

**Articles of Association
of
MicroTech Medical (Hangzhou) Co., Ltd.**

微泰醫療器械(杭州)股份有限公司

Passed at the 2023 Extraordinary General Meeting of the Company
on December 27, 2023

CONTENTS

CHAPTER 1	GENERAL PROVISIONS.	1
CHAPTER 2	OBJECTIVES AND SCOPE OF BUSINESS.	4
CHAPTER 3	SHARES	5
SECTION 1	ISSUE OF SHARES	5
SECTION 2	INCREASE, DECREASE AND REPURCHASE OF SHARES	6
SECTION 3	TRANSFER OF SHARES.	8
CHAPTER 4	SHAREHOLDERS AND SHAREHOLDERS’ GENERAL MEETINGS	9
SECTION 1	SHAREHOLDERS AND REGISTER OF MEMBERS	9
SECTION 2	GENERAL PROVISIONS OF SHAREHOLDERS’ GENERAL MEETINGS.	14
SECTION 3	CONVENING OF SHAREHOLDERS’ GENERAL MEETINGS	16
SECTION 4	PROPOSALS AND NOTICES OF SHAREHOLDERS’ GENERAL MEETINGS.	17
SECTION 5	HOLDING OF SHAREHOLDERS’ GENERAL MEETINGS.	19
SECTION 6	VOTING AND RESOLUTIONS OF SHAREHOLDERS’ GENERAL MEETINGS.	22
CHAPTER 5	BOARD OF DIRECTORS.	25
SECTION 1	DIRECTORS	25
SECTION 2	INDEPENDENT NON-EXECUTIVE DIRECTORS	29
SECTION 3	BOARD OF DIRECTORS	30
SECTION 4	SPECIAL COMMITTEES OF THE BOARD OF DIRECTORS.	33
SECTION 5	SECRETARY TO THE BOARD OF DIRECTORS.	34
CHAPTER 6	GENERAL MANAGER OF THE COMPANY	34
CHAPTER 7	SUPERVISORY COMMITTEE	35
CHAPTER 8	QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGERS AND OTHER SENIOR MANAGEMENT OF THE COMPANY	38
CHAPTER 9	FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION	40
CHAPTER 10	APPOINTMENT OF ACCOUNTING FIRM.	42
CHAPTER 11	MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION.	42
CHAPTER 12	AMENDMENTS TO THE ARTICLES OF ASSOCIATION.	47
CHAPTER 13	NOTICES AND ANNOUNCEMENTS	47
CHAPTER 14	SUPPLEMENTARY PROVISIONS	49

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of MicroTech Medical (Hangzhou) Co., Ltd. (hereinafter referred to as the “Company”), its shareholders and creditors and regulate the organization and acts of the Company, the Articles of Association are formulated by the Company in accordance with the Company Law of the People’s Republic of China (中華人民共和國公司法) (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other relevant provisions.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law and other relevant laws and administrative regulations of the PRC.

The Company is a joint stock limited company jointly established by all shareholders of MicroTech Medical (Hangzhou) Company Limited (微泰醫療器械(杭州)有限公司) by means of promotion, and was registered with the Administration for Market Regulation of Yuhang District in Hangzhou on November 6, 2020 and obtained a business license with unified social credit code of 9133011056875135XF. At present, the Company has been transferred to the Zhejiang Provincial Administration for Market Regulation for registration.

The promoters of the Company upon establishment were as follows:

No.	Name of promoters	Number of shares subscribed for (shares)	Percentage of shareholding	Method of capital contribution	Time of capital contribution
1	Zheng Pan	23,343,755	28.12%	Shares converted from net asset	November 2020
2	DORE CHIN MARK	1,834,670	2.21%	Shares converted from net asset	November 2020
3	LAV Evergreen (Hong Kong) Co., Limited	6,779,401	8.17%	Shares converted from net asset	November 2020
4	QM32 Limited	9,009,740	10.85%	Shares converted from net asset	November 2020
5	Shanghai Li'an Venture Capital Center (Limited Partnership)	3,168,930	3.82%	Shares converted from net asset	November 2020
6	Suzhou Qiming Ronghe Venture Capital Partnership (Limited Partnership)	4,245,512	5.11%	Shares converted from net asset	November 2020
7	Hangzhou Jiuyao Equity Investment Partnership (Limited Partnership)	2,825,085	3.40%	Shares converted from net asset	November 2020

8	Hangzhou Jiufu Equity Investment Partnership (Limited Partnership)	2,825,085	3.40%	Shares converted from net asset	November 2020
9	Power SUM Limited	1,839,958	2.22%	Shares converted from net asset	November 2020
10	Hangzhou Zibo Investment Management Partnership (Limited Partnership)	1,506,712	1.81%	Shares converted from net asset	November 2020
11	Hangzhou Chende Investment Partnership (Limited Partnership)	1,412,542	1.70%	Shares converted from net asset	November 2020
12	Hangzhou Yantai Investment Partnership (Limited Partnership)	5,032,499	6.06%	Shares converted from net asset	November 2020
13	Jiaxing Furui Equity Investment Partnership (Limited Partnership)	483,324	0.58%	Shares converted from net asset	November 2020
14	Hangzhou Yunbo Investment Partnership (Limited Partnership)	1,005,907	1.21%	Shares converted from net asset	November 2020
15	Hangzhou Jiuge Equity Investment Partnership (Limited Partnership)	755,193	0.91%	Shares converted from net asset	November 2020
16	Jiangsu Jiequan Lize Health Industry Venture Capital Fund (Limited Partnership)	6,218,686	7.49%	Shares converted from net asset	November 2020
17	Hangzhou Hengtai Brand Management Partnership (Limited Partnership)	4,151,136	5.00%	Shares converted from net asset	November 2020
18	Shanghai Guofang Zouzhen Enterprise Service Center (Limited Partnership)	2,567,602	3.10%	Shares converted from net asset	November 2020
19	Suzhou Likang Equity Investment Center (Limited Partnership)	2,149,076	2.59%	Shares converted from net asset	November 2020
20	Zhu Liuping	1,112,395	1.34%	Shares converted from net asset	November 2020
21	QM153 Limited	755,507	0.91%	Shares converted from net asset	November 2020
	Total	83,022,715	100%	-	-

As approved by the China Securities Regulatory Commission on July 28, 2021, the Company issued 63,529,500 overseas listed foreign shares, H Shares were listed on The

Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange” or “Stock Exchange”) on October 19, 2021.

