
APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

This Appendix is mainly providing investors with an overview on the Articles of Association of the Company. The following information is only a summary, not covering all the information that may be material to investors.

SHARES AND REGISTERED CAPITAL

The issuance of the shares of the Company shall be conducted in the principle of openness, fairness and justness, and each share of the same class shall be entitled to equal rights. For shares issued at the same time and within the same class, it shall be issued in the same conditions and price; and any entity or person to subscribe the shares shall pay the same price for each share. The domestic unlisted shares and foreign shares issued by the Company shall rank *pari passu* over any distribution by way of dividends or any other forms of distribution.

Upon file with the CSRC, the Company may issue shares to both domestic investors and foreign investors. Holders of domestic shares and foreign shares of the Company are both ordinary shareholders, subject to the same rights and obligations.

Regarding the plan for issuing overseas listed foreign shares and domestic shares by the Company filed with the CSRC, the Board of Directors of the Company may arrange for the implementation of such plan by means of separate issuances. According to the aforesaid plan for separate issuance of overseas listed foreign shares and domestic shares, the Company may issue the shares separately within 15 months after filing with the CSRC. Within the total number of shares specified in the issuance plan, if the Company issues domestic unlisted shares and foreign shares listed overseas separately, the every such issue shall be fully subscribed for in one time; if it is impossible for respective shares to be fully subscribed for in one time under exceptional circumstances, the shares may be issued by several times.

Unless otherwise specified by laws, administrative regulations, relevant requirements of local securities regulatory authorities of the place where the shares of the Company are listed and requirements of the HKEX, the fully paid shares of the Company may be transferred freely without any lien attached. Such transfer of shares shall comply with applicable national laws, administrative regulations and the Listing Rules or relevant requirements of securities regulatory authorities of the place where the shares of the Company are listed.

INCREASE/DECREASE, REPURCHASE AND TRANSFER OF SHARES

Increase/Decrease of Shares

Subject to the provisions of laws, regulations and the Articles of Association, upon special resolution by a shareholders' general meeting, the Company may increase its registered capital on the basis of its business and development needs by any of the following means:

- (I) offering new shares to non-specific investors;

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- (II) allotting new shares to existing shareholders;
- (III) distributing new shares to existing shareholders;
- (IV) issuing new shares to certain investors;
- (V) converting the reserved funds into share capital;
- (VI) other means approved by laws, administrative regulations and the relevant regulatory authorities. Upon the approval in accordance with the provisions of the Articles of Association, the increase of the Company's capital by issuing new shares shall be proceeded in compliance with relevant national laws and administrative regulations.

To reduce its registered capital, the Company shall prepare the balance sheet and the inventory of properties. Within 10 days from the resolution of capital reduction, the Company shall notify the creditors, and shall make a public announcement on newspapers within 30 days. Creditors, within 30 days from receiving such notice, or within 45 days from the public announcement if no notice has been received, may require the Company to repay up the debts or provide corresponding guarantees for the debts.

Repurchase of Shares

In any of the following circumstances, the Company may repurchase its issued shares upon approval by relevant competent authorities, at the requirements of laws, administrative regulations, HKEX Listing Rules, departmental regulations and the Articles of Association:

- (I) cancelling its shares for the purpose of reducing the registered capital of the Company;
- (II) merging with another company holding shares of the Company;
- (III) using shares for employees stock ownership plan or equity incentives;
- (IV) acquiring the shares of shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company and request the Company to acquire their shares;
- (V) using shares for converting corporate bonds issued by the Company;
- (VI) as required for the Company to maintain corporate value and shareholders' interests;
- (VII) other circumstances approved by laws, administrative regulations and regulatory authorities.

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A resolution of a shareholders' general meeting is required for repurchasing shares under circumstances (I) or (II) above. A resolution of a meeting of the board of directors with a quorum of more than two-thirds of directors is required for repurchasing shares under circumstances (III), (V) or (VI) above. Regarding the shares not reversed into overseas listed shares, the shares acquired under the above circumstance (I), shall be de-registered within 10 days from the date of repurchase; the shares acquired under the above circumstances (II) or (IV), shall be transferred or de-registered within 6 months; and the shares acquired under the above circumstances (III), (IV) or (VI), shall be transferred or de-registered within 3 years, and the shares held in total by the Company shall not exceed 10% of total shares issued by the Company. For any repurchase in above circumstances (III), (V) or (VI), centralized trading shall be adopted publicly. Upon lawful de-registration of repurchased shares, the Company shall apply for registration of changes in registered capital with original business registration authority and make announcement accordingly.

The aggregate par value of deregistered shares shall be deducted from the registered capital of the Company. If it is otherwise provided in laws, regulations and local securities regulatory authority at the place where the Company's shares are listed regarding the relevant events in respect of repurchase of the shares, such other requirements shall prevail.

Upon approval by competent authorities of the State, the Company may repurchase its shares in any of the following manners:

- (I) making repurchase offers to entire shareholders in the same proportion;
- (II) repurchasing shares through public transaction on a stock exchange;
- (III) repurchasing shares by contract outside a stock exchange;
- (IV) otherwise approved by laws, regulations or regulatory authorities.

A prior approval of a shareholders' general meeting is required for repurchasing by contract outside a stock exchange in accordance with the Articles of Association. With prior approval by a general meeting in the same manner, the Company may rescind or alter contracts entered into in the said manner or waive any rights under such contracts. The aforesaid repurchase contracts include but not limited to the agreement for bearing the obligation to repurchase shares and obtaining the right to repurchase shares. The Company shall not transfer the repurchase contracts or any rights stated therein.

The price of share repurchased by the Company not through market or bidding shall be limited to a certain maximum price; or if the repurchase is through bidding, the Company shall file an offer to entire shareholders on the same terms.

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Unless the Company is under liquidation, the Company shall obey the following rules to repurchase shares:

- (I) to repurchase shares at par value, the price shall be deducted from the book value of distributable profits and the proceeds from new issue for repurchase;
- (II) to repurchase shares above par value, the portion of price equivalent to par value shall be deducted from the book value of distributed profits and the proceeds from new issue for repurchase, while the portion of price above the par value shall be treated in the following ways:
 - 1. If the shares were issued at par value, the portion of price above the par value shall be deducted from the book value of distributable profits;
 - 2. If the shares were issued above par value, the portion of price above the par value shall be deducted from the book value of distributable profits and the proceeds from new issue for repurchase, provided that the amount of deduction from new issue proceeds shall not exceed the total premium at the time of issuance of such repurchased shares, and shall not exceed the amount of premium account (or capital reserve fund account) at the time of repurchase (including the amount of premium in new issue);
- (III) The amounts to pay for the following purposes shall be charged from the distributable profits of the Company:
 - 1. obtaining the right to repurchase;
 - 2. modifying the repurchase contracts;
 - 3. releasing its obligations under the repurchase contract.
- (IV) The total par value of deregistered shares shall be written off from the registered capital of the Company as required, and then, the amount equivalent to par value deducted from the distributable profits shall be recognised in the premium account (or capital reserve fund account) of the Company.

If the accounting of shares repurchase is otherwise required by the laws, regulations and local securities regulatory authorities of the place where the Company's shares are listed, such other requirements shall prevail.

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Transfer of Shares

Unless otherwise required by laws, regulations, local securities regulatory authorities of the place where the Company are listed or the requirements of the Hong Kong Stock Exchange, the fully paid shares of the Company may be transferred freely, without any lien attached. The share transfer shall comply with applicable national laws, administrative regulations and the Listing Rules or the requirements of local securities regulatory authorities of the place where the Company's shares are listed.

Transfer documents and other documents relating to the ownership of shares shall be registered with the share registration institutions entrusted by the Company.

If shares are to be transferred to joint holders, the number of joint holders shall not exceed four.

The shares of the Company held by a promoter shall not be transferred within 1 year from the date of the establishment of the Company. The shares issued by the Company before public offering shall not be transferred within 1 year from the date on which the Company's shares are listed on stock exchange.

The directors, supervisors and senior management of the Company shall report their shareholding in the Company and changes thereof to the Company, and during their tenure, the shares transferred each year shall not exceed 25% of the total Company shares held by them; the Company shares held by them shall not be transferred within 1 year from the date when the shares of the Company are listed and traded; within half a year from departure from the Company, the aforesaid persons shall not transfer the Company shares held by them. If the restrictions on transfer of overseas listed shares are otherwise required by the Listing Rules of the place where the Company's shares are listed, such other requirements shall prevail.

