
- (III) to draft the plan for the establishment of an internal management organization of the Company;
- (IV) to formulate the Company's basic management system;
- (V) to make specific rules and regulations of the Company;
- (VI) to propose to the board of directors for the appointment or dismissal of other senior management members other than those who should be nominated by the chairman of the board of directors;

- (VII) to appoint or dismiss the management personnel other than those who should be appointed or dismissed by the board of directors;
- (VIII) to propose to convene extraordinary board meeting;
- (IX) to decide on other matters of the Company within the authority granted by the board of directors;
- (X) to decide on the investments, acquisitions or disposals, financing, etc. other than those that shall be decided by the board of directors or the general meeting;
- (XI) to perform other powers and duties authorized by the Articles of Association or the board of directors.

The general manager of the Company may attend the board meeting. The non-managing director has no right to vote at the board meetings.

Article 153 The general manager shall, in exercising his functions and powers, perform the duties in good faith and due diligence in accordance with the provisions of laws, administrative regulations and the Articles of Association.

Article 102 of the Mandatory Provisions

Article 154 If any senior management violates 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.

Article 134 of the Guidelines for Articles of Association

CHAPTER 8 SUPERVISORY COMMITTEE

SECTION 1 SUPERVISORS

Article 155 Directors, general manager and other senior management shall not concurrently serve as supervisors.

Article 117 of the Company Law; Article 106 of the Mandatory Provisions

Article 156 The supervisors shall comply with the laws, administrative regulations, Article departmental rules, normative documents, listing rules of the places where the shares of the Company are listed and the Articles of Association, and perform their duty of loyalty and duty of diligence to the Company. They shall not abuse their powers to accept bribes or other illegal income and not to misappropriate any properties of the Company. The duty of loyalty and duty of diligence of the directors as contained in the Articles of Association shall also be applicable to the supervisors.

Article 136 of the Guidelines for Articles of Association

Article 157 The supervisors shall serve for a term of three (3) years. The term of a supervisor may be renewable and subject to re-election upon the expiration of his term of office.

Article 137 of the Guidelines for Articles of Association

A supervisor may resign prior to the expiry of his term of office. The provisions in respect of the resignation of the directors in the Articles of Association shall be applicable to the supervisors.

Article 158 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 term of office, the original supervisor shall continue to perform his duties as a supervisor in accordance with the requirements of laws, administrative regulations and the Articles of Association until a newly elected supervisor takes office.

Article 138 of the Guidelines for Articles of Association

Article 159 The supervisors shall discharge supervisory duties in good faith in accordance with laws, administrative regulations and the Articles of Association.

Article 111 of the Mandatory Provisions; Article 142 of the Guidelines for Articles of Association;

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 160 The Company shall have a supervisory committee. The supervisory committee shall be comprised of three (3) supervisors, of which the proportion of employee representative supervisors shall not be less than one third (1/3). Shareholder representative supervisors shall be elected and dismissed by the general meetings. Employee representative supervisors shall be elected by employee representative meetings, employee meetings or other forms of democratic elections.

Article 103, Article 104 and Article 105 of the Mandatory Provisions; Article 5 of the Letter of Opinions on Supplementary Amendments; Rule d of Section 1, Part D, Appendix 13 to the Hong Kong Listing Rules

The supervisory committee shall have one (1) chairman who shall be appointed or dismissed by the votes of two thirds (2/3) or more of the members of the supervisory committee.

Article 161 The supervisory committee shall exercise the following duties and powers:

Article 53 of the Company Law;
Article 108 of the Mandatory Provisions

- (I) to review the financial position of the Company;
- (II) to supervise the performance of directors and senior management members of their duties to the Company, and propose dismissal of directors and senior management members that have violated the laws, administrative regulations, the Articles of Association or the resolutions of the general meetings;
- (III) to demand rectification by directors and senior management members when the acts of such persons are prejudicial to the Company's interest and, if necessary, report to the general meeting or relevant national competent authorities;
- (IV) to propose the convening of an extraordinary general meeting, and to convene and preside over the general meeting when the board of directors fails to perform such duties as specified by the Company Law;
- (V) to propose the convening of an extraordinary board meeting;
- (VI) to put forward proposals to general meetings;
- (VII) to initiate litigations against directors and senior management members in accordance with provisions of the Company Law;
- (VIII) to conduct investigations into any irregularities identified in the operation of the Company and, where necessary, may engage an accounting firm and a law firm to assist their work at the Company's expense;
- (IX) to exercise other duties and powers conferred by laws, administrative regulations, departmental rules, normative documents, listing rules of the places where the Company is listed and the Articles of Association.

Article 162 Meeting of the supervisory committee shall be held at least once every six (6) months, and shall be convened and presided over by the chairperson of the supervisory committee. If the chairperson of the supervisory committee is unable or fails to perform and exercise his functions and powers, a meeting of the supervisory committee shall be convened and presided over by a supervisor jointly nominated by more than half of the supervisors.

Article 117 of the Company Law;
Article 107 of the Mandatory Provisions

Any supervisor may propose an extraordinary meeting of the supervisory committee to be held.

When the supervisory committee calls a regular meeting or extraordinary meeting, it shall deliver a written meeting notice to all of the supervisors by hand, fax, email or other means ten (10) days (for regular meetings) or five (5) days (for extraordinary meetings) prior to the date of such meeting. If service is made indirectly, confirmation shall additionally be made by telephone and the appropriate record thereof shall be made.

Where an extraordinary meeting of the supervisory committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 163 The meeting of the supervisory committee shall vote by way of open ballot, written resolution or other means of voting approved by the regulatory authority. Any resolution made by video-conference, teleconference, facsimile or other communication equipment in the meeting of the supervisory committee shall be signed by the voting supervisors.

Article 109 of the Mandatory Provisions; Article 6 of the Letter of Opinions on Supplementary Amendments

The resolutions of the supervisory committee shall be passed by over two third (2/3) (inclusive) of the members of the supervisory committee by voting.

Article 164 Where the supervisory committee discovered unusual operation of the Company, it shall conduct investigations. It shall engage professionals such as lawyers and accountants for assistance if necessary, and the reasonable expenses incurred in engaging professionals such as lawyers, certified public accountants and practicing auditors in their performance of duties shall be borne by the Company.

Article 54 of the Company Law; Article 110 of the Mandatory Provisions

Article 165 The supervisory committee shall formulate rules of procedures for the meetings of the supervisory committee, specifying the method for discussion and voting procedures of meetings, in order to ensure the efficient work and scientific decision making of the supervisory committee. The rules of procedures for the meetings of the supervisory committee shall be attached as an annex to the Articles of Association, formulated by the supervisory committee and approved at the general meeting of the Company.