Article 3 The registered name of the Company: 微泰醫療器械(杭州)股份有限公司.

Full name in English: MicroTech Medical (Hangzhou) Co., Ltd.

Article 4 Domicile of the Company: No. 108 Liuze Street, Cangqian Street, Yuhang District, Hangzhou, Zhejiang.

Postal code: 311121

Telephone number: 0571-88566372

Fax number: 0571-88566539

Article 5 The registered capital of the Company is RMB421,138,000 .

Article 6 The Company is a joint stock limited liability company with perpetual existence.

The Company is an independent legal person with independent legal person properties and enjoys the right to legal person property.

Article 7 The Chairman is the legal representative of the Company.

Article 8 Total capital of the Company is divided into shares of equal nominal value. Shareholders shall bear liability for the Company to the extent of the shares they subscribe for, and the Company shall bear liability for the debts of the Company with all its assets.

Article 9 The Articles of Association have been considered and approved at the general meeting of the Company with immediate effect. The original Articles of Association of the Company shall be invalidated automatically from the effective date of the Articles of Association.

From the date upon which the Articles of Association come into effect, the Articles of Association shall become a legally binding document regulating the Company’s organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders.

Article 10 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management personnel, all of whom may propose claims in respect of rights concerning any matters of the Company pursuant to the Articles of Association.

A shareholder may take legal action against the Company pursuant to the Articles of Association; the Company may take legal action against any shareholder pursuant to the Articles of Association; a shareholder may take legal action against another shareholder pursuant to the Articles of Association; a shareholder may take legal action against the directors, supervisors, general manager and other senior management personnel of the Company pursuant to the Articles of Association.

The legal action referred to in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term “other senior management personnel” as mentioned herein shall include the vice general manager, the secretary to the Board of Directors and the chief financial officer(The Company refers to the chief financial officer as the “Chief Financial Officer.”).

Article 11 The Company may invest in enterprises such as other limited liability companies and joint stock limited companies, and undertake liabilities for the invested company as limited to the capital contribution made by it. Unless otherwise provided by laws, the Company shall not be an investor that is jointly and severally liable for the liabilities owed by the invested enterprises.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 12 The business objectives of the Company

The objectives of business of the Company are: with continuous technological innovation and comprehensive customer services, we provide optimal blood glucose monitoring and treatment solutions for diabetic patients to help them improve their quality of life.

Article 13 The business scope of the Company

As registered in accordance with the laws, the scope of business of the Company covers: General items: production of Class I medical devices; the sales of Class I medical devices; the sales of Class II medical devices; production of protective equipment for medical personnel (Class I medical devices); technical services, technology development, technology consultation, technology exchange, technology transfer, technology promotion; engineering and technical research and testing development; sales of daily masks (non-medical); retail sales of medical masks; retail sales of protective equipment for medical personnel; sales of electronic products; leasing of non-residential real estates; property management; production of daily masks (non-medical); wholesale of medical masks; wholesale of protective equipment for medical personnel; leasing of machinery and equipment; manufacturing of power transmission and distribution and control equipment; sales of intelligent power transmission and distribution and control equipment (except for businesses that are subject to approval in accordance with the laws, the business activities should be conducted independently with the business license(s) in accordance with the laws). Licensed items: production of Class II medical devices; production of Class III medical devices; operation of Class III medical devices; production of protective equipment for medical personnel (Class II medical devices); import and export of technologies; import and export of goods; production of medical masks (for businesses that are subject to approval in accordance with the laws, the business activities shall be carried out upon approval by relevant authorities, and specific businesses should be determined by approval results).

CHAPTER 3 SHARES

Section 1 Issue of Shares

Article 14 The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class shall have the same rights.

For the same type of shares issued in the same offering, the issue terms and price shall be identical for each share; each share subscribed by any units or individuals shall be paid at the same price.

Article 15 The shares of the Company shall take the form of stock. The share certificates issued by the Company shall each have a par value, denominated in RMB.

Article 16 The Company may issue shares to domestic investors and overseas investors according to the law.

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

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

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

Foreign shares issued by the Company that are listed in Hong Kong shall be referred to as H shares. H shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which are denominated in Renminbi and which are subscribed for and traded in foreign currencies.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations.

Shareholders of the Company may lawfully transfer all or part of the unlisted shares they hold to foreign investors and list and trade the unlisted shares on an overseas stock exchange, and may also lawfully convert all or part of the unlisted shares they hold into overseas listed shares and arrange for the listing and trading of these shares on an overseas stock exchange. Listing and trading of the aforesaid transferred or converted shares on an overseas stock exchange shall also comply with the regulatory procedures, regulations and requirements of the overseas securities market. No shareholders' general meeting is required for the listing and trading of such transferred shares on overseas stock exchange, or all or part of the unlisted shares held by the shareholders of the Company being converted into overseas listed shares and listed and traded on the overseas stock exchange.

Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.

Section 2 Increase, Decrease and Repurchase of Shares

Article 18 The Company may approve capital increase based on the needs of operation and development and in accordance with the Articles of Association.

The Company may increase its registered capital by the following methods:

- (I) public offering of shares;
- (II) private offering of shares;

- (III) placement or distribution of new shares to the existing shareholders;
- (IV) converting funds in the capital reserve into share capital; and
- (V) any other method stipulated by laws and administrative regulations and approved by relevant regulatory authorities.

The Company's increase of capital by issuing new shares shall be conducted in accordance with the procedures provided in the relevant laws and administrative regulations of the state, after being approved according to the Articles of Association.

Article 19 The Company may reduce its registered capital. The reduction of registered capital shall follow the procedures set forth in the Company Law and other regulations and the Articles of Association.

Article 20 When reducing its registered capital, the Company must prepare a balance sheet and a list of property.

Within ten days since the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the Company and a public announcement shall be made in the newspaper within thirty days. The creditors may, within thirty days since the receipt of the notice or within forty-five days since the issuance of the public announcement if they fail to receive a notice, require the Company to clear off its debts or to provide corresponding guarantees.

The reduced registered capital of the Company may not be less than the statutory minimum.

Article 21 The Company may, under any of the following circumstances, buy back its issued shares pursuant to the provisions of laws, regulations, normative documents and the Articles of Association:

- (I) reduction of its registered capital;
- (II) merger with another company which holds the shares of the Company;
- (III) shares are used for employee stock ownership plan or share incentive;
- (IV) any shareholder opposes a resolution on the merger or division of the Company adopted at a shareholders' general meeting and requests the Company to purchase his/her shares;
- (V) the shares are used to convert corporate bonds issued by the Company that can be converted to shares;

(VI) it is necessary for the Company to maintain corporate value and shareholders' interests; and

(VII) any other circumstance stipulated by laws and administrative regulations.

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

Article 22 The Company purchasing its own shares under any of the circumstances set forth in sub-paragraphs (I) and (II) of Article 21 hereof shall be subject to a resolution of the shareholders' general meeting. The Company purchasing its own shares under any of the circumstances set forth in sub-paragraphs (III), (V) and (VI) of Article 21 hereof may be subject to a resolution of a meeting of the Board of Directors at which more than two-thirds of Directors are present. The shares repurchased according to Article 21 hereof under the circumstance stipulated in sub-paragraph (I) shall be deregistered within ten days from the date of acquisition of shares; the shares shall be assigned or deregistered within six months if the repurchase of shares is made under the circumstances stipulated in either sub-paragraph (II) or sub-paragraph (IV). In the event of the circumstances set out in sub-paragraphs (III), (V) and (VI), the total shares held by the Company shall not exceed 10% of the total shares issued by the Company, and shall be assigned or deregistered within three years.

After the repurchase of shares according to law, the Company shall deregister or transfer the said shares before the deadline specified by the laws and administrative regulations if the shares should be deregistered according to law, and shall apply for the change of the registered capital registered with the original company registration authority after deregistration of the shares.

Section 3 Transfer of Shares

Article 23 Shares of the Company held by promoters are not allowed to be transferred within one year from the date of the establishment of the Company. No transfer of the shares of the Company issued before its public offering shall be made within one year from the date on which the shares of the Company are listed and traded on the stock exchange.

The directors, supervisors and other senior management of the Company shall report to the Company their shareholdings and the changes thereof, and shall not transfer in a given year during their terms of office more than 25% of the total number of shares of the Company held by them, the shares of the Company held by them shall not be transferred within one year from the day on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their resignations.

Article 24 The Company does not accept its own shares as the collateral of pledge.

CHAPTER 4 SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETINGS

Section 1 Shareholders and Register of Members

Article 25 Share certificates of the Company shall be in registered form.

Matters to be specified in the Company's shares shall include:

- (I) name of the Company;
- (II) date of incorporation of the Company;
- (III) category of share, par value and number of shares represented;
- (IV) share certificate number; and
- (V) other particulars that are required to be specified by the Company Law and the stock exchange where the securities of the Company are listed.

Article 26 The Company shall maintain a register of members and register the following particulars:

- (I) The name, and address (residence) of each shareholder;
- (II) The number of shares held by each shareholder;
- (III) The serial numbers of the shares held by each shareholder; and
- (IV) The date on which each shareholder received the shares.

The Company shall keep a register of members according to the certificates provided by the securities registration authority, and such register of members shall be the sufficient evidence for the shareholders' shareholding in the Company.

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

- (I) The Company shall register no more than four persons as the joint holders of any shares;
- (II) All joint holders of any share shall jointly and severally assume obligation for all amounts payable for relevant shares;

- (III) If one of the joint holders dies or is deregistered, only the surviving joint holder(s) shall be deemed by the Company as having ownership of the relevant shares. However, the Board of Directors shall have the right, for the purpose of making amendments to the register of members, to demand the death or deregistration certificate of such holder it deems appropriate;
- (IV) In respect of any of the joint holders of any shares, only the joint shareholder whose name appears first in the register of members has the right to receive the share certificate of the relevant shares from the Company, receive notices or other documents of the Company. Any notice delivered to the aforesaid persons shall be deemed to have been delivered to all the joint holders of the relevant shares. Any joint holder may sign a proxy form. If more than one joint holder is present in person or by proxy, the vote made by the preferred joint holder shall be accepted as the sole vote made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders must be determined according to the order of ranking of the joint holders of relevant shares in the register of members of the Company; and
- (V) If any of the joint shareholders sends to the Company a receipt of any dividend, bonuses or capital returns payable to such joint shareholders, such receipt shall be deemed as valid receipt issued by the joint shareholders to the Company.