All transfers of overseas listed shares shall adopt the written transfer instrument in general or common format or any other form acceptable to the board of directors (including the standard transfer format or transfer form prescribed by HKEX from time to time); the written transfer documents may be signed with signatures, or (if the transferor or the transferee is a corporation) with seals. If the transferor or transferee of the shares of the Company is a recognised clearing house or its nominee as defined by the laws of Hong Kong, the written transfer documents may be signed by machine printing.

SHAREHOLDERS AND GENERAL MEETING

Shareholders

Shareholders of the Company are persons who lawfully hold shares of the Company and whose names are entered in the register of shareholders. Shareholders enjoy rights and assume obligations in proportion to the class and numbers of shares they hold; shareholders who hold the same class of shares shall enjoy equal rights and assume the same obligations.

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

- (I) receiving dividends and other form of interest distribution in proportion to its shareholding;
- (II) requiring, convening, chairing, attending by person or by proxy into a general meeting pursuant to the laws, and exercising the voting right at the meeting in proportion to its shareholding;
- (III) supervising and managing, presenting suggestions on or making inquiries about the business operation of the Company;
- (IV) transferring, donating or pledging the shares held by them, in accordance with the laws, administrative regulations and the Articles of Association;
- (V) obtaining relevant information according to the Articles of Association, including:
 - 1. a copy of the Articles of Association upon payment of costs thereof;
 - 2. the right to inspect and duplicate after paying a reasonable charge;
 - (1) personal information of Directors, Supervisors, General manager and other senior management members, including:
 - (a) present and former names and aliases;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and positions;
 - (e) identification certificate document and its number;
 - (2) status of issued share capital of the Company;
 - (3) latest audited financial statements of the Company, and reports and special resolutions of the Board, auditors and the board of supervisors;
 - (4) report on the par value and number of shares repurchased by the Company since the last fiscal year, as well as the maximum and minimum prices paid for the repurchased securities (with a breakdown between domestic unlisted shares and overseas listed shares);
 - (5) photocopy of the latest annual renewal report filed with market regulation authority or other competent authorities;

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- (6) minutes of general meetings (only for review by shareholders), special resolutions of the Company; and

- (7) bond stubs of the Company. The Company shall publish the above documents (1), (3), (4) & (5) and other applicable documents on the website of HKEX and the website of the Company, as required by the Main Board Listing Rules of HKEX. The Company shall deposit the full copy of the register of shareholders and the minutes of general meetings to the HK address of the Company, for free access by the holders of overseas listed shares, and for photocopy by the holders of overseas listed shares at reasonable expense. The Company may refuse to provide any information for access or photocopy that involves the trade secret or insider information of the Company or the personal privacy of related persons.

- (VI) participating in the distribution of residual assets of the Company in proportion to its shareholdings, upon termination or liquidation of the Company;

- (VII) for shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, requesting the Company to acquire its shares;

- (VIII) for shareholder(s) who individually or jointly hold(s) 3% or above shares of the Company, having the right to propose extraordinary resolutions and submit in writing to the board of directors within 10 days before the convention of general meeting;

- (IX) any other rights stipulated by laws, administrative regulations, departmental regulations or the Articles of Association.

In event any resolution by general meetings or the Board meeting violates the laws or administrative regulations, shareholders may request local people's court to invalidate such resolution (if holders of foreign shares of the Company are involved, the provision for dispute settlement in the Articles of Association shall apply). In event the convening or voting of general meetings or Board meeting violates the laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, shareholders may request local people's court to withdraw such resolution within 60 days from the date of resolution (if holders of foreign shares of the Company are involved, the provision for dispute settlement in the Articles of Association shall apply).

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

- (I) abiding by laws, administrative regulations and the Articles of Association;
- (II) making payment for shares subscribed according to the quantity of shares subscribed for and the manners of subscription;
- (III) assuming liability to the Company to the extent of its shareholding;
- (IV) not withdrawing the contribution upon registration approved by the Company, unless otherwise required by laws and regulations;
- (V) not abusing shareholder's rights to harm the interests of the Company or other shareholders; not abusing the independent legal person status of the Company and the limited liability of shareholders to harm the interests of the Company's creditors; any shareholder who abuses shareholder's rights causing loss to the Company or other shareholders shall be liable for compensation pursuant to the laws. Any shareholder who abuses the independent legal person status of the Company and the limited liability of shareholders to evade debts and severely infringe upon the interests of the Company's creditors shall be held jointly and severally liable for the Company's debts;
- (VI) any other obligations stipulated by laws, administrative regulations and the Articles of Association. Unless otherwise required, a shareholder shall not be obliged to make additional contribution to share capital subsequently other than the conditions agreed at the time of subscription.

Unless otherwise obliged by the laws, regulations or the Listing Rules of local stock exchange in the place where the Company shares are listed, the controlling shareholder in exercising its power shall not make a decision against the interests of all or part of shareholders by exercising its voting rights upon following issues:

- (I) exempting the liability of Directors or Supervisors to act in good faith for the best interests of the Company;
- (II) approving Directors or Supervisors (for the benefit of themselves or others) to deprive the Company's properties in any form, including but not limited to any chance favorable to the Company;
- (III) approving Directors or Supervisors (for the benefit of themselves or others) to deprive other shareholders of their personal interests and benefits, including but not limited to any rights to distribution or voting, excluding corporate restructuring submitted to the shareholders' general meeting for approval in accordance the Articles of Association.

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The controlling shareholder or actual controller of the Company shall not utilise its associated-party relationship against the interests of the Company, or else, shall compensate the Company for any loss incurred.

General Rules for General Meeting

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

- (I) to determine the operating principles and investment plans of the Company;
- (II) to elect and remove any director or supervisor not being employee representative, and to determine the remuneration of the relevant directors and supervisors;
- (III) to review and approve the reports of the board of directors;
- (IV) to review and approve the reports of the board of supervisors;
- (V) to review and approve the Company's annual financial budgets and final accounts;
- (VI) to review and approve the Company's profit distribution plans and loss recovery plans;
- (VII) to resolve on the Company's increase/decrease of registered capital;
- (VIII) to resolve on the Company's issuance of bonds or any class of shares, warrants and other similar securities, as well as [REDACTED];
- (IX) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form among other matters;
- (X) to modify the Articles of Association;
- (XI) to review and approve the motions proposed by shareholder(s) individually or jointly holding at least 3% voting shares of the Company;
- (XII) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm;
- (XIII) to review and approve external guarantees which shall be approved by shareholders' general meeting;
- (XIV) to review and approve the Company's purchase or disposals of material assets or provision of guarantees within 1 year and the accumulated amount of which is exceeding 30% of latest audited total assets of the Company;

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- (XV) to review and approve the equity incentive plans at corporate level;
- (XVI) other matters to be decided by general meeting under the laws, administrative regulations and the Articles of Association;
- (XVII) other matters required by the Listing Rules of the stock exchange in the place where the Company's shares are listed.

Without violating laws and regulations as well as the statutory requirements of local laws and regulations in the place of listing, the general meeting may authorise or appoint the Board of Directors to act on its behalf, including but not limited to the following at General Meeting:

1. Subject to applicable laws, regulations and Listing Rules, upon approval by a special resolution at general meeting, granting a general mandate for the Board of Directors to issue, allot and treat additional overseas listed foreign shares, in the quantity not more than 20% (or even lower percentage required by applicable laws, regulations or Listing Rules) of overseas listed foreign shares issued as of the date of the general meeting, and authorising the Board of Directors to modify the Articles of Association as it deems appropriate, to reflect the new capital structure upon allotment or issuance of shares;
2. Authorising the Board of Directors to decide on the specific terms and related matters on the issuance of domestic short-term financing bonds, mid-term notes, corporate bonds, overseas US dollar bonds and other debt financing instruments, to the extent of issuable bonds, according to the demands of production, operation and capital expenditure as well as market conditions, including but not limited to, the determination of the amount, rate, term, subjects, fund purpose of the actually issued bonds within foregoing range, as well as the production, signing and disclosure of all necessary documents.