Article 146 of the Guidelines for Articles of Association

Article 166 The supervisory committee shall record all decisions on matters discussed in the minutes, which shall be signed by the supervisors present at the meeting and the person who records the minutes. The supervisors shall be entitled to make particular illustrative statements regarding their opinions expressed at the meeting recorded in the minutes. The minutes of the supervisory committee shall be kept as archives of the Company for at least ten (10) years.

Article 147 of the Guidelines for Articles of Association

CHAPTER 9 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Article 167 Apart from the qualifications specified in other provisions of the Articles of Association, a person may not serve as a director, supervisor or any other senior management member of the Company if any of the following circumstances apply:

Article 146 of the Company Law; Article 112 of the Mandatory Provisions; Article 95 of the Guidelines for Articles of Association

- (I) a person without capacity or with restricted capacity for civil acts;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such criminal offence; or who has been deprived of his political rights, in each case where less than five

- (5) years have elapsed since the date of completion of the implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation due to improper operation and management and is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise that had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;
- (V) a person who has a relatively large amount of debts due and outstanding;
- (VI) a person who is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution has not yet concluded;
- (VII) a person who is not eligible for enterprise leadership under the law and administrative regulations;
- (VIII) non-natural person;
- (IX) a person convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (X) other circumstances prescribed by the law, administrative regulations, departmental regulations, normative documents or rules of securities regulatory authorities where the Company's shares are listed.

Where the Company elects, appoints or employs its directors, supervisors, general managers or other senior management members in violation of the provisions of the preceding paragraph, such election, appointment or employment shall be invalid. Where, during his term of office, a director, supervisor, general manager or other senior management member is found to be a person as specified in the preceding paragraph of this Article, the Company shall remove him from office.

Article 168 The validity of an act carried out by a director, general manager and other senior management members of the Company on its behalf shall, as against a bona fide third party, not be affected by any non-compliance in his office, election or any defect in his qualification.

Article 113 of the
Mandatory
Provisions

Article 169 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, general manager and other senior management members shall owe the following duties to each shareholder when exercising the functions and powers of the Company entrusted to him:

Article 114 of the
Mandatory
Provisions

- (I) not to cause the Company to exceed the scope of business stipulated in its business license;
- (II) to act honestly and in the best interests of the Company;
- (III) not to expropriate the Company's property in any way, including, but not limited to, usurpation of opportunities which benefit the Company;

- (IV) not to expropriate individual rights of shareholders, including, but not limited to, rights to distribution and voting rights, except for the restructuring of the Company, which has been submitted to the shareholders for approval in accordance with the Articles of Association.

Article 170 Directors, supervisors, general managers and other senior management members of the Company, in the exercise of his powers and in the discharge of his duties, shall be liable to exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

Article 115 of the
Mandatory
Provisions

Article 171 The directors, supervisors, general managers and other senior management members of the Company shall perform his duties in accordance with the fiduciary principle; and shall not put himself in a position where his interest and his duty may conflict. This principle includes, but is not limited to, discharging the following obligations:

Article 116 of the
Mandatory
Provisions

- (I) to act honestly in the best interests of the Company;
- (II) to act within the scope of his powers and shall not exceed such powers;
- (III) to exercise the discretion conferred on him in person and shall not allow himself to act under the control of others, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the exercise of his discretion to others;
- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) unless otherwise provided for in the Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) not to use the Company's property in any way for his own benefit, without the informed consent of the shareholders given at a general meeting;
- (VII) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property in any way, including, but not limited to, opportunities which are favorable to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given at a general meeting;
- (IX) to comply with the Articles of Association, to perform his duties in a faithful manner, to protect the Company's interests and not to exploit his position and power in the Company to advance his own interests;
- (X) not to compete with the Company in any way, except with the informed consent of the shareholders given at a general meeting;
- (XI) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his own name or in the name of any other person or to use such assets to provide

guarantee for the debts of a shareholder of the Company or any other personal liabilities;

- (XII) not to disclose any confidential information, which he has obtained during his term of office, without the informed consent of the shareholders at a general meeting; nor shall he use such information other than for the Company's benefit, provided that the disclosure of such information to the court or other competent governmental authorities is permitted if:
- (1) such disclosure is required by law;
 - (2) required in the public interests;
 - (3) the interests of such director, supervisor, managers or other senior management member so require.

Article 172 The directors, supervisors, general managers and other senior management members of the Company shall not direct the following persons or institutions (hereinafter referred to as the "associate(s)") to act in a manner, which he is prohibited from acting:

Article 117 of the
Mandatory
Provisions

- (I) the spouse or minor child of the directors, supervisors, general managers or other senior management members of the Company;
- (II) the trustee of the directors, supervisors, general managers or other senior management members of the Company or of any person referred to in item (I) of this Article;
- (III) the partner of the directors, supervisors, general managers or other senior management members or any person referred to in items (I) and (II) of this Article;
- (IV) a company in which the directors, supervisors, general managers or other senior management members of the Company, whether alone or jointly with the persons referred to in items (I), (II) and (III) of this Article or other directors, supervisors, general managers and other senior management members of the Company, has de facto controlling interest;
- (V) the directors, supervisors, general manager and other senior management members of a company, which is being controlled in the manner referred to in item (IV) of this Article.

Article 173 The fiduciary duties of the directors, supervisors, general manager and other senior management members of the Company do not necessarily cease with the termination of their tenure. Their duties of confidentiality in respect of trade secrets of the Company survive the termination of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has elapsed between the termination, the act concerned, the circumstances and the terms under which the relationship between such directors, supervisors, general managers and the senior management members and the Company was terminated.

Article 118 of the
Mandatory
Provisions

Article 174 Other than the situation provided under Article 60 of the Articles of Association, the directors, supervisors, general managers and other senior management members of the Company may be released from liabilities for specific breaches of his duty with the informed consent of the shareholders given at a general meeting.

Article 119 of the
Mandatory
Provisions

Article 175 Where the directors, supervisors, general managers or other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than the service contracts between the Company and the directors, supervisors, general managers and other senior management members), he shall declare the nature and extent of his interests 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.

Article 120 of the Mandatory Provisions; Rule 4(1) of Appendix 3 to the Hong Kong Listing Rules

Saved for exceptions permitted under the Hong Kong Listing Rules and applicable regulations, a director shall not vote on any board resolution approving any contract, transaction, arrangement or any relevant proposal in which he or any of his close associate (as defined in the applicable Hong Kong Listing Rules effective from time to time) has a material interest nor shall he be counted in the quorum present at the meeting when determining whether there is a quorum or not.