Article 27 The Company may, in accordance with any understanding or agreements between the securities regulatory authority of the State Council and overseas securities regulatory organisations, keep its original copy of the register of holders of overseas-listed foreign shares outside China and entrust overseas agent(s) to manage such register. The original copy of the register of holders of overseas-listed foreign shares listed in Hong Kong shall be kept in Hong Kong, in which case such register of members may be available to the shareholders for inspection, provided that the Company may close the register of members on terms equivalent to Section 632 of the Companies Ordinance.

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

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

Article 28 Where the Company convenes a shareholders' general meeting, distributes dividends, liquidates, or carries out other activities that require the determination of shareholders' identities, the Board of Directors or the convener of a shareholders' general meeting determines a date for registration of the shareholding. After the closing hours on such date, the shareholders whose name appear on the register shall be the shareholders entitled to relevant interests.

Article 29 A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

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

Article 30 The holders of ordinary shares of the Company shall be entitled to the following rights:

(I) to receive dividends and other kinds of benefit distributions based on the number of shares held by them;

(II) to require, convene, chair, attend or appoint a proxy to attend a shareholders' general meeting pursuant to the law and exercise the corresponding speaking rights and voting rights, unless individual shareholders are required to abstain from voting on separate matters in accordance with applicable laws and regulations or the Hong Kong Listing Rules;

(III) to supervise and manage the business operations of the Company, and to put forward suggestions or raise enquiries;

(IV) to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations and the Articles of Association;

(V) to inspect these Articles of Association, the register of members, counterfoils of the Company's bonds, the minutes of shareholders' general meetings, the resolutions of meetings of the Board, the resolutions of meetings of the Supervisory Committee and the financial and accounting reports;

(VI) upon termination or liquidation of the Company, participating in the distribution of the Company's residual assets based on their shareholding;

(VII) a shareholder who objects to the resolution on merger or division of the Company passed by a shareholders' general meeting may request the Company to acquire his/her/its shares; and

(VIII) any other rights stipulated by laws, administrative regulations, departmental rules, listing rules of the place where the securities of the Company are listed and the Articles of Association.

Article 31 Shareholders have the right to protect their legal rights through civil litigation or other legal means in accordance with laws, administrative regulations and the Articles of Association.

Where the contents of a resolution of shareholders' general meeting of the Company or the Board of Directors violate any law or administrative regulation, shareholders are entitled to petition to the people's court to declare the resolution invalid.

Where the convening procedures or voting method of a shareholders' general meeting or a Board meeting violate any laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, a shareholder shall have the right to apply to the people's court for revocation within 60 days from passing of such resolution.

If the Company has gone through the changes in registration in accordance with the resolutions of the shareholders' general meeting or the Board of Directors, the Company shall apply to the company registration authority for cancellation of the changes in registration after the resolution is declared invalid or revoked.

Article 32 Where the directors or senior management personnel violate the provisions of laws, administrative regulations or the Articles of Association during the performance of their duties and cause losses to the Company, the shareholders severally or jointly holding 1% or more of the Company's shares for a period of 180 consecutive days or longer are entitled to request the Supervisory Committee to file a lawsuit with the people's court in writing; where the Supervisory Committee violates the provisions of laws, administrative regulations or the Articles of Association in the performance of duties and cause losses to the Company, the aforesaid shareholders may request the Board of Directors to file a lawsuit with the people's court in writing.

Upon receipt of shareholders' written request stipulated in the preceding paragraph, if the Supervisory Committee or the Board of Directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interest of the Company will suffer irreparable damages if lawsuit is not filed immediately, the shareholders stipulated in the preceding paragraph shall have the right to file a lawsuit directly with the people's court in their own name for the interest of the Company.

If others infringe upon the legitimate rights and interests of the Company and cause losses to the Company, the shareholders specified in the first paragraph of this Article may file a lawsuit with the people's court according to the provisions of the preceding two paragraphs.

Article 33 Where any director or senior management personnel violates the provisions of laws, administrative regulations or the Articles of Association, damaging interests of shareholders, the shareholders may file a lawsuit with the people's court.

Article 34 Holders of ordinary shares of the Company shall undertake the following obligations:

(I) to comply with laws, administrative regulations, and the Articles of Association;

(II) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(III) not to make divestment unless in the circumstances stipulated by laws and regulations;

(IV) not to abuse the shareholders' rights to harm the interests of the Company or other shareholders. There shall be no abuse of the Company's independent incorporated status and shareholders' limited liability to harm the interests of creditors of the Company; and

(V) other obligations that shall be undertaken in accordance with the provisions of laws, administrative regulations, rules, normative documents, listing rules of the place where the securities of the Company are listed and the Articles of Association.

Should the shareholders abuse their rights to cause any losses to the Company or other shareholders, they shall be liable for legal claims. Should the shareholders of the Company abuse the Company's independent incorporated status and shareholders' limited liability for debt evasion that leads to serious damage to the benefits of creditors of the Company, they shall be held liable for the debts of the Company.

Article 35 Shareholders who hold more than 5% of the Company's shares carrying voting rights and have charged the shares they hold shall report to the Company in writing on the day of the occurrence of the charge.

Article 36 The controlling shareholders of the Company and the de facto controller shall not make use of their connected relationships to harm the benefits of the Company. For any infringement that leads to damage of the Company, the parties shall be held liable for such losses.