Where the Company provides guarantee for a shareholder or the actual controller, the resolution shall be made by the general meeting.

Without prior approval by the general meeting, the Company shall not enter into a contract with any person (other than Director, Supervisor, General manager or other senior management members), to handover of the administration of all or important businesses of the Company to such person.

There are two types of general meetings: annual general meeting and extraordinary general meeting. The annual general meeting shall be convened once a year, and be held within 6 months from the end of last accounting year.

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The extraordinary general meeting shall be convened when necessary. The Board of Directors shall hold extraordinary general meeting within 2 months from the date of occurrence of any of the following events:

- (I) the number of directors is less than the quorum required by the Company Law, or less than two-thirds of the quorum required by the Articles of Association;
- (II) the outstanding losses of the Company accounts for one-third of the Company's total paid-in share capital ;
- (III) shareholder(s) individually or jointly holding at least 10% shares of the Company send(s) a written request for meeting;
- (IV) the Board of Directors deems necessary, or the Board of Supervisors proposes to convene the meeting;
- (V) two or more Independent Directors propose to convene the meeting;
- (VI) other circumstances under the laws, administrative regulations, departmental regulations, the Listing Rules of the stock exchange in the place where the Company's shares are listed, or the Articles of Association.

In such events (III), (IV) or (V), the meeting objects proposed by the convener shall be included in the agenda of meeting.

Convening of General Meetings

Shareholders requesting the convening of an extraordinary general meeting shall proceed in following procedures:

- (I) Shareholder(s) individually or jointly holding 10% or more of voting shares may sign one or more copies of written request in the same form and substance, and submit to the Board of Directors to convene an extraordinary general meeting, specifying the topics of meeting. The Board of Directors shall convene the extraordinary general meeting as soon as possible after receiving such request. The foregoing shareholding percentage shall be calculated as of the date on which the written request is/are made by shareholders on which the written requisition(s) is/are made by shareholders.
- (II) If the Board of Directors fails to issue a notice to convene the meeting within 30 days after receiving the aforementioned written request, the shareholder(s) who made the request may apply to the Board of Supervisors for convening the extraordinary general meeting.

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- (III) If the Board of Supervisors fails to issue a notice of meeting within 30 days after receiving the aforementioned written request, then the shareholder(s) individually or collectively holding 10% or more of voting shares for at least 90 consecutive days may convene the meeting on its/their own within initiative 4 months after the Board of Directors receives such request, and the procedures for convening the general meeting shall be as similar as possible to the procedures for the board of directors to convene the general meeting.

In event of shareholder(s) convening and holding a general meeting on its/their own due to the failure of the Board of Directors or the Board of Supervisors to convene the meeting according to the above requirements, the reasonable expenses incurred for such meeting shall be borne by the Company, and deducted from the amounts owed by the Company to the negligent Director(s) or Supervisor(s).

The Chairman of the Board of Directors shall convene and act as the chairman of a general meeting. When the Chairman is unable or fails to perform its duties, the Board of Directors may appoint a company Director to convene the meeting and serve as the chairman of the meeting; if the Board of Directors fails to appoint such chairman, the shareholders present at the meeting may elect one person to act as the chairman of the meeting; if for any reason a chairman cannot be elected from present shareholders, the shareholder (including proxy) holding the largest number of voting shares among the attending shareholders shall be the chairman of the meeting.

Notice of General Meeting

To hold annual general meeting, the Company shall send a written notice 20 business days before meeting (exclusive of the date of notice and the date of meeting), and notify all registered shareholders of the topics, date and venue of the meeting, in the form of announcement. To hold extraordinary general meeting, the Company shall send a written notice to all registered shareholders 15 calendar days or 10 business days (whichever is longer) before meeting (exclusive of the date of notice and the date of meeting), in the form of announcement.

The notice of general meeting shall:

- (I) be made in writing;
- (II) specify the time, date and venue of meeting;
- (III) state the matters to be discussed at the meeting;
- (IV) provide information and explanations necessary for shareholders to make informed decisions on the matters to be discussed; this means (including but not limited to), providing the specific conditions and contract (if any) of contemplated transactions and detailed explanations on the cause and outcome, when the Company proposes merger, share repurchase, capital restructuring or other reorganisation;

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- (V) contain the full text of any proposed special resolution to be voted on at the meeting;
- (VI) contain a written state that clearly indicates that any shareholder who has the right to attend and vote at the meeting is entitled to appoint one proxy or more to attend and vote at the meeting on its behalf, and such proxy does not need to be a shareholder of the Company;
- (VII) state the time and address of delivery of the power of attorney for the voting proxy.

Any meeting or any resolution of meeting shall not be invalidated by the failure of arrival of the notice of meeting at the person(s) entitled to receive the notice due to accidental omission.

Proposal of General Meeting

When the Company convenes a general meeting, the shareholder(s) individually or jointly holding 3% or more of voting shares of the Company may shall be entitled to put forward new proposals in writing to the Company and submit them to the convener 10 days before the general meeting, and the convener of the general meeting shall issue a supplemental notice of general meeting to other shareholders within 2 days after receiving such proposal, and incorporate any topic within the terms of reference of the general meeting into the agenda of the meeting, to be considered at the general meeting.

Appointment of General Meeting

Shareholders have the right to (1) speak at the general meeting, and (2) vote at the general meeting, except individual shareholder waives its voting rights in respect of individual matter under the Main Board Listing Rules. Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may or may not be shareholder of the Company) as his/her/its proxy to attend and vote on his/her/its behalf. Such a proxy is entitled to exercise the following rights pursuant to the appointment of the shareholder:

- (I) speak at the general meeting;
- (II) demand a poll independently or jointly with others;
- (III) exercise the voting rights by hand or on a poll, provided that when there are more than one proxy has been appointed, such proxies may only exercise such voting rights by a poll;

A shareholder may appoint a proxy in writing, and the appointing shareholder or his/her attorney proxy shall sign a proxy form in writing; if the appointing shareholder is a corporate entity, such appointment shall be signed by its duly authorised representative.

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The proxy form shall be deposited to the domicile of the Company or other place specified in the notice of meeting 24 hours before the relevant meeting at which the proxy is authorized to vote, or 24 hours before the specified time of voting. Where the proxy form is signed by the duly authorised representative of the appointing shareholder (being corporate entity), the power of attorney or other documents of authorisation shall be certified. The certified power of attorney or other documents of authorisation shall be deposited together with the proxy form to the domicile of the Company or other place specified in the notice of meeting.

The legal representative, or the person authorised by the Board of Directors or other decision-making body of the appointing shareholder (being corporate entity) will attend and vote at the general meeting, on behalf of such appointing shareholder. Presence of such a proxy at any meeting will be deemed as presence of the appointing shareholder per se.

A shareholder being a recognised clearing house (or its agent) may appoint one person or more, it deems appropriate, as its proxy to attend and vote at any general meeting on its behalf; provided that, if more than one person is so appointed, the power of attorney shall contain the number and class of shares involved by every such person so appointed. Any so appointed person may attend and exercise rights at the meeting on behalf of the recognised clearing house (or its agent), without presentation of share certificate, certified authorisation and/or further evidence of official authorisation as if the person is an individual shareholder of the Company, as if said person were a personal shareholder of the Company. The duly authorised representative of a recognised clearing house may enjoy the same legal rights as other shareholders, including the rights to speak and vote.

The format of any power of attorney issued by the Board of Directors for every shareholder to appoint its proxy shall provide the shareholder with the flexibility to instruct its proxy to vote for or against, and give directives on each of the resolutions to be decided at the meeting.

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

If the appointing shareholder was deceased, incapacitated, or its appointment or authorisation was withdrawn, or relevant shares were transferred before voting, the vote made by the proxy so appointed shall be still valid, as long as the Company did not receive a notice in writing of such event before meeting.

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Resolutions of General Meeting

There are two kinds of resolutions made at general meeting, namely: ordinary resolutions and special resolutions. Ordinary resolutions shall be approved by more than half of voting rights held by the shareholders (including proxies) attending the general meeting. Special resolutions shall be approved by above two-thirds of the voting rights held by shareholders (including proxies) attending the general meeting.