Unless the interested directors, supervisors, general managers and other senior management members of the Company discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the interested directors, supervisors, general managers or other senior management members of the Company are not counted as part of the quorum and refrains from voting, such contract, transaction or arrangement is voidable at the discretion of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by such directors, supervisors, general managers or other senior management members.

The directors, supervisors, general managers or other senior management members of the Company are deemed to be interested in a contract, transaction or arrangement in which the associate of such directors, supervisors, general managers and other senior management members is interested.

Article 176 Where the directors, supervisors, general managers or other senior management members of the Company give to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient disclosure of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the execution of the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 121 of the Mandatory Provisions

Article 177 The Company shall not pay taxes for its directors, supervisors, general managers or other senior management members in any manner.

Article 122 of the Mandatory Provisions

Article 178 The Company shall neither directly or indirectly make a loan to or provide any security for the directors, supervisors, general managers or other senior management members of the Company or its parent company, nor make a loan or provide any security for any of their respective associates.

Article 123 of the
Mandatory
Provisions

The foregoing provision is not applicable in the following circumstances:

- (I) the provision by the Company of a loan to or a security for its subsidiary;
- (II) the provision by the Company of a loan or a security or any other funds available to its directors, supervisors, general managers and other senior management members to meet expenditure incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (III) if the ordinary business scope of the Company includes the lending of money and provision of security, the Company may make a loan to or provide a security for the relevant directors, supervisors, general managers and other senior management members or their respective associates on normal commercial terms.

Article 179 Any person who receives funds from a loan, which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, repay such funds forthwith.

Article 124 of the
Mandatory
Provisions

Article 180 A security for the repayment of a loan, which has been provided by the Company acting in breach of Article 178(I) shall not be enforceable against the Company, save in respect of the following circumstances:

Article 125 of the
Mandatory
Provisions

- (I) the security was provided in connection with a loan, which was made to an associate of the directors, supervisors, general Managers and other senior management members of the Company or its parent company and the lender of such funds is not informed;
- (II) the collateral, which has been provided by the Company has already been legally disposed of by the lender to a bona fide purchaser.

Article 181 For the purposes of the foregoing provisions of this Chapter, a “security” includes an undertaking or property provided by the guarantor to secure the obligor’s performance of his obligations.

Article 126 of the
Mandatory
Provisions

Article 182 In addition to rights and remedies provided by the laws and administrative regulations, where the directors, supervisors, general managers and other senior management members of the Company breach the duties which he is liable to the Company for, the Company has the right to adopt the following measures:

Article 127 of the
Mandatory
Provisions

- (I) to demand such directors, supervisors, general managers or other senior management members to compensate for losses sustained by the Company as a result of such breach;
- (II) to rescind any contract or transaction, which has been entered into between the Company and such directors, supervisors, general managers or other senior management members, or between the Company and a third party (where such third party knows or should have known that such directors, supervisors, general managers or other senior management members on behalf the Company have breached his duties liable to the Company);
- (III) to demand such directors, supervisors, general managers or other senior management members to turn in profits gained as a result of the breach of his duties;
- (IV) to recover any monies, which should have been received by the Company but were received by such directors, supervisors, general managers or other senior management members instead, including (but without limitation to) commissions;
- (V) to demand repayment of interest earned or which may have been earned by such directors, supervisors, general managers or other senior management members on monies that should have been paid to the Company.

Article 183 With prior approval given at a general meeting or board meeting, the Company shall enter into written contracts with the directors, supervisors and other senior management members in respect of emoluments. Such written contracts shall contain at least the following provisions:

Article 128 of the
Mandatory
Provisions

- (I) an undertaking by the director, supervisor and senior management to the Company to comply with the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other regulations of the Hong Kong Stock Exchange and an agreement that the Company shall have the remedies provided in the Articles of Association and that neither the contract nor his office is capable of assignment;
- (II) an undertaking by the director, supervisor and senior management to the Company (for and on behalf of each shareholder) to comply with and perform his obligations to shareholders as stipulated in the Articles of Association;
- (III) arbitration clause as provided in Article 242 of the Articles of Association.

Such emoluments include:

- (I) emoluments in respect of his service as directors, supervisors or senior management members of the Company;
- (II) emoluments in respect of his service as directors, supervisors or senior management members of subsidiaries of the Company;

- (III) emoluments in respect of the provision of other services in connection with the management of the Company and its subsidiaries;
- (IV) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for any benefits in respect of the aforesaid matter.

The Company shall, on a regular basis, disclose to shareholders the emoluments obtained by the directors, supervisors and senior management members from the Company.

Article 184 The contract concerning the emoluments between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company’s directors and supervisors shall, subject to the prior approval at the general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to in the preceding paragraph means any of the followings:

Article 129 of the Mandatory Provisions

- (I) a take-over offer made by any person to all the shareholders;
- (II) a take-over offer made by any person with the purpose of the offeror becoming a “controlling shareholder” as defined in Chapter 15 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of said offer. The expense incurred in distributing that sum amongst those persons shall be borne by the relevant director or supervisor on a pro rata basis and may not paid out of that sum.

CHAPTER 10 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT OF THE COMPANY

SECTION 1 FINANCIAL AND ACCOUNTING SYSTEM

Article 185 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant authorities in the PRC.

Article 130 of the Mandatory Provisions

Article 186 The financial year of the Company shall coincide with the calendar year, i.e., from January 1 to December 31 on the Gregorian calendar.

Article 164 of the Company Law;

The Company shall prepare a financial report at the end of each accounting year, which shall be audited by an accounting firm in compliance with laws. The financial and accounting reports shall be prepared in accordance with laws, regulations and requirements of the relevant authorities in the PRC.

Article 131 of the Mandatory Provisions

Article 187 The board of directors of the Company shall present before the shareholders at every annual general meeting such financial reports to be prepared by the Company as required by the relevant laws, administrative regulations or normative documents promulgated by local governments or competent authorities.

Article 132 of the
Mandatory
Provisions

Article 188 The financial reports of the Company shall be kept at the Company for shareholders to inspect twenty (20) days before the annual general meeting is held. Each shareholder of the Company shall have the right to obtain the copy of the financial report mentioned in this Chapter.