The controlling shareholders of the Company and the de facto controller have fiduciary duties towards the Company and its public shareholders. The controlling shareholders shall exercise his rights as investors strictly in accordance with the laws. The controlling shareholders shall not damage the lawful rights of the Company and public shareholders through profit allocation, assets restructuring, external investment, use of capital and loan guarantee etc. They shall not jeopardise the interest of the Company and public shareholders by making use of their controlling status.

Section 2 General Provisions of Shareholders' General Meetings

Article 37 The shareholders' general meeting is the organ of authority of the Company, and shall exercise following functions and powers pursuant in according with the laws:

(I) to decide the Company's operating directions and investment plans;

(II) to elect and replace directors and determine matters relating to the remuneration of relevant directors;

(III) to elect and replace non-employee representative supervisors and determine the remuneration of relevant supervisors;

(IV) to consider and approve the reports of the Board of Directors;

(V) to consider and approve the reports of the Supervisory Committee;

(VI) to consider and approve the Company's annual financial budgets and final accounts;

(VII) to consider and approve the Company's profit distribution proposals and loss recovery proposals;

(VIII) to decide on any increase or reduction of the Company's registered capital;

(IX) to decide on merger, division, dissolution and liquidation of the Company or change of its corporate form;

(X) to decide on the issuance of bonds or other securities and the listing of the Company;

(XI) to decide on the engagement, dismissal or discontinuation of the appointment of the accounting firm;

(XII) to amend the Articles of Association;

(XIII) to consider and approve the proposals put forward by shareholders individually or jointly holding 3% or more of the Company's shares with voting rights; and

(XIV) other matter to be determined at the shareholders' general meeting as stipulated by laws, administrative regulations, the listing rules of the place where the securities of the Company are listed or the Articles of Association.

Article 38 The Company shall not, without the prior approval at a shareholders' general meeting, enter into any contract with any party (other than the directors, supervisors, general manager and other senior management personnel) pursuant to which such party shall be in charge of management of all the Company's businesses or the Company's major businesses.

Article 39 Shareholders' general meetings consist of annual general meetings and extraordinary general meetings. A shareholders' general meeting shall be convened by the Board of Directors. Annual general meeting shall be held once a year within six months from the end of the last accounting year.

Under any of the following circumstances, the Board of Directors shall convene an extraordinary general meeting within two months thereof:

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

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

(III) shareholders individually or in aggregate holding more than 10% of the Company's issued and outstanding shares carrying voting rights request in writing that an extraordinary general meeting is convened;

(IV) when the Board of Directors deems necessary or the Supervisory Committee proposes that the meeting be convened; and

(V) other circumstances stipulated by laws and regulations, listing rules of the place where the securities of the Company are listed and the Articles of Association.

Article 40 The venue of a shareholders' general meetings of the Company shall be the place where the Company is located or the place specified in the notice of the shareholders' general meeting.

A shareholders' general meeting shall be conducted in the form of a physical meeting at the designated venue for meeting. In addition, the Company will provide other means stipulated by the rules of the place where the securities of the Company are listed for the convenience of participation by the shareholders. Shareholders who have participated in a general meeting in the aforesaid means shall be deemed as present.

Section 3 Convening of Shareholders' General Meetings

Article 41 Shareholders' general meetings shall be convened by the Board of Directors. If the Board is unable to or fails to perform its duty of convening the shareholders' general meeting, the Supervisory Committee shall convene and preside over such meeting in a timely manner; if the Supervisory Committee cannot convene and preside over such meeting, shareholders who individually or jointly hold 10% or more of the Company's shares for more than 90 consecutive days may convene and preside over such meeting on their own.

Article 42 Shareholders requesting the convening of extraordinary general meetings shall proceed in accordance with the procedures set forth below:

(I) two or more Shareholders collectively holding 10% or more of the voting shares at the proposed meeting can sign one or more written requests of identical form of content requesting the Board of Directors to convene an extraordinary general meeting and stating the subject of the meeting. The Board shall convene an extraordinary general meeting as soon as possible upon receipt of the aforesaid written request. The aforesaid shareholdings shall be calculated as at the date on which the written request is made.

(II) if the Board of Directors fails to issue a notice on the convening of meeting within 30 days upon the receipt of the aforesaid written request, the Shareholders who made such request may convene the meeting on their own within four months upon the Board of Directors having received such request. The convening procedures shall, to the extent possible, be identical to the procedures according which shareholders' general meetings are to be convened by the Board of Directors.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board of Directors and the Supervisory Committee to convene a meeting at the above requests shall be borne by the Company and deducted from the amount owed by the Company to the delinquent directors.

Article 43 The Supervisory Committee is entitled to propose to the Board of Directors to convene an extraordinary general meeting and such proposal shall be made in writing to the Board of Directors. The Board of Directors shall, in accordance with laws, regulations, normative documents and the Articles of Association, reply in writing on whether to agree on the convening of the extraordinary general meeting within 10 days upon the receipt of the proposal.

If the Board of Directors agrees to convene an extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is approved by the Board of Directors. Any change to the original proposal setting forth in the notice shall be subject to approval by the Supervisory Committee.

If the Board of Directors does not agree to convene an extraordinary general meeting or fails to give a written reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 44 If the shareholders' general meeting is convened by the Supervisory Committee or shareholders on their own, a written notice shall be issued to the Board of Directors.

Article 45 Where the Supervisory Committee or the shareholders convene a shareholders' general meeting on their own, the Board of Directors shall cooperate. The Board of Directors shall provide the register of members as at the date of equity registration.

Article 46 Where the Supervisory Committee or the shareholders convene a shareholders' general meeting on their own, the necessary expenses incurred thereof shall be borne by the Company.