A shareholder or proxy shall exercise its voting rights pertaining to the voting shares held by it when voting at general meeting, and each share shall have one vote. However, there is no voting rights attached to the shares held by the Company, and such portion of shares are neither included in the total number of shares with voting rights of the shareholders who are present at general meeting, nor deposited into the central clearing and settlement system.

When the matters of connected transactions are considered at general meeting, if required by the applicable laws, regulations or the Listing Rules of the local stock exchange in the place where the Company' shares are listed, connected shareholders shall not vote, and the number of voting shares held by it shall not be included in the total number of valid votes. The announcement on resolution of general meeting shall fully disclose the voting results of non-connected shareholders.

Under applicable laws, regulations and the HKEX Listing Rules, if any shareholder is required to waive its voting rights in respect of a certain motion, or any shareholder is restricted to vote for or against a certain motion, the votes of such shareholder or its proxy shall not be counted in event such requirement or restriction is violated.

The following matters shall be approved by ordinary resolution at general meeting:

- (I) the work report of the Board of Directors or the Board of Supervisors;
- (II) the profit distribution plan and plan for covering losses formulated by the Board of Directors;
- (III) the appointment and dismissal of members of the Board of Directors and the Board of Supervisors (except Supervisor being employee representative), and their remunerations and the method of payment thereof;
- (IV) the annual financial budget, final accounts, balance sheet, income statement and other financial statements of the Company;
- (V) the appointment, dismissal, non-reappointment of accounting firms;
- (VI) other matters than those to be passed as special resolution under the laws, regulations or the Articles of Association.

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The following matters shall be approved by special resolution at general meeting:

- (I) the increase or decrease of share capital, and the issuance of any class of shares, warrants and other similar securities;
- (II) the issuance of corporate bonds;
- (III) the division, merger, dissolution or liquidation of the Company;
- (IV) the change in the form of the Company;
- (V) the purchase, disposals of material assets or provision of guarantees accumulated within one year in the amount exceeding 30% of latest audited total assets of the Company;
- (VI) the amendment to the Articles of Association;
- (VII) any other matters considered and passed as ordinary resolution at general meeting to be of substantial impact on the Company, and required to be approved by a special resolution, under the laws, regulations or the Articles of Association;
- (VIII) any other matters to be passed as extraordinary resolution as required by the HKEX Listing Rules.

DIRECTORS AND THE BOARD OF DIRECTORS

Directors

Directors shall be elected or replaced at general meeting, for a tenure of 3 years. Upon the expiration of his tenure, a Director may be re-elected and serve consecutive terms.

The tenure of a Director shall be from the date of appointment to the expiry of tenure of the current Board of Directors. If a Director's tenure expires but an alternate Director is not elected in time, then before the alternate Director holds office, the original Director shall still perform the duties as Director, in accordance with laws, administrative regulations, departmental regulations and the Articles of Association.

A Director may propose resignation before expiry of tenure, by filing a resignation report in writing to the Board of Directors. If the resignation of a Director causes the number of board members to be less than the quorum, then the original Director shall still perform the duties as Director under the laws, administrative regulations, departmental regulations and the Articles of Association. Otherwise, a Director's resignation shall be effective from the time such resignation report is delivered to the Board of Directors.

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Subject to the local laws, regulations and regulatory rules in the place of listing, in event the Board of Directors appoints a new Director to fill up the vacancy or expand the list of Directors, then the tenure of so appointed Director shall count only to the date of next annual general meeting of the Company, when the so appointed Director shall be eligible for re-election.

The Company sets up Independent Directors. At least 1/3 members of the Board of Directors shall be Independent Directors, of whom, at least one is an accounting professional. The Independent Directors shall perform duties faithfully, for the benefits of the Company, and in particular shall protect the legal interests and benefits of ordinary shareholders, and ensure the interests of entire shareholders are fully represented.

There shall be at least 1/3 or three members of the Board of Directors being Independent Directors. The Company shall supplement the list of Independent Directors when the number of Independent Directors is below the requirement of the Articles of Association, in event any Independent Director fails to meet the independence conditions or finds it inappropriate to perform the duties as Independent Director.

At least one Independent Director is ordinarily resident in Hong Kong.

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

Chairman

The Board of Directors shall have one chairman, who shall be elected or removed by more than half of Directors, and serve a tenure of 3 years. Upon the expiration of tenure, the Chairman may be re-elected.

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

- (I) presiding over shareholders' general meetings, convening and presiding over Board meetings;
- (II) supervising and inspecting the implementation of resolutions of the Board of Directors;
- (III) signing the shares, corporate bonds and other valuable securities issued by the Company; and
- (IV) other duties under the laws, regulations or the Articles of Association, or granted by the Board of Directors.

Where the Chairman is incapable of performing its duties, a Director elected jointly by more than half of Directors shall perform such duties.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Board of Directors

The Company sets up the Board of Directors, composed of 11 Directors, including 4 Independent Directors, and 1 Chairman.

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

- (I) convening the general meeting and submitting work reports to the general meetings;
- (II) implementing resolutions of the general meetings;
- (III) determining the operating plans and investment schemes of the Company;
- (IV) formulating the annual budget plan and final accounts plan of the Company;
- (V) formulating the profit distribution plan and loss makeup plan of the Company;
- (VI) formulating the Company's plans for increase/decrease of the registered capital increase/decrease, issuance of corporate bonds or other securities, or listing;
- (VII) contemplating the plans for purchase and disposal of material assets, share repurchase, merger, division, dissolution or change of form of the Company;
- (VIII) deciding on the setup of internal management bodies of the Company;
- (IX) appointing or dismissing the general manager, secretary; appointing or dismissing the deputy general manager, CFO or other senior management of the Company as nominated by the general manager;
- (X) deciding on the remuneration of foregoing executives;
- (XI) formulating the fundamental management systems of the Company;
- (XII) formulating the modification plan of the Articles of Association;
- (XIII) deciding on the investment, assets acquisition or disposal, financing, connected transactions among others as required by the HKEX Listing Rules;
- (XIV) managing the information disclosure under the laws, regulations, the HKEX Listing Rules and internal regulations of the Company;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

(XV) deciding on other important issues of the Company, other than the motions to be considered at the general meeting General Meeting under the Company Law and the Articles of Association;

(XVI) any other functions and powers granted by the laws, regulations, the HKEX Listing Rules, the Articles of Association or the General Meeting.

Resolutions concerning any of the above matters (VI), (VII) or (XII) may be passed by the affirmative vote of more than two-thirds of Directors, while a resolution concerning any of the remaining matters may be passed by the affirmative vote of a more than half of the directors.

The Board of Directors shall explain to General Meeting about the Auditor's Report with standard opinions issued by the CPA firm against the financial statements of the Company.

To dispose of fixed assets, if the sum of the expected value of fixed assets to be disposed of and the value of proceeds on disposal of fixed assets over the past 4 months preceding such proposal for disposal exceeds 33% of the value of fixed assets presented in the balance sheet reviewed at a shareholders' general meeting recently, then the Board of Directors shall not dispose or agree to dispose of such fixed assets, without prior consent of the general meeting.

The Board of Directors may hold two kinds of meetings, namely: regular meetings and interim meetings. The Board shall hold at least 4 meetings per year, convened by the Chairman. Entire Directors shall be notified in writing of a regular meeting at least 14 days before meeting.

In any of the following events, the Chairman shall convene an interim meeting within 10 days from the receipt of the proposal:

- (I) when shareholders representing at least 1/10 voting rights propose;
- (II) when at least 1/3 Directors jointly propose;
- (III) when the Chairman proposes;
- (IV) when at least 1/2 Independent Directors propose;
- (V) when the Board of Supervisors proposes.

The notice of regular meeting or interim meeting shall be sent in writing to entire directors, supervisors and general manager at least 14 days prior to the date of regular meetings, or 3 days prior to the date of interim meetings, by person, or through facsimile, courier, or other electronic communication means. For the notice not sent by person, a telephone confirmation shall be made together with a record.

In emergency requiring the Board of Directors to hold an interim meeting as soon as possible, the notice of meeting may be given by telephone or other oral means, provided that the convener shall explain at the meeting.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

A meeting of the board of directors may not be held without more than half of directors being present. To determine whether a quorum of meeting exists, any Director who has material interest in any contract, transaction or arrangement shall not be counted.