Article 133 of the
Mandatory
Provisions;
Article 7 of the
Letter of
Opinions on
Supplementary
Amendments;
Rule 5 of
Appendix 3 to
the Hong Kong
Listing Rules

Except as otherwise provided in the Articles of Association, the Company shall, at least twenty-one (21) days before the annual general meeting, post the aforesaid report or directors' report together with the balance sheet (including all documents required to be attached by laws and administrative regulations of China or other regions), profit and loss statement (income statement) or income and expenditure statement (cash flow statement), or summary of financial statement without violation of relevant laws of China approved by HKEx on the websites of the Stock Exchange and the Company and keep them at the Company for shareholders to inspect.

Article 189 The financial statements of the Company shall be prepared in accordance with the PRC accounting principles, laws, rules and regulations. In addition, if the Company deems it necessary, the financial statements of the Company may also be prepared in accordance with international accounting principles or those of the place where the Company's shares are listed. If there is any material difference between the financial statements prepared in accordance with the above two accounting principles, such difference shall be stated in the notes to the financial statements. In distributing the Company's after-tax profits of the relevant accounting year, the lower of the two amounts shown in the financial statements shall be adopted.

Article 134 of the
Mandatory
Provisions

Article 190 The interim results, annual results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting principles, laws, rules and regulations. In addition, if the Company deems it necessary, the financial statements of the Company may also be prepared in accordance with international accounting principles or those of the place where the Company's shares are listed.

Article 135 of the
Mandatory
Provisions

Article 191 The Company shall publish two (2) financial reports in each accounting year, namely, the interim financial report that shall be published within two (2) months

Article 136 of the
Mandatory
Provisions;

after the end of the first six (6) months of the accounting year; and the annual financial report that shall be published within four (4) months after the end of the accounting year.

Rule 13.49(1) and Rule 13.49(6) to the Hong Kong Listing Rules

The Company shall publish two results announcements in each accounting year, namely, the interim results announcement that shall be published within two (2) months after the end of the first six (6) months of the accounting year and the annual results announcement that shall be published within three (3) months after the end of the accounting year.

Other regulations of the listing rules at the places where the shares of the Company are listed shall prevail.

Article 192 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 137 of the Mandatory Provisions

Article 193 The profit distribution proposal of the Company for each year shall be considered and approved at the general meeting. The Company shall distribute its after-tax profit in the following proportion and order:

Article 166 of the Company Law; Article 152 of the Guidelines for Articles of Association

- (I) recovering losses;
- (II) withdrawing ten percent (10%) of after-tax profit of the current year as a statutory common reserve fund;
- (III) withdrawing a discretionary common reserve fund according to resolutions of the general meeting;
- (IV) distributing dividends to shareholders.

The Company may not withdraw a statutory common reserve fund if the cumulative amount has reached more than fifty percent (50%) of the Company's registered capital. The general meeting shall determine whether to withdraw the discretionary reserve and its proportion after withdrawing the statutory reserve and the risk reserve.

If the statutory reserve could not cover the losses of the preceding year, profit of the year shall be used to cover the losses before withdrawing the statutory reserve.

If the general meeting has, in violation of the provisions of the preceding paragraphs, 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. After losses have been covered and the statutory reserve and risk reserve have been allocated in accordance with

the Articles of Association, any remaining after-tax profits shall be distributed to the shareholders in proportion to their shareholdings, unless otherwise stipulated in the Company's Articles of Association.

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

Article 194 Reserves of the Company are used for offsetting losses of the Company, Article 168 of expanding the Company's production and operation or increasing the capital of the Company. However, capital reserve shall not be used to offset losses of the Company. If the statutory reserve is converted into capital, the balance of the statutory reserve shall not fall below twenty-five percent (25%) of the Company's registered capital before the increase of the capital.

Article 168 of the Company Law; Article 153 of the Guidelines for Articles of Association; Article 138 of the Mandatory Provisions

Capital reserve fund includes the following items:

- (I) premium received when shares are issued at a premium to their par value;
- (II) other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 195 The Company may distribute dividends in cash or shares. When a dividend is distributed by way of shares, a resolution shall be made by the general meeting and submitted to the securities regulatory authorities and other relevant competent authorities for approval.

Article 139 of the Mandatory Provisions

Cash dividends and other distributions declared by the Company to the holders of domestic shares shall be paid in Renminbi. Cash dividends and other distributions declared by the Company to the holders of foreign capital shares shall be declared and denominated in Renminbi, and paid in foreign currencies. Foreign currencies for the payment of cash dividends and other distributions payable by the Company to the holders of foreign capital shares shall be obtained pursuant to the relevant regulations on the administration of foreign exchange of the State.

Unless otherwise provided by the relevant laws and regulations, where cash dividends and other distributions are paid in foreign currencies, the exchange rate shall be based on the average middle exchange rate of foreign currencies against Renminbi announced by the People's Bank of China one calendar week preceding the date where such dividends or other distributions are declared.

Article 196 Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.

Rule 3(1) of Appendix 3 to the Hong Kong Listing Rules; Rule 19A.47 and Rule 13 and paragraph 2 in Rule 3 of Appendix 3 to the Hong Kong Listing Rules

Subject to the laws and regulations of the PRC and rules of the Hong Kong Stock Exchange, the Company may exercise power to forfeit unclaimed dividends, provided that it may do so only after the expiration of the applicable relevant period.

The Company has the right to terminate the dispatch of dividend warrants to the holders of overseas-listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is, for the first time, undelivered to the addressee and returned, the Company may also exercise such right.

The Company has the right to sell, in such manner as the board of directors thinks fit, any shares of an overseas-listed foreign shareholder who is untraceable, subject to the following conditions:

- (I) the Company has distributed dividends for at least three times to such shares within twelve (12) years, but none of such dividends was claimed;
- (II) the Company, after the expiration of the twelve (12)-year period, made public announcement on one or more of the newspapers at the jurisdiction where the shares of the Company are listed, stating its intention to sell such shares, and notified the securities regulatory authorities of the places where the shares of the Company are listed.

Article 197 The Company shall appoint receiving agent(s) for holders of the overseas-listed foreign shares. Such receiving agent(s) shall receive dividends which have been declared by the Company and other amounts payable in respect of overseas-listed foreign shares on such shareholders' behalf.

Article 140 of the Mandatory Provisions; Article 8 of the Letter of Opinions on Supplementary Amendments; Rule 19A.51, Section 1(c) in Part D of Appendix 13 to the Hong Kong Listing Rules

The receiving agents appointed by the Company shall meet the requirements of the laws or the relevant regulations of the stock exchange of the places where the Company's shares are listed.