Section 4 Proposals and Notices of Shareholders' General Meetings

Article 47 The contents of proposals shall fall within the terms of reference of a shareholders' general meeting, contain specific agenda items and specific resolutions, and comply with the relevant provisions of the laws, regulations, normative documents and the Articles of Association.

Article 48 When the Company decides to convene a shareholders' general meeting, the Board of Directors, the Supervisory Committee and shareholders severally or jointly holding 3% or more of the shares of the Company shall be entitled to put forward proposals to the Company.

Shareholders individually or collectively holding 3% or more of the shares of the Company may submit temporary resolutions in writing to the convener 10 days prior to the convening of the shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting within two days upon receipt of the proposals.

Save as specified in the preceding paragraph, the convener shall not change the proposals set out in the notice of the general meeting or add any new proposal after the said notice is served.

The shareholders' general meeting shall not vote and approve a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with the Articles of Association.

Article 49 Notice of shareholders' annual general meetings shall be given to all shareholders by the convener 21 days before the meeting; notice of extraordinary general meetings shall be given to all shareholders 15 days before the meeting. The date when the meeting is held shall be excluded for the purpose of determining any time limit hereunder.

Article 50 Notice of the shareholders' general meeting shall:

(I) be given in writing;

(II) specify the venue, date and duration of the meeting;

(III) set out the matters to be discussed at the meeting;

(IV) contain the full text of any special resolution proposed to be passed at the meeting;

(V) contain a clear statement that a shareholder entitled to attend and vote has the right to appoint one or more proxies to attend and vote on his behalf and that such proxy need not be a shareholder of the Company;

(VI) specify of the equity registration date of shareholders entitled to attend the shareholders' general meeting; and

(VII) specify the time and place for lodging the power of attorney for the voting proxy for the meeting.

Article 51 The notice of a shareholders' general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting or not) by hand or by prepaid mail, the addresses of the recipients shall be such addresses as shown in the register of members; or be published on the Company's website and/or the websites designated by the Hong Kong Stock Exchange pursuant to the applicable laws and regulations, listing rules of the place where the securities of the Company are listed. If the public announcements are issued to the holders of overseas-listed foreign shares pursuant to the Articles of Association, the announcement shall also be published in such manner as required by the Hong Kong Listing Rules. For the holders of domestic shares, notice of the shareholders' general meeting may be issued by way of public announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council. Once such announcement is made, all holders of the Domestic Shares shall be deemed to have received the relevant notice of the shareholders' general meeting.

Article 52 The accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting or the resolutions passed at the meeting.

Section 5 Holding of Shareholders' General Meetings

Article 53 The Board of the Company and other conveners shall take necessary measures to ensure the proper order of the shareholders' general meetings. Measures shall be adopted to stop any disruption of the shareholders' general meeting or trouble-making as well as infringement of the legitimate rights and interests of shareholders, and the matter shall be promptly reported to the relevant authorities for investigation and handling.

Article 54 Any shareholder who is entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (who may not be a shareholder) as his proxy to attend and vote on his behalf. In the case of a corporation, a proxy may be appointed to attend and vote at any general meeting of the Issuer, and such corporation shall be deemed to be present in person at any such meeting if a proxy so authorized is present thereat. A corporation may execute a proxy form under the hand of a duly authorized officer.

Where such shareholder is a recognized clearing house (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' general meeting and creditors' meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which person is so authorized. The authorization letter is signed by the persons authorized by the recognized clearing house. The person so authorized may attend the meeting and exercise the rights on behalf of the recognized clearing house (or its nominees) (without presenting evidence of their shareholding, notarized authorization and/or further proof showing their due authorization) as if such person were an individual shareholder of the Company.

Article 55 Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or proofs that can identify them, as well as their stock account card. Proxies attending the meeting shall present their personal identity cards and the power of attorney of the shareholder.

Corporate shareholders shall be represented by their legal representative or proxies appointed by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid proofs that can prove their identity as the legal representatives. Proxies attending the meeting shall present their personal identity cards or the written power of attorney lawfully issued by the legal representatives of such corporate shareholders.

Article 56 The power of attorney issued by a shareholder to appoint a proxy to attend a general meeting shall specify:

(I) the name of the proxy;

(II) whether the proxy has any voting right;

(III) separate instructions for voting for or against or abstaining from voting on each and every issue under consideration included in the agenda of the general meeting;

(IV) the date of issue and validity period of the power of attorney; and

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

Article 57 The power of attorney shall contain a statement that specifies whether the proxy may vote as he/she thinks fit in the absence of instructions by the shareholder.

Article 58 Where the power of attorney for proxy voting is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, and the power of attorney for proxy voting shall be lodged at the address of the Company or such other place as specified in the notice convening the meeting.

Article 59 Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board of Directors or other decision-making body shall attend the general meeting of the Company as a representative of the appointer.

Article 60 Shareholders' general meetings are convened by the Board of Directors and the chairman of the Board shall act as chairman of the shareholders' general meeting. If the chairman of the Board is unable or fails to perform his/her duties, a Director selected by more than half of all Directors shall act as chairman of the meeting; if no person is elected as chairman of the shareholders' general meeting, the attending shareholders may elect a person to act as the chairman. Where the shareholders fail to elect a chairman of the shareholders' general meeting for any reasons, the shareholder (including his/her proxy) present in person who holds the largest number of voting shares shall be the chairman of the shareholders' general meeting.

A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, one supervisor shall be elected jointly by more than half of the supervisors to preside over the meeting.

The shareholders' general meeting convened by shareholder(s) itself/themselves shall be presided over by a representative elected by the convener.