Every Director may cast one vote. A motion at the meeting of the board of directors may be passed as resolution by a simple majority of entire directors unless otherwise required by the laws, regulations and the Articles of Association, and any Director materially interested in any relating contract, transaction or arrangement shall abstain from voting.

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

Directors shall attend Board meetings in person. A Director who is unable to attend a meeting for any reason shall appoint another Director to attend a Board meeting on its behalf in writing, provided that the power of attorney shall contain the scope of authorization. The appointed Director shall exercise the rights as Director within the scope of authorization. The failure of a Director to attend a Board meeting in person or by proxy shall be deemed as forfeiting his/her voting rights at such meeting.

Special Committees under the Board of Directors

There are audit committee, nomination committee, remuneration and examination committee under the Board of Directors. The duties, composition and proceeding rules of such committees shall be negotiated separately by the Board of Directors. The Board of Directors may set up other committees on demand. Special committees are specialised work bodies under the Board of Directors, to provide advice or suggestions for the Board of Directors to make important decisions. None of the committees shall make any resolution in the name of the Board of Directors but may exercise the decision-making right on the authorized matters under the special authorization from the Board of Directors.

Secretary of the Board of Directors

The Company shall appoint one secretary to the Board of Directors, who shall be a member of senior management of the Company.

The Secretary of the board of directors shall be a natural person with requisite professional knowledge and experience, and shall be appointed or dismissed by the Board of Directors, with the duties to:

- (I) ensure that Company has complete constituent archives and records; maintain and manage the information of shareholders; assist Directors in the ordinary course of the Board of Directors'
- (II) ensure that the Company lawfully prepares and files the reports and documents required by the competent authorities;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (III) organise and prepare for Board meetings and general meetings, prepare meeting materials, arrange relevant meeting affairs, take minutes of meetings, ensure the accuracy of such minutes, make and preserve meeting documents and records, and actively grasp the implementation of relevant resolutions. To report and make proposals to the Board of Directors regarding the important issues in the implementation of the resolutions;
- (IV) act as the contact between the Company and the securities regulatory authorities, organise, prepare for and timely submit to the regulatory authorities all necessary reports and files, receive relevant tasks assigned by the regulatory authorities and organise the accomplishment of such tasks;
- (V) coordinate and organise issues related to information disclosure, establish a healthy and complete system of information disclosure, participate in all meetings relating to information disclosure of the Company, and timely be aware of important operating decisions and related information and materials of the Company;
- (VI) ensure the proper establishment of share register, and ensure the persons entitled to access relevant corporate records and files are able to acquire such records and documents promptly;
- (VII) perform other duties granted by the Board of Directors, and other duties required by the laws, regulations and the local stock exchange in the place where the Company shares are listed.

A Director or other member of senior management may concurrently serve as Secretary to the Board of Directors. An accountant of the CPA firm engaged by the Company and a manager of the controlling shareholder shall not concurrently serve as Secretary to the Board of Directors. Where the office of the secretary of the Board of Directors is concurrently held by a director of the Company, for an act which is required to be made by a director and the secretary to the Board of Directors separately, then such person shall not perform the act in dual capacity.

General Manager and Other Senior Management

The Company shall have one General Manager and several Deputy General Managers who shall be appointed or dismissed by the Board of Directors. The Company shall have one Chief Financial Officer, one Secretary, and several other Senior Management who shall be appointed or dismissed by the Board of Directors upon recommendation by the general manager.

A director may concurrently be the General Manager, Deputy General Manager, Chief Financial Officer or other Senior Management. The term of office of the General Manager and other Senior Management shall be three years and they may be reappointed.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The General manager reports to the Board of Directors, and has the duties to:

- (I) chair the production, operation and management of the Company, and report to the Board of Directors;
- (II) organise the implementation of resolutions made at Board meetings, the annual operating plan and investing plan of the Company;
- (III) contemplate and propose the annual budget plan and final accounts plan of the Company to the Board of Directors;
- (IV) contemplate the fundamental management system and the internal management setup plan of the Company;
- (V) formulate the specific rules and regulations of the Company;
- (VI) propose to the Board of Directors the appointment or dismissal of the Deputy General manager, the CFO, or the Secretary to the Board of Directors;
- (VII) appoint or dismiss a manager other than those who should be appointed or dismissed by the Board of Directors;
- (VIII) propose to hold interim meetings of the Board of Directors;
- (IX) decide on other matters of the Company within the scope authorized by the Board of Directors;
- (X) decide on the investment, acquisition or disposal, financing among other projects other than those to be decided by the Board of Directors or the General Meeting;
- (XI) other duties authorized by the Articles of Association or the Board of Directors;

Other members of senior management other than the general manager shall assist general manager in work and may exercise some of the general manager's powers and functions upon authorization by general manager.

The General manager shall preside at Board meetings, while he/she has no voting rights at the Board meetings if he/she is not a director.

The General Manager shall perform his/her duties diligently and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

SUPERVISORS AND THE BOARD OF SUPERVISORS

Supervisors

The Board of Supervisors shall be composed of Supervisors who are either shareholder representatives or staff representatives. The staff's representative supervisors shall account for at least one third of entire Supervisors. The staff's representative supervisors shall be democratically elected at the Company's staff's representative meeting, the Employees' Meeting or by other means.

A Supervisor shall not be a Director or a member of senior management of the Company.

Board of Supervisors

The Board of Supervisors is composed of 3 Supervisors, one of whom acts as the Chairman. A supervisor shall serve a term of three years and may seek reelection upon the expiry of the said term. The appointment or dismissal of the Chairman is subject to the approval by at least 2/3 (inclusive) of the members of the Board of Supervisors through voting.

The Board of Supervisors reports to the General Meeting, and has the duties to:

- (I) supervise any act of Directors, General manager, and other senior management in breach of laws, administration regulations, and the Articles of Association during performance of duties, and propose the dismissal of any Director or senior management who contravene the law, administration regulations, the Articles of Association, or the resolutions of General Meeting;
- (II) require a Director or senior management to correct its act that has damaged the interests of the Company;
- (III) check the finance of the Company;
- (IV) collate the financial reports, operational reports and profit distribution plan among other financial information to be submitted from the Board of Directors to the General Meeting, and if any doubt is found, appoint a CPA or licensed auditor to help review such information under the name of the Company;
- (V) propose an extraordinary general meeting, and when the Board of Directors fails to perform its duties to convene or hold the general meeting as required by the Company Law, convene or hold the general meeting;
- (VI) submit proposals to the general meeting;
- (VII) propose an interim Board meeting;

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

(VIII) communicate with a Director on behalf of the Company, or litigate against a Director or senior management in accordance with Article 151 of the Company Law;

(IX) other duties under the laws, administration regulations and the Articles of Association.

Resolutions of Board of Supervisors

The proceeding manner of the Board of Supervisors is as follows: One Supervisor can cast one vote, by means of open name or in writing.

A resolution at the Board of Supervisors shall be passed by at least 2/3 (inclusive) of the entire Board of Supervisors.

Eligibility and Obligations of Directors, Supervisors, and Senior Management

Any of the following persons shall not act as Director, Supervisor, General manager, or other senior management of the Company:

- (I) who has no or limited civil capacity;
- (II) who was sentenced for corruption, bribery, embezzlement or misappropriation of properties or destruction of the order of China's socialist market-oriented economy, and such sentence has expired for not more than 5 years; or who was deprived of political rights due to crime, and such deprivation has expired for not more than 5 years;
- (III) who acted as director, factory manager, manager of a bankrupt or liquidated company or corporation, and personally liable for the bankruptcy of such company or corporation, and a three-year period has not elapsed since the completion of bankruptcy or liquidation of such company or corporation;
- (IV) who acted as the legal representative of a company or corporation whose business license was revoked or which was ordered to close down due to a violation of law and who is personally accountable for the revocation or closure of such company or corporation, and a three-year period has not elapsed since the revocation of the business license of such company or corporation;
- (V) who has a significant amount of due and outstanding debts;
- (VI) who has been subject to investigation by the judicial authorities for violation of the criminal law and the case has yet to be closed;
- (VII) who is prohibited to act as the corporate leader under the laws and regulations;

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- (VIII) who is not a natural person;
- (IX) who was determined by competent authorities to be in violation of securities laws and regulations, and commit fraudulent or dishonest activities, and a five-year period has not elapsed since the date of such ruling;
- (X) other conditions designated by the relevant laws and regulations in the jurisdiction where the Company shares are listed.