The receiving agents appointed by the Company for holders of overseas-listed foreign shares which are listed in Hong Kong shall be trust companies registered pursuant to the Trustee Ordinance of Hong Kong.

SECTION 2 APPOINTMENT OF AN ACCOUNTING FIRM

Article 198 The Company shall appoint an independent accounting firm qualified under the relevant regulations of the State to audit the Company's annual financial report and review other financial reports of the Company.

Article 141 and Article 142 of the Mandatory Provisions

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

If the inaugural meeting fails to exercise its aforesaid powers, those powers shall be exercised by the board of directors.

The term of office of an accounting firm appointed by the Company shall be one (1) year commencing from the conclusion of each annual general meeting of shareholders until the conclusion of the next annual meeting of shareholders, and the term of appointment may be renewed upon expiry.

Article 199 The accounting firm appointed by the Company shall enjoy the following rights:

Article 143 of the
Mandatory
Provisions

- (I) to inspect the financial statements, books, and records of the Company at any time; and to require the directors, general manager or other senior management of the Company to provide relevant information and explanations;
- (II) to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanations as are necessary for the purpose of discharging its duties;
- (III) to attend general meetings and to receive all notices of, and other information relating to any general meeting, and to deliver speeches at any general meeting in relation to the matters concerning its role as the accounting firm of the Company.

Article 200 In the event of any casual vacancy of the office of the accounting firm, before the convening of the general meeting, the board of directors may fill any casual vacancy in the office of the accounting firm subject to confirmation at the next annual general meeting, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 144 of the
Mandatory
Provisions

Article 201 The shareholders in a general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim against the Company, if any, for damages in respect of such removal.

Article 145 of the
Mandatory
Provisions

Article 202 The remuneration of an accounting firm or the manner for determining the same shall be determined by the shareholders at a general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 146 of the
Mandatory
Provisions

Article 203 The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the shareholders at a general meeting, and such resolution shall be filed with securities regulatory authorities.

Article 147 of the
Mandatory
Provisions

Article 204 Where the Company dismisses or ceases to re-appointing an accounting firm, a notice shall be given to the accounting firm thirty (30) days in advance, and the accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm resigns, it shall explain at the general meeting whether there are any improper circumstances of the Company.

Article 148 of the
Mandatory
Provisions
Article 9 of the
Letter of
Opinions on
Supplementary
Amendments;
Rule e(i) in
Section 1 in Part
D of Appendix 13
to the Hong Kong
Listing Rules

Where it is proposed that any resolution be passed at a general meeting 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, or to reappoint a retiring accounting firm which was appointed by the board of directors to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply: 147 of the Mandatory Provisions Article 148 of the Mandatory Provisions;

- (I) A copy of the proposal about the appointment or removal shall be sent to the firm proposed to be appointed or proposing to cease to act or the firm which has ceased to act in the relevant financial year before notice of general meeting is given to the shareholders.

Ceasing to act includes leaving by removal, resignation and retirement.

- (II) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):

1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accounting firm;
2. send the duplicate copy of the statement in the form of an attachment to the notice to shareholders entitled thereto in a way stipulated by the Articles of Association.

- (III) if the Company fails to send the statement of relevant accounting firm according to the provisions of item (II) above, the accounting firm may request the statement be read out at the general meeting and make further appeal.

- (IV) the leaving accounting firm shall be entitled to attend the following meetings:

1. the general meeting at which its term of office expires;
2. the general meeting at which it is proposed to fill the vacancy caused by its removal;
3. the general meeting, which is convened as a result of its resignation.

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

Article 205 Where the Company dismisses or ceases to re-appointing an accounting firm, a notice shall be given to the accounting firm thirty (30) days in advance, and the accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm resigns, it shall explain at the general meeting whether there are any improper circumstances of the Company.

Article 148 of the Mandatory Provisions; Article 10 of the Letter of Opinions on Supplementary Amendments; Rule e(ii), (iii), (iv) in Section 1 in Part D of Appendix 13 to the Hong Kong Listing Rules

An accounting firm may resign its office by depositing a written resignation notice at the Company's legal address. Such notice 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 circumstances connected with its resignation, which it considers should be brought to the notice of the shareholders or creditors of the Company;
- (II) a statement of any other circumstances requiring an explanation.

The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant responsible department within fourteen (14) days after receipt. If the notice contains a statement as mentioned in item (II) of the preceding paragraph, the Company shall also send a copy thereof to each shareholder that has the right to receive the report of the Company's financial situations. Subject to the laws, administrative regulations, departmental rules, the relevant requirements of securities regulatory authority in the jurisdiction in which the shares of the Company are listed, the Company may also send the aforesaid reports by way of announcements (including announcements via the Company's website).

If the notice of resignation of the accounting firm contains a statement in respect of any circumstances requiring an explanation, the firm may require the board of directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

CHAPTER 11 PARTY ORGANIZATION AT THE PRIMARY LEVEL

Article 206 In accordance with the provisions of the Constitution of the Communist Party of China (《中國共產黨章程》), and as approved by the superior party organization, the Company has established the Communist Party Committee of Lushang Life Services Co., Ltd. (中共魯商生活服務股份有限公司委員會) (the "Party Committee of the Company"). Meanwhile, in accordance with the relevant regulations, the Company has established the Communist Party Commission for Discipline Inspection of Lushang Life Services Co., Ltd. (中共魯商生活服務股份有限公司紀律檢查委員會) (the "Party Commission for Discipline Inspection of the Company")

Article 207 The leading group of the Party Committee of the Company shall be equipped based on the management authority in accordance with the Constitution of the Communist Party of China (《中國共產黨章程》) and the Regulations on Grass-root Organizations of State-owned Enterprises of the Communist Party of China (For Trial Implementation) (《中國共產黨國有企業基層黨組織條例(試行)》) and other provisions. The leading group of the Party Committee of the Company consists of 5 to 9 members, including 1 secretary of the Party Committee of the Company, and 1 secretary of the Party Commission for Discipline Inspection of the Company.

Article 208 The Party Committee of the Company shall establish committees at grassroots level, committees under the general branch, branch committees of the Party by hierarchy, establish and improve party affairs work institutions, and equip party affairs staff in accordance with the relevant provisions. The Party Organization of the Company conducts regular general election in accordance with the Regulations on the Election of Grass-root Organizations of the Communist Party of China (《中國共產黨基層組織選舉工作條例》).