Article 61 The Company shall formulate the rules of procedure of the shareholders' general meeting to specify in details the convening and voting procedures of the shareholders' general meeting, including notice, registration, deliberation of proposal, voting, vote counting, announcement of voting results, formation of resolutions, minutes, the signing thereof and announcement, as well as the principles of authorization by the shareholders' general meeting to the Board, of which the contents shall be clear and specific. The rules of procedure of the shareholders' general meeting shall be an annex to this Articles of Association and shall be formulated by the Board and approved at the shareholders' general meeting.

Article 62 All directors, supervisors and secretary to the Board shall attend shareholders' general meetings, and the general manager and other senior management personnel shall be present at the meetings, unless there is a valid reason and they have previously submitted their leave of absence in writing to the convener of the meeting. However, directors, supervisors, secretary to the Board, the general manager and other senior management personnel who are required to answer queries at the shareholders' general meeting shall not apply for leave of absence.

Article 63 At the annual general meeting, the Board and the Supervisory Committee shall report to the shareholders' general meeting on their work in the last year.

Article 64 Directors, supervisors and senior management personnel shall provide explanation and clarification to the inquiries and suggestions raised by the shareholders at the general meeting.

Article 65 Prior to voting, the chairman of the meeting shall announce the number of shareholders and their proxies attending the meeting as well as the total number of their shares carrying the voting shares, all of which shall be based on the registration for the meeting.

Article 66 The general meeting shall have minutes prepared by the secretary to the Board of Directors. The minutes of the general meeting shall contain the following contents:

(I) the date and venue for convening the meeting, meeting agenda and the name of the convener of the meeting;

(II) the name of the chairman of the meeting as well as those of the directors, supervisors, general managers and other senior management personnel who attend the meeting as voting and non-voting attendees;

(III) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of the total number of shares of the Company;

(IV) description on the entire course of consideration of each proposal, the main points of the speech and the voting results;

(V) queries and recommendations of the shareholders and the corresponding response or explanation;

(VI) the names of the counter and the scrutineer; and

(VII) other contents that should be recorded in the minutes as provided in the Articles of Association.

Article 67 The convener shall ensure that the contents of the minutes are true, accurate and complete. The directors, supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of otherwise for a term of not less than 10 years.

Article 68 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly.

Section 6 Voting and Resolutions of Shareholders' General Meetings

Article 69 Resolutions of shareholders' general meetings are classified as ordinary resolutions and special resolutions.

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

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

Article 70 The following matters shall be resolved by way of ordinary resolutions at a shareholders' general meeting:

(I) Work reports of the Board of Directors and the Supervisory Committee;

(II) Plans for profit distribution and recovery of losses drafted by the Board of Directors;

(III) Appointment or removal of members of the Board of Directors and the Supervisory Committee, and their remuneration and method of payment thereof;

(IV) The Company's annual financial budgets and final accounts; and

(V) Any matters other than those required by the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be approved by special resolution.

Article 71 The following matters shall be approved by special resolutions at a shareholders' general meeting:

(I) Increase and reduction of the registered capital of the Company;

(II) Demerger, spin-off, merger, dissolution, or liquidation of the Company;

(III) Amendments to the Articles of Association;

(IV) Equity incentive plan;

(V) Any other matters approved by ordinary resolution at a shareholders' general meeting as having a material impact on the Company and are required to be approved by a special resolution; and

(VI) Any other matters required by the laws, administrative regulations, the Articles of Association and the listing rules of the place where the shares of the Company are listed to be approved by special resolution.

Article 72 Shareholders (including proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the shareholders' general meeting.

Where any shareholder is, under applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted in the results.

Shares of the Company held by the Company that carry no voting rights and such shares shall not be counted toward the total number of shares with voting rights held by shareholders attending the shareholders' general meeting.

Article 73 When a related party transaction (as defined under the Hong Kong Listing Rules) is considered at a shareholders' general meeting, related shareholders and their close associates (as defined under the Hong Kong Listing Rules) shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the shareholders' general meeting shall fully disclose the voting of non-related persons.

Before any related party transaction is considered at a shareholders' general meeting, the Company shall determine the scope of related shareholders in accordance with relevant laws, regulations and normative documents. Related persons or their authorized representatives may attend the shareholders' general meeting, and may clarify their points of view to the attending shareholders in accordance with procedures of the meeting, but they shall take the initiative to abstain from voting.

When relevant related party transactions are considered at a shareholders' general meeting, related shareholders shall take the initiative to abstain from voting; if the related shareholders don't take the initiative to abstain from voting, other shareholders present at the meeting shall have the right to require them to abstain from voting. After related persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The chairman of the meeting shall announce the number of shareholders and proxies other than related persons present at the general meeting and the total number of their voting shares.

In order to be valid, the resolutions made at the shareholders' general meeting on matters relating to related party transactions shall be passed by more than half of the votes cast by the non-related shareholders attending the general meeting. However, when the related party transaction involves matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolution of the shareholders' general meeting, in order to become valid, has to be passed by more than two-thirds of the voting rights held by the non-related persons attending the general meeting.

If a related person or its close associates violates the provisions of this article and participates in voting, the voting on the relevant related party transaction shall be invalid.

Article 74 The Company shall facilitate the participation of shareholders in the shareholders' general meeting through various methods and ways, provided that the shareholders' general meeting is lawful and effective.

Article 75 The list of candidates for director and supervisor shall be proposed to the shareholders' general meeting for voting.

The Board of Directors shall provide shareholders with biographical details and basic information about the candidates for directors and supervisors.

Candidates for directors and non-employee representative supervisors shall be proposed by the Board, the Supervisory Committee or shareholders individually or jointly holding more than 3% of the shares of the Company and submitted to the shareholders' general meeting for election.