In addition to the obligations under the laws, regulations and the Listing Rules of local stock exchange in the place where the Company shares are listed, any Director, Supervisor, General manager or other senior management shall, when exercising their duties granted by the Company, assume the following obligations towards each shareholder:

- (I) shall not make the Company operate beyond the business scope specified in the business license;
- (II) shall faithfully act in the best interest of the Company;
- (III) shall not deprive the Company of its properties in any form, including but not limited to favorable opportunities;
- (IV) shall not deprive shareholders of their personal rights and benefits, including but not limited to the distribution right and the voting rights, but excluding the corporate reorganisation as resolved by the General Meeting under the Articles of Association.

Any Director, Supervisor, General manager or senior management other executive of the Company shall have good faith in performing its duties, not placing itself in the conflict between its interests and its obligations. This principle shall include but not limited to the fulfillment of the following obligations:

- (I) to act faithfully in the best interest of the Company;
- (II) to exercise his/her powers within the scope of duties and not to act beyond such powers;
- (III) to personally exercise its discretionary power, not manipulated by others; not transfer its discretionary power to others, without prior permission by laws and regulations, or without prior informed consent of the general meeting;
- (IV) not to enter into any contract, transaction or arrangement with the Company, unless otherwise required by the Articles of Association, or without prior informed approval of the general meeting;

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- (V) not to profit from the Company's properties for his/her own benefit in any form, without prior informed consent of the general meeting;
- (VI) not to accept bribes or other illegal income by advantage of its duties, or embezzle on the Company's properties in any form, including but not limited to any opportunities favorable for the Company;
- (VII) not to accept any commission relating to the Company's transaction, without prior informed consent of the general meeting;
- (VIII) to abide by the Articles of Association, faithfully perform its duties, protect the interests of the Company and not profit from its position and duties at the Company;
- (IX) not to compete with the Company in any form, without prior informed consent of the general meeting;
- (X) not to misappropriate the Company's funds, or deposit the Company's assets or funds into an account opened in its or other's name; not to lend the Company's funds to others or pledge Company's properties for shareholders of the Company or other individual person;
- (XI) not to disclose any confidential information involving the Company obtained during its tenure, without prior informed consent of the general meeting; not to make use of such confidential information, except for the benefits of the Company; provided however, such information may be disclosed to the court or other governmental authorities in the following conditions:
 - 1. as required by laws;
 - 2. as required by the public interests;
 - 3. as required by the personal interests of said Director, Supervisor, General manager, or other senior management.

Any income of any said person in breach of this provision shall be owned by the Company; if such breach causes loss to the Company, said person shall be liable for compensation.

The directors, supervisors, general manager and other senior management of the Company shall not instigate any of the following persons or entities (the "Relevant Persons") to do anything which director, supervisors, general managers or other senior management are prohibited:

- (I) the spouse or minor child of any Director, Supervisor, General manager, or other senior management of the Company;

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- (II) the trustee of any Director, Supervisor, General manager, or other senior management of the Company, or the trustee of any person set out in (I) herein;
- (III) the partner of any Director, Supervisor, General manager or other senior management of the Company, or the partner of any person set out in (I) & (II) herein;
- (IV) companies de facto independently controlled by any Director, Supervisor, General manager or other senior management of the Company, or the company de facto under common control of said Director, Supervisor, General manager or other senior management and any person set out in (I), (II), and (III), or other Director, Supervisor, General manager or other senior management; and
- (V) any director, supervisor, general manager, or other senior management of said company under control set out in (IV) herein.

The liabilities of any Director, Supervisor, General manager, or other senior management of the Company for its breach of a specific obligation may be discharged under the Articles of Association, with the knowledge of the general meeting.

Any Director, Supervisor, General manager, or other senior management of the Company, who is directly or indirectly interested critically in any contract, transaction, or arrangement entered into by the Company, regardless of whether such interests are usually subject to the approval and consent of the Board of Directors in normal conditions, shall disclose the nature and degree of such interest to the Board of Directors as soon as possible.

With exceptions of Note 1 to Appendix III of HKEX Listing Rules or permitted by HKEX, a Director shall not vote in respect of a contract or arrangement in which he/she or its Close Associate (as defined in HKEX Listing Rules effective from time to time) is a material interest or any other related proposal which is approved by any Board resolution such Director also shall not be counted in the determination of the quorum.

Unless the interested Director, Supervisor, General manager, or other senior management of the Company has disclosed to the Board of Directors as required above, who is not counted in the quorum and the Board meeting has approved the motion, the Company has the right to cancel said contract, transaction or arrangement, provided however that the counterparty is a bona fide party not knowing said Director, Supervisor, General manager or other senior management's breach of obligations.

If a stakeholder of any Director, Supervisor, General manager or other senior management of the Company is interested in a certain contract, transaction or arrangement, then said Director, Supervisor, General manager, or other senior management shall also be deemed as an interested party.

If there is no quorum of the Board meeting due to the avoidance of the matters mentioned above, such matter shall be submitted to the general meeting.

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If a Substantial Shareholder (as defined in the Main Board Listing Rules) or Director is deemed by the Board of Directors to have a serious conflict of interest in the motion to be considered by the Board of Directors, then such motion shall not be treated through circular or submitted to a subordinate committee (except a special committee established for this motion by resolution at Board meeting), and the Board of Directors shall hold a Board meeting for this motion. Independent Directors who together with its Close Associate (as defined in the Main Board Listing Rules) do not have a substantial interest in the transaction shall attend the Board meeting.

The Company shall not pay taxes for its Directors, Supervisors, General manager, and other senior management in any way. The Company shall not directly or indirectly provide loans, or loan guarantees for the Company's or its controlling shareholder's directors, supervisors, general manager, and other senior management. However, such provision shall not apply in the following circumstances:

- (I) the Company provides loans or loan guarantees to its subsidiaries;
- (II) the Company provides loans, loan guarantees or other amounts to any director, supervisor, general manager or other senior management of the Company in accordance with the employment contracts approved at the shareholders' general meeting, so that they may pay the expenses incurred for the purpose of the Company or for fulfilling duties of the Company; and
- (III) if the Company's normal business scope expands to the provision of loans or loan guarantees, then the Company may provide loans or loan guarantees for relevant Directors, Supervisors, General manager or other senior management, on normal commercial terms.

If the Company provides a loan on whatever terms in breach of the foregoing provisions, then the receiving party shall immediately repay such loan.

If any Director, Supervisor, General manager or other senior management of the Company breaks its duties to the Company, then, in addition to various rights or remedies required by laws and regulations, the Company shall have a right to:

- (I) require said Director, Supervisor, General manager or other senior management to compensate the Company for any loss caused by its breach of duties;
- (II) withdraw any contract or transaction entered into between the Company and said Director, Supervisor, General manager or other executive, and any contract or transaction entered into between the Company and a third party (when the third party is aware or is supposed to know that said Director, Supervisor, General manager or other senior management of the Company has broken its duties to the Company);

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

- (III) require said Director, Supervisor, General manager or other senior management to surrender the proceeds from breach of duties;
- (IV) recover the amounts received by said Director, Supervisor, General manager or other senior management, which should have received by the Company, including but not limited to commission;
- (V) require said Director, Supervisor, General manager or other senior management to refund the interest incurred or to be incurred on the amounts that should have been received by the Company.

The Company shall enter into a written contract with Directors, Supervisors, General manager and other senior management of the Company in respect of remuneration, with prior approval from the General Meeting or the Board of Directors. Such written contract shall contain at least the following provisions:

- (I) Directors, Supervisors, and senior management promise to the Company that they should obey the Company Law, the Management Methods, the Articles of Association, the Takeovers Code, and the Share Repurchase Code approved by the Securities & Futures Commission of Hong Kong (as amended from time to time), and other requirements of Hong Kong Stock Exchange, and by agreement the Company will enjoy the remedies under the Articles of Association, while such contract and their positions in the Company shall not be transferred;
- (II) Directors, Supervisors and senior management promise to the Company representing every shareholder that they should obey and perform their duties to shareholders under the Articles of Association;
- (III) the arbitration clause under Article 187 of the Articles of Association.