Article 209 The Party Committee of the Company shall play the leadership role, setting the direction, keeping in mind the big picture and ensuring the implementation of the Party policies and principles, discussing and deciding on major company matters in accordance with regulations. Major business and management matters shall be studied and discussed by the Party organization before the board of directors or the management makes a decision. The main responsibilities are:

- (I) To strengthen the political construction of the Company's Party, adhere to and implement the fundamental, basic and important systems of socialism with Chinese characteristics, educate and guide all Party members to always maintain a high degree of consistency with the central committee of the Party with Comrade Xi Jinping at the core in terms of political stance, political direction, political principles and political path;
- (II) to thoroughly study and implement Xi Jinping Thought on socialism with Chinese characteristics in the new era, thoroughly implement the Party's line, principles and policies, as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee and the resolutions of the Party organization at higher levels in the Company, promote the Company's responsibility and mission, focus on the main responsibility, the main business, and service major national and provincial strategies to fully fulfill economic, political, and social responsibilities;
- (III) to investigate and discuss the significant operation and management matters of the Company and support the General Meeting of Shareholders, the Board of Directors, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;
- (IV) to strengthen the leadership and gate keeping role in the process of selection and appointment of personnel of the Company, and the building of the leading team and talents team of the Company;
- (V) to undertake the main responsibility of overall and strict governance of the Party, lead and support the discipline inspection and supervision agencies to fulfill their supervisory responsibilities, to strict political discipline and political rules, and to promote the overall and strict governance of the Party to the grassroots extension;
- (VI) to strengthen the building of the Party on the style of work, strictly follow the spirit of the eight requirements of the central government, and resolutely oppose the "formalism, bureaucracy, hedonism and extravagance", especially formalism and bureaucracy;
- (VII) to strengthen the building of primary-level Party organizations and of its contingent of Party members, and unite and lead employees company-wide to devote themselves into the reform and development of the Company;
- (VIII) to lead the Company's ideological and political work, the spirit and civilization progress, the united front work and lead the Labour Union, Communist Youth League and other mass organizations of the Company.

Article 210 The Company shall establish a decision-making mechanism of the Party Committee, which shall explicitly set out the scope and procedures for the decision-making and participation in decision-making on major issues by the Party Committee of the Company. Study and discussion by the Party Committee of the Company are the preceding procedures for decision-making on major issues by the board of directors and the management. Major operational and administrative issues must first be studied and discussed by the Party Committee of the Company, and then be decided by the board of directors or the management. The Party Committee of the Company shall strictly controls the authorization decision-making plan of the board of directors to prevent unauthorized or excessive authorization. The party committee generally does not conduct preliminary research and discussion on decision-making matters authorized by the board of directors to chairman and management.

Article 211 Adhere to and improve the “two-way entry, cross-appointment” leadership system, eligible members of the Party Committee team can enter the Board of Directors and the management team through legal procedures, the members of Board of Directors and the management team of eligible Party members can enter the Party Committee in accordance with relevant regulations and procedures. The secretary of the Party Committee and chairman of the Company are generally served by one person.

Article 212 The Company shall provide necessary support and maintain sufficient funding for the activities of the Party Organization.

CHAPTER 12 LABOUR MANAGEMENT

Article 213 The Company shall, pursuant to the laws, regulations and relevant administrative regulations of the PRC, formulate its systems on, among others, labour management, personnel management, remuneration and welfare, and social security insurance.

Article 5 of the
Administrative
Measures for
Articles of
Association of
State-owned
Enterprises

Article 214 Subject to relevant administrative regulations, the Company shall have the right to decide on salary income and benefits of its management at all levels and staff in accordance with its economic efficiency.

Article 215 Subject to relevant administrative regulations of the PRC government and local government, the Company shall arrange social insurances for the management and employees, and implement laws, regulations and relevant provisions on labour insurance for retired employees and employees for employment.

CHAPTER 13 LABOUR UNION

Article 216 The staff and workers of the Company shall have the right to establish a labour union, carry out labour union activities in accordance with the Trade Union Law of the PRC. The activities organized by the trade union shall be carried out outside the normal working hours, except otherwise specified by the board of directors.

Article 5 of the Administrative Measures for Articles of Association of State-owned Enterprises

Article 217 The Company may establish the labour union fund which shall be utilized by the labour union of the Company in accordance with the relevant measures formulated by All-China Federation of Trade Unions.

CHAPTER 14 LEGAL COUNSEL SYSTEM

Article 218 The Company shall establish corporate legal counsel system and engage legal advisors for the establishment of the legal risks prevention systems of the Company.

CHAPTER 15 NOTICES AND ANNOUNCEMENTS

Article 219 Notices of the Company shall be served by the following method:

- (I) by hand;
- (II) by mail;
- (III) by facsimile or e-mail;
- (IV) by making an announcement on the websites or newspapers designated by the Company and stock exchanges in accordance with laws, regulations and listing rules of the places where the Company's shares are listed;
- (V) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (VI) by other means approved by the laws, regulations, relevant regulatory authorities at the places where the Company's shares are listed or means specified in the Articles of Association.

Article 163 and Article 164 of the Guidelines for Articles of Association; Rule 7 of Appendix 3, Rule 19A.56 and Rule 2.07A(1) to the Hong Kong Listing Rules

Where a notice is served by way of announcement, after the publication of such announcement, all related persons shall be deemed to have received the notice unless the regulatory authorities of the places where the Company's shares are listed requires otherwise.

Unless otherwise provided in the Articles of Association, the notice delivered to each holder of the H Shares, if delivered by public announcement, the Company shall on the same day submit an electronic version, which may be published immediately to the Hong Kong Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Stock Exchange in accordance with the requirements under the Listing Rules. The announcement shall be published on the Company's website at the same time.

Unless the context otherwise requires, “announcement” referred to in the Articles of Association shall refer to (i) the announcement published in such Chinese newspapers as specified by the Chinese laws and regulations or the securities regulatory authorities, if such announcement is issued to domestic shareholders or within the PRC in accordance with relevant regulations and the Articles of Association; and (ii) the announcement being published on the website of the Hong Kong Stock Exchange specified in relevant listing rules and the Company website, if such announcement is issued to holders of H shares or within Hong Kong in accordance with the relevant provisions and the Articles of Association.

Under the premise of the Company’s observation to the relevant listing rules of the place which the shares of the Company are listed, regarding the provision and/or distribution of corporate communications to holders of the overseas-listed foreign shares in accordance with the listing rules of the places which the shares of the Company are listed, the Company may also electronically or on the Company’s website or such website of the stock exchange in the places which the shares of the Company are listed post such information so as to send out corporate communications to such holders, instead of delivery by hand or postage prepaid mail.