Candidates for non-employee representative supervisors shall be proposed by the labor unions of the Company and be elected at general meeting of employees.

Article 76 Any vote of shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Article 77 Regarding proposals submitted for resolution, shareholders attending the shareholders' general meeting shall present: agreement, disagreement or abstaining, except that securities registration and settlement institutions, being the nominal holders of shares subject to the Mainland-Hong Kong stock connect, may express opinions according to the intentions of actual holders. If a ballot is blank, marked erroneously or illegible or has not been cast, the voter shall be deemed to have waived his/her right to vote and the voting results for the number of shares that he/she holds shall be recorded as "abstained".

Article 78 When a shareholders' general meeting holds a vote, it shall vote on resolutions on one-by-one basis.

Article 79 In the case of an equality of votes, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall have a casting vote.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 80 Directors shall be elected at the shareholders' general meetings for a term of 3 years. Upon maturity of the term of office, a director may be re-elected.

Written notice of the intention to nominate a candidate for directorship and the candidate's indication of his or her willingness to accept the nomination shall be sent to the Company seven days prior to the shareholders' general meeting.

The election and removal of the chairman shall be approved by more than half of all directors. The chairman shall serve for a term of three years and may be re-elected.

Subject to the relevant laws and administrative regulations, a director (including an executive director) may be removed by an ordinary resolution in a shareholders' general meeting, before the expiration of his term of office; but such removal shall not have prejudice to any damage claim made by that director under any contract.

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

Article 81 The term of office of a director shall start from the date on which the said director assumes office to the expiry of the current term of the Board of Directors. If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, regulations, normative documents and the Articles of Association until the elected director assumes his office.

Article 82 Directors shall comply with laws, regulations and normative documents, the listing rules of the place where the shares of the Company are listed and the Articles of Association, and carry out their duties of loyalty as the following:

(I) Not to exploit his position to accept bribes or to obtain other illegal income or appropriate the Company's property;

(II) Not to misappropriate company funds;

(III) Not to open any account in his own name or in any other name for the deposit of the Company's assets or funds;

(IV) Not to lend the Company's funds to others or use the Company's properties to provide guarantee to others without the consent of the shareholders given at a general meeting or the consent of the Board of Directors in violation of the Articles of Association;

(V) Not to enter into contracts or transactions with the Company in violation of the Articles of Association or without approval of the shareholders' general meeting;

(VI) Not to exploit inside information or their position to procure business opportunities for themselves or others that should have otherwise been available to the Company or operating businesses similar to that of the Company for their own benefits or on behalf of others without approval of the shareholders' general meeting;

(VII) Not to accept commissions in connection with the Company's transactions for their own benefit;

(VIII) Not to disclose the confidential information of the Company without authority;

(IX) Not to use their affiliation to jeopardize the interests of the Company;

(X) Not to disclose the material information that has not yet been made public, not to use inside information to obtain unlawful benefits;

(XI) Safeguard the interests of the Company and all shareholders, and shall not prejudice the interests of the Company for the interest of beneficial controllers, shareholders, employees, himself or other third parties;

(XII) Perform the non-competition obligation after resignation as agreed with the Company; and

(XIII) Other faithful discharge of obligations as prescribed in the laws, regulations, normative documents and the Articles of Association.

Any gain arising from the breach of this Article by directors shall belong to the Company. Such directors shall be liable for compensation for any loss of the Company arising therefrom.

Article 83 Directors shall comply with laws, regulations and normative documents, the listing rules of the place where the shares of the Company are listed, the Articles of Association, and carry out their duties of diligence as the following:

(I) To prudently, earnestly and diligently exercise the rights conferred by the Company so as to ensure that the Company's business activities meet the requirements of laws, administrative rules, normative documents and the various State economic policies and that the business activities shall not exceed the business scope specified in the business license;

(II) To treat all the shareholders fairly;

(III) To carefully read the relevant business and financial reports of the Company and keep informed of the operation and management conditions of the Company in a timely manner;

(IV) To provide the relevant information and materials to the board of supervisors faithfully, and not impeding the board of supervisors or supervisors in exercising their functions and powers;

(V) To ensure that they have reserved sufficient time and effort for participating in the Company's affairs and cautiously judging the risks and gains arising from the resolutions proposed; the directors, in principle, shall attend the meeting of the Board in person. Any director who fails to attend the meeting due to some reasons and authorises another director to attend on his/her behalf shall cautiously select a proxy, with specific and clear authorised matters and intent of decision-making, and shall not give carte blanche to his/her proxy;

(VI) To focus on matters such as the operating condition of the Company and timely report relevant issues and risks to the Board, and shall not claim exemption from liability on the grounds that they are not familiar with the Company's business or do not understand the relevant matters;

(VII) To actively promote the regulated operation of the Company, timely rectify and report the irregularities of the Company and support the Company to fulfil its social responsibilities; and

(VIII) Other obligations of diligence as prescribed in the laws, regulations, normative documents and the Articles of Association.

Article 84 A director may resign before expiration of his term of office. The resigning director shall submit a written resignation to the Board of Directors.

In the event that the resignation of any director results in the number of members of the Board of Directors of the Company to be less than the statutory minimum requirement, the said director shall perform duties as director pursuant to the laws, regulations, normative documents and the Articles of Association until an elected director assumes his/her office.

Save for the circumstances referenced in the preceding paragraph, the resignation of a director shall become effective upon submission of his resignation to the Board of Directors.

Article 85 Any Director who leave without authorization before his term expires shall be liable for compensation to any loss caused to the Company.

If any director fails to attend in person or appoint other directors to attend meetings of the Board of Directors for two consecutive times without proper reason, such director shall be deemed to have failed to