Except under the foregoing contract, none of the Directors or Supervisors shall litigate against the Company in respect of the interests and benefits that should have been obtained by them for the above reasons.

The Company shall regularly disclose to shareholders the remuneration of Directors, Supervisors and other senior management.

The Company shall, in the contract with Directors or Supervisors in respect of remuneration, provide that, when the Company is going to be acquired, the Directors or Supervisors, with prior approval by the General Meeting, may receive compensation or other amounts for loss of office or retirement.

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Financial Accounting Policy

The Company develops the financial and accounting system according to laws, regulations and regulatory requirements.

The financial statements of the Company shall be prepared according to Chinese accounting standards and regulations, and additionally according to the international accounting standards or the overseas accounting standards in the place of listing. If there are major discrepancies between the financial statements prepared according to two kinds of accounting standards, then such discrepancies shall be specified in the notes to financial statements. The smaller amount of post-tax profits in the financial statements shall be used as the standard amount in distribution of post-tax profits in an accounting year by the Company.

The Board of Directors shall submit the financial reports prepared by the Company as required by the laws, administrative regulations, and the regulatory documents of local governments and authorities, to shareholders at each annual general meeting.

The Company shall not establish other accounting books than those required by laws. The Company's assets shall not be deposited into any account opened in the name of any individual person.

The semiannual results or financial information published or disclosed by the Company according to Chinese accounting standards or laws, and meanwhile according to the international accounting standards or overseas accounting standards in the place of listing.

The Company shall publish the financial reports at international or overseas standards twice an accounting year, that is, publish the semiannual report within 60 days from the end of the first half of an accounting year, and publish the annual report within 120 days from the end of said accounting year.

The Company shall publish results announcements twice an accounting year, that is, publish the semiannual results announcement within 2 months from the end of first half of an accounting year, and publish the annual results announcement within 3 months from the end of said accounting year.

Profits Distribution

To distribute after-tax profits of current year, the Company shall allocate 10% of profits for the statutory reserves of the Company. If the cumulative amount of statutory reserves exceeds 50% of the registered capital of the Company, no further allocation is required. If the statutory reserves are insufficient to make up previous losses, then the Company shall firstly make up previous losses with current profits, before any allocation is made to the statutory reserves in accordance with the preceding paragraph.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

After foregoing provision for statutory reserves, the Company may also draw discretionary reserves from after-tax profits, subject to the resolution of the shareholder's general meeting.

The remaining after-tax profits after loss makeup and provisions for reserves shall be distributed to shareholders in proportion to their shareholding percentages according to the resolution of general meeting.

If the general meeting breaches the foregoing provisions and distributes profits to shareholders before loss makeup and the statutory reserves, then shareholders shall refund the distributed profits to the Company in violation of the foregoing provisions.

The shares held by the Company per se shall not participate in the profit distribution.

Capital reserves include the following amounts:

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

The premium obtained by the Company from issuing shares at an issue price exceeding the par value of the shares and other income that is included in the capital reserve fund as stipulated by the financial department of the State Council shall be included in the Company's capital reserve fund.

The reserves of the Company are used to make up losses, expand business, or increase the registered capital of the Company; however, the capital reserves will not be used to make up losses of the Company.

When the statutory reserves are reversed into capital, the remaining amount of said reserves shall not be less than 25% of the registered capital of the Company before such reversal.

The Company may distribute dividends in the following either or both forms:

- (I) cash;
- (II) shares.

The amounts paid by shareholders for shares before calls may incur interest, but shareholders may not receive dividends upon the amounts prepaid for shares.

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The Company shall appoint a collection agent for the holders of overseas listed shares, who shall receive the dividends and other payables of the Company in respect of overseas listed shares, on behalf of said shareholders, and keep such amounts on their behalf, for future payment to them.

The collection agent appointed by the Company shall meet the requirements of the law in the place where the shares are listed or the relevant regulations of the stock exchange.

The collection agent appointed by the Company for the holders of overseas shares listed in Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance (Cap. 29) of Hong Kong.

Subject to the relevant laws and regulations of China, the Company may forfeit any dividend unclaimed, provided that such power of forfeiture shall not be exercised before expiration of its applicable limitation period.

The Company also has the power to terminate the delivery of a dividend warrant by post to an offshore listed shareholder; if the cash on such dividend slip is not withdrawn consecutively two times or more, the Company may exercise such power of termination. However, the Company may also exercise this power if the dividend warrant has been returned by undeliverable means for which it has first been delivered to the addressee.

In connection with the issue of Warrants to bearer holders in the exercise of this power, no new Warrants shall be issued in lieu of lost Warrants unless the Company is satisfied beyond reasonable doubt that the original Warrants held thereby have been destroyed. The Company shall have the power to sell the shares of offshore listed shareholders who have been unable to contact in such manner as the board of directors may think fit, provided, however, that:

- (I) dividends are distributed onto such shares at least 3 times within 12 years, but such shares are unclaimed in such period; and
- (II) upon expiration of 12-years, the Company shall publish a public announcement on one or more newspapers in the place of listing, specifying the intention to sell such shares, and shall notify the local securities regulatory authorities in the place where the Company's shares are listed.

The Company shall pay cash dividends and other amounts in RMB to the holders of domestic unlisted shares. The cash dividends and other amounts to the holders of overseas listed shares shall be denominated and declared in RMB, and paid in HK dollars. The foreign currency needed for the Company to pay cash dividends and other amounts to overseas listed shareholders shall be handled in accordance with the relevant PRC regulations on foreign exchange control.

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Engagement of CPA Firm

The Company shall engage a compliant, independent CPA firm, to audit the annual reports and other financial reports of the Company.

The first CPA firm of the Company may be engaged by the Founding Assembly before the first annual general meeting, the tenure of which shall expire at the close of the first annual general meeting. When the Founding Assembly does not exercising the foregoing power, the Board of Director shall exercise such power.

The CPA firm engaged by the Company is entitled to following rights:

- (I) to access the books of accounts, records, or vouchers of the Company at any time, and require the Directors, General manager, or other senior management of the Company to provide relating information and explanations;
- (II) to require the Company to take all reasonable measures to obtain from its subsidiaries all information and notes required for said CPA firm to perform its duties;
- (III) to attend general meeting, receive the notice of meeting accessible to any shareholder, or other information relating to the meeting, and speak at any general meeting in respect of any matter involving its capacity as the CPA firm of the Company.

If any position of CPA firm is vacant, the Board of Directors may appoint a CPA firm to fill up such vacancy before the convening of the general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period when such a vacancy exists.

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

The remuneration of the CPA firm or the calculation method shall be decided by the general meeting. The remuneration of the CPA firm engaged by the Board of Directors shall be determined by the Board of Directors.

The engagement, dismissal or non-reappointment of a CPA firm is decided by the General Meeting.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Where a resolution at a shareholders' general meeting is to be passed to engage a new CPA firm to fill a vacant position of incumbent CPA firm, or to reappoint a CPA firm engaged by the Board of Directors to fill a vacancy, or to dismiss a CPA firm before the expiration of its term of office, the following provisions shall apply:

- (I) the motion of said engagement or dismissal shall be sent to the CPA firm to be so engaged or dismissed, or the CPA firm that has departed from the Company in relevant accounting year, before the notice of general meeting is sent. The word "departure" includes dismissal, resignation and retirement.

- (II) if a departing CPA firm makes a written representation and asks the Company to notify shareholders of such representation, then, unless such representation reaches the Company too late, the Company shall:
 - 1. specify such representation of the departing CPA firm in the motion; and
 - 2. send the copy of such representation as attached to the motion, in the manner required by the Articles of Association, to every shareholder who has the right to receive the notice of general meeting.

- (III) if the Company fails to send such representation of CPA firm in the manner set out in (II) herein, then said CPA firm may require such representation to be read out at the general meeting, and make further appeal.

- (IV) A departing CPA firm shall be entitled to attend any of the following meetings:
 - 1. the general meeting at which its term of office would be expired;
 - 2. the general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - 3. the general meeting which convened for its resignation.

A departing CPA firm has the right to receive all notices of above meetings or other information about such meetings, and speak at any such meetings in respect of any matter involving its capacity as former CPA firm of the Company.

The Company shall send a prior notice to CPA firm, in order to dismiss or not to reappoint the CPA firm, and said CPA firm is entitled to give opinions to the general meeting. The CPA firm, in order to resign, shall make representations whether the Company has any improper affairs to the general meeting.

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The CPA firm may resign by placing the notice of resignation in writing to the registered address of the Company. Such notice will be effective on the date of being placed in the registered address of the Company or the date specified in the notice, whichever is later. Such notice shall contain:

1. the statement that the CPA firm deems its resignation does not require it to explain anything to the shareholders or creditors of the Company; or
2. the representation of the CPA firm that should be made.

The Company shall, within 14 days after receiving such notice of resignation, send a photocopy of such notice to the competent authority. If the notice contains the representation mentioned in above paragraph 2, the Company shall post the photocopy of said representation, postage prepaid, to every holder of overseas listed shares (having the access to the financial status report of the Company), at the address registered in the register of members.

If such notice contains the representation mentioned in above paragraph 2, the CPA firm may require the Board of Directors to call an extraordinary general meeting to receive an explanation of the circumstances in connection with its resignation.

Merger and Division of the Company

In the event of the merger or division of the Company, a plan shall be proposed by the Company's Board of Directors and shall be approved in accordance with the procedures stipulated in these Articles of Association. The Company shall then go through the relevant approval formality pursuant to the law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of merger or division of the Company shall constitute special files which shall be available for inspection by the shareholders. The aforesaid files shall also be sent by mail to holders of overseas listed shares.

The merger of the Company may take two forms: merger by absorption or merger by new establishment.

In a merger of the Company, all parties to a merger shall sign the merger agreement and shall prepare their respective balance sheets and inventory lists of assets. The Company shall notify its creditors within ten days from the date of passing the merger resolution and to make announcement in newspaper within thirty days. Upon the merger, the creditors' rights and the indebtedness of each merging party shall be assumed by the surviving entity or the newly established company resulting from the merger.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Where the Company is to be divided, its assets shall be divided accordingly. In the event of the division of the Company, the parties to such division shall prepare a balance sheet and a list of assets. The Company shall notify its creditors within ten days from the date of the resolution on such division and shall publish a public notice in the newspaper(s) within 30 days from the date of the resolution on such division. The post-division companies shall be jointly and severally liable for the pre-division debts of the Company, unless provided otherwise in a written agreement pertaining to the payment of debts between the Company and its creditors prior to the division.

Where the Company undergoes a merger or division, changes in the particulars of the Company shall be registered with the company registration authorities in accordance with the laws. Where the Company is dissolved, cancellation of its registration shall be conducted in accordance with the laws. Where a new company is established, it shall be registered in accordance with the laws.

Dissolution and Liquidation of the Company

The Company shall be dissolved and liquidated in accordance with the laws upon the occurrence of any of the following events:

- (I) expiry of the valid term of the business or the occurrence of other events of dissolution as stated in the Articles of Association;
- (II) a resolution for dissolution is passed by a shareholders' general meeting;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the Company was declared bankrupt due to its inability to pay off its due debts;
- (V) the Company is revoked of business license, ordered to close or canceled according to law;
- (VI) the Company is ordered to close down according to law as it violates laws and administrative regulations;
- (VII) serious difficulties arise in the operation and management of the Company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding at least 10% of all shareholders' voting rights may petition a people's court to dissolve the Company.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Where the Company is dissolved in accordance with the provisions of items (I), (II), (V) and (VII) above, a liquidation committee shall be formed within 15 days after the occurrence of the event of dissolution to deal with matters of the liquidation. The members of the liquidation committee shall be directors or other persons appointed by a shareholders' general meeting. If a liquidation committee is not established in time, the creditors may apply to the people's court to establish a liquidation committee by their appointment to proceed with the liquidation. Where the Company is dissolved in accordance with the provisions of item (IV) above, the people's court shall, according to relevant legal provisions, organize the shareholders, relevant departments, and professionals to form a liquidation committee to carry out the liquidation. Where the Company is dissolved in accordance with the provisions of item (VI) above, the competent authorities shall organize the shareholders, relevant departments, and professionals to form a liquidation committee to carry out the liquidation.

If the board of directors decides the Company shall carry out liquidation (except for liquidation resulting from the Company being declared bankrupt), it shall state in the notice of general meeting convened for this purpose that the board of directors has conducted a comprehensive investigation on the Company's conditions and believes that the Company is able to pay off all its debts within 12 months of the commencement of liquidation.

The functions and powers of the Board of Directors of the Company shall terminate immediately when the general meeting adopts the resolution on liquidation.

The liquidation committee shall follow the directions of the general meeting and annually report on its income and expenditures, the Company's business and progress of liquidation at least once a year to the general meeting and make a final report to the shareholders' general meeting when liquidation is completed.

The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (I) to dispose of the property of the Company, and to prepare a balance sheet and a list of properties;
- (II) to inform creditors by notice and public announcement;
- (III) to dispose of unfinished business of the Company relating to the liquidation;
- (IV) to pay up all outstanding taxes and tax arising during the liquidation process;
- (V) to clear up claims and debts;
- (VI) to dispose of the residual properties of the Company after the full settlement of debts;
- (VII) to represent the Company in civil litigations.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

The liquidation committee shall notify the creditors within ten days after its establishment, and publish announcements in the newspaper(s) within 60 days. Creditors shall, within 30 days from the date of receiving the notice; or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of the matters relating to their claims. The liquidation committee shall register the creditors' claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

A liquidation plan shall be formulated by the liquidation committee after the stocktaking of the Company's assets has been carried out and the balance sheet and a detailed inventory of assets have been formulated, and shall be submitted to the general meeting or the relevant competent authority for confirmation.

The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts. The residual assets of the Company after settlement of all liabilities in accordance with the provisions of the preceding article shall be distributed to the shareholders of the Company according to the categories and proportion of their shareholdings.

During the liquidation period, the Company shall not commence any new business activities. Before the Company's debts have been fully repaid in accordance with the provisions of the preceding paragraph, no assets of the Company shall be distributed to its shareholders.

Where the Company is liquidated due to its dissolution and the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency. Once the People's Court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the People's Court.

Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, a statement of income and expenditure and financial accounts during the period of liquidation, which shall be examined and verified by an accountant registered in China and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall also within 30 days after such confirmation, submit the aforesaid documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

APPENDIX V SUMMARY OF THE ARTICLES OF ASSOCIATION

Amendment to the Articles of Association

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

The following procedures shall be followed when amending the Articles of Association:

- (I) The Board of Directors shall firstly adopt a resolution for amendment to the Articles of Association and prepare a proposal for amendment to the Articles of Association;
- (II) The Board of Directors shall convene a shareholders' general meeting for voting on such proposal thereat;
- (III) The shareholders' general meeting shall approve such proposal by special resolution;
- (IV) The Company shall submit the amended Articles of Association to the company registration authority for record.

Where amendment to the Articles of Association involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

Settlement of Disputes

The Company shall act according to the following principles to settle disputes:

- (I) For any disputes or claims in relation to the Company's business, with respect to any rights or obligations under the Articles of Association of the Company, the Company Law or any other relevant laws, administrative regulations, and the listing rules of the place where the Company's shares are listed, arise between shareholders of overseas-listed foreign shares and the Company, between shareholders of overseas-listed foreign shares and the directors, supervisors, the general manager or other senior management of the Company or between shareholders of overseas-listed foreign shares and shareholders of domestic unlisted shares, the parties concerned shall submit such disputes or claims to arbitration.

Where the abovementioned dispute or claim of rights is referred to arbitration, it shall be the entire claim or dispute, and all persons (being the Company or shareholders, directors, supervisors, the general manager or other senior management officers of the Company), who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim of rights, shall abide by arbitration.

Disputes with respect to definition of shareholders or register of shareholders may be resolved other than by way of by arbitration.

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- (II) The claimant may refer the arbitration either to the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre under its Securities Arbitration Rules. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.

If the claimant chooses the Hong Kong International Arbitration Centre for arbitration, either party may request the arbitration to be conducted in Shenzhen in accordance with the provisions of the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims of rights arising out of Item (I) above are settled by way of arbitration, the laws of the People's Republic of China (excluding the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan region) shall apply, save as otherwise provided in laws and administrative regulations.

- (IV) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all parties.