Article 220 Unless otherwise provided in the Articles of Association, the notice means as set out in the preceding Article, may also be applicable to notices for general meetings, meetings of board or the supervisory committee of the Company.

Article 221 If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature or affixed seal on the service return slip. If the notice is sent by express delivery service, the date of service is the seventh (7) business day from the date of delivery at the post office. If the notice is given by e-mail, the date of such e-mail entering the recipients’ designated electronic data exchange system shall be the date of service. If the notice is given by fax, the sent date on the sender’s fax record shall be the date of service.

Article 168 of the Guidelines for Articles of Association

Article 222 Where relevant corporate documents must be in English and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of the listing rules of the places where the shares of the Company are listed, if shareholders, whom under proper arrangements by the Company, confirm they wish to receive such information only in the English or Chinese version, and such actions are permitted under the applicable laws and regulations, the Company may send such documents only in the English or Chinese version to relevant shareholders according to their prescribed wishes.

Rule 13.55(2) of the Hong Kong Listing Rules

CHAPTER 16 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION SECTION 1 MERGER AND DIVISION

Article 223 The merger or division of the Company shall be proposed by the board of directors of the Company and shall go through the relevant approval process according to the law after being approved by the procedures required by the Articles of Association. The shareholders who object to such merger or division shall have the right to require the Company or shareholders who consent to the proposal for merger or division of the Company to purchase their shares at a fair price. Specific documents shall be prepared with regard to the content of the resolutions on the Company's merger or division and uploaded to the website of Hong Kong Stock Exchange and the Company's website under the requirements of the Hong Kong Listing Rules for shareholders' inspection.

Article 149 of the
Mandatory
Provisions

For holders of overseas-listed foreign shares, the aforesaid documents shall be delivered by mail or by other means as permitted by relevant laws, regulations or the listing rules of the listing place.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement in a newspaper recognized by the stock exchange of the places where the Company's shares are listed, and clear off its debts or provide corresponding guarantees as required by the creditors according to relevant laws.

Articles 172 of
the Guidelines
for Articles of
Association;

Article 224 Upon the completion of a merger, the respective accounts payable and receivable will be inherited by the continuing company, or the newly formed company after the merger. However, this does not apply if there were other arrangements in the debt settlement written agreement between the Company and the creditors prior to the division.

Articles 174 and
176 of the
Company Law;
Article 175 of the
Company Law;
Article 151 of the
Mandatory
Provisions
Article 150 of the
Mandatory
Provisions

Article 225 As for the division of the Company, the properties thereof shall be divided accordingly.

In the event of a division, balance sheets and checklists of properties shall be prepared. The Company shall notify its creditors in accordance with the Company Law, and shall publish an announcement in a newspaper recognized by the stock exchange of the places where the Company's shares are listed.

Article 226 The debts of the Company before the division shall be borne by the companies established after division jointly and severally, save as otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

Article 176 of the Company Law; Article 175 of the Guidelines for Articles of Association

Article 227 The merger or division of the Company shall be executed in accordance with laws, administrative regulations and relevant provisions required by the securities regulatory authorities and shall be subject to the approval of the approving authorities such as the securities regulatory authorities. When the merger or division involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with laws. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with laws.

Article 177 of the Guidelines for Articles of Association; Article 152 of the Mandatory Provisions

SECTION 2 DISSOLUTION AND LIQUIDATION

Article 228 The Company shall be dissolved for the following reasons:

Articles 180 and 182 of the Company Law; Article 153 of the Mandatory Provisions

- (I) the business term stipulated in the Articles of Association has expired or other circumstances for dissolution specified in the Articles of Association arise;
- (II) the general meeting has resolved to dissolve the Company by way of special resolution;
- (III) the merger or division of the Company requires a dissolution;
- (IV) the business license is revoked, or the Company is ordered to close down or is dissolved according to laws;
- (V) the Company is legally declared insolvent due to its failure to repay debts due;
- (VI) the Company is ordered to close down in accordance with the laws due to violation of laws and administrative regulations;
- (VII) if the Company suffers significant hardship in its operation and management, and the ongoing existence would bring significant losses for shareholders that cannot be resolved through other means, the shareholders holding more than ten percent (10%) of the total voting rights of the Company may request the People's Court to dissolve the Company.

Article 229 In the case of item (I) of Article 228 of the Articles of Association, the Company may survive by amending its Articles of Association, which shall be approved by more than two-thirds (2/3) of the voting rights represented by the shareholders present at the general meeting.

Articles 181 and 183 of the Company Law; Article 154 of the Mandatory Provisions

Where the Company is dissolved under the circumstances set out in items (II), (IV) and (VII) of Article 228, the Company shall establish a liquidation group to commence liquidation within fifteen (15) days upon the occurrence of the circumstances for dissolution. The composition of the liquidation group shall be determined by directors or general meeting. If the Company fails to establish a liquidation group on time, creditors may request the People's Court to designate certain persons to form a liquidation group to perform liquidation.

Article 230 Where the board of directors resolves to liquidate the Company for any reason other than bankruptcy, the board of directors shall include a statement in its notice convening a general meeting to the effect that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company shall be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Article 155 of the Mandatory Provisions

The functions and powers of the board of directors shall terminate immediately after the resolution for liquidation is passed at the general meeting.

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

Article 231 The liquidation group shall exercise the following powers during the liquidation period:

Article 184 of the Company Law; Article 157 of the Mandatory Provisions

- (I) checking the Company's assets and preparing a balance sheet and an inventory of assets, respectively;
- (II) notifying the creditors by notice or announcement;
- (III) dealing with the liquidation-related outstanding business of the Company;
- (IV) paying off outstanding taxes as well as taxes arising in the course of liquidation;
- (V) claiming credits and paying off debts;
- (VI) disposing of the remaining assets of the Company after the settlement of debts;
- (VII) representing the Company in any civil proceedings.

Article 232 The liquidation group shall notify the creditors within ten (10) days after its establishment and issue public notices in newspapers within sixty (60) days. A creditor shall lodge his claim with the liquidation group within thirty (30) days after receiving notice, or within forty-five (45) days of the public notice if he did not receive any notice.

Article 185 of the Company Law;
Article 156 of the Mandatory Provisions

Creditors shall provide explanations on and evidence for their claims upon their declarations of such claims. The liquidation group shall record the creditors' claims.

The liquidation group shall not pay off any debts to any creditors during the period of credit declaration.

Article 233 Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the general meeting or People's Court for confirmation.

Article 158 of the Mandatory Provisions

The Company's assets shall be distributed for repayments in the following sequence:

- (I) payment of liquidation expenses;
- (II) payment of staff wages, social insurance expenses and statutory compensation;
- (III) payment of outstanding taxes;
- (IV) payment of the Company's debt;
- (V) distributed to its shareholders according to the proportion of their shareholdings.

The Company's assets shall not be distributed to its shareholders prior to repaying debts in accordance with the foregoing provisions in items (I) to (IV).

During the liquidation period, the Company remains in existence; however, it shall not commence any business activity that is unrelated to liquidation.

Article 234 Upon liquidation of the Company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the Company does not have sufficient assets to meet its liabilities, it shall apply to the People's Court for a declaration for bankruptcy according to laws.

Article 187 of the Company Law;
Article 159 of the Mandatory Provisions

Following a ruling by the People's Court that the Company is declared bankrupt, the liquidation group shall hand over all matters relating to the liquidation to the People's Court.

Article 235 Following the completion of the liquidation of the Company, the liquidation group shall prepare a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in China, submit the same to the general meeting or the relevant competent authorities for confirmation. Within thirty (30) days from the date of confirmation of the aforementioned documents by the general meeting or the relevant competent authorities, the liquidation group shall deliver the same to the company registration authority, apply for cancellation of the Company's registration and publicly announce the Company's dissolution.

Article 160 of the
Mandatory
Provisions

Article 236 Members of the liquidation group shall be loyal to their duties and shall perform liquidation obligations according to laws. The liquidation group members shall neither take advantage of their powers to accept bribery or other illegal incomes, nor embezzle the Company's property.

Article 186 of the
Guidelines for
Articles of
Association

The liquidation group members shall bear the liability for compensation if losses are caused to the Company or the creditors due to their intentional actions or gross negligence.

CHAPTER 17 PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

Article 237 The Company may amend the Articles of Association pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article 161 of the
Mandatory
Provisions

Article 238 The Company shall revise the Articles of Association in any of the following cases:

Article 188 of the
Guidelines for
Articles of
Association

- (I) after amendment has been made to the relevant laws, administrative regulations, departmental rules, normative documents or listing rules of the places where the shares of the Company are listed, the contents of the Articles of Association conflict with these amendments;
- (II) any change in the Company's conditions which is not consistent with those matters recorded in the Articles of Association;
- (III) any amendment of the Articles of Association resolved by the general meeting.

Article 239 Where the amendments to the Articles of Association passed by the general meetings require approval of the competent authorities, such amendments shall be submitted to the relevant competent authorities for approval. If the amendment involves any registered particulars of the Company, application shall be made for change of registration in accordance with the laws.

Article 162 of the
Mandatory
Provisions

Article 240 The board of directors shall revise the Articles of Association according to resolutions of the general meeting and approval comments of the relevant competent authorities.

Article 190 of the
Guidelines for
Articles of
Association

Article 241 Any amendment to Articles of Association that constitutes information required to be disclosed by laws and regulations shall be announced as required.

Article 191 of the Guidelines for Articles of Association

CHAPTER 18 SETTLEMENT OF DISPUTES

Article 242 The Company follows the rules of dispute resolution below:

Article 163 of the Mandatory Provisions; Article 11 of the Letter of Opinions on Supplementary Amendments

- (I) Whenever any disputes or claims arise from rights or obligations conferred or imposed by the Articles of Association, the Company Law, services contracts and other relevant laws and administrative regulations concerning the affairs of the Company between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director, a supervisor, general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes or claims through arbitration.

Where the aforesaid dispute or claim is submitted for arbitration, the entire dispute or claim shall be resolved through arbitration; all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, if they are the Company or shareholders, directors, supervisors, general manager or other senior management of the Company, shall abide by the result of arbitration.

Disputes over who is a shareholder and over the register of shareholders do not have to be resolved through arbitration.

- (II) The party seeking arbitration may elect to have the dispute or claim arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the party seeking the arbitration.

If the party seeking arbitration elects to arbitrate the dispute or claim at the Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen according to the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) The laws of PRC shall govern the arbitration of disputes or claims described in paragraph (I) above, unless otherwise provided by the laws or administrative regulations.
- (IV) The award of the arbitral body is final and shall be binding on the parties thereto.

CHAPTER 19 MISCELLANEOUS

Article 243 Definitions

Article 48 of the
Mandatory
Provisions;
Article 216 of the
Company Law

- (I) The “controlling shareholder” shall refer to a shareholder that satisfies any of the following conditions:
1. he/she, acting alone or in concert with others, has the power to elect half or more of the total number of directors;
 2. he/she, acting alone or in concert with others, has the power to exercise or control the exercise of thirty percent (inclusive) or more of the Company’s voting rights;
 3. he/she, acting alone or in concert with others, holds thirty percent (inclusive) or more of the issued and outstanding shares of the Company;
 4. he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.
- (II) The “de facto controller” refers to that although such controller is not a shareholder of the Company, he/she is a person who can actually control the Company through investment relations, agreements or other arrangements.

Article 244 The Articles of Association are written in Chinese. Should there be any discrepancy between the versions in other languages and the Chinese version, the latest Chinese version of the Articles of Association approved by and registered with the competent administration for industry and commerce shall prevail.

Article 194 of the
Guidelines for
Articles of
Association

Article 245 The term “more than”, “within”, “below”, as stated in the Articles of Association shall all include the given figure; the term “not exceeding”, “except”, “more than”, “less than”, “exceeding”, “over” shall all exclude the given figure.

Article 195 of the
Guidelines for
Articles of
Association

Article 246 The term “accounting firm” as stated in the Articles of Association shall have the same meaning as the term “auditor”.

Article 165 of the
Mandatory
Provisions

Article 247 The board of directors may formulate by-laws in accordance with the provisions of the Articles of Association, provided that such by-laws shall not be in violation of the Articles of Association.

Article 193 of the
Guidelines for
Articles of
Association

The matters not covered in the Articles of Association shall be dealt with in accordance with relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the places where the shares of the Company are listed, and based on the actual circumstances of the Company. In the event that the Articles of Association is in conflict with the newly promulgated relevant laws, administrative regulations, departmental rules, normative documents and the listing rules of the places where the shares of the Company are listed, such newly promulgated laws, administrative regulations or the listing rules of the places where the shares of the Company are listed shall prevail.

Article 248 The board of directors shall be responsible for the interpretation of the Articles of Association.

Article 196 of the
Guidelines for
Articles of
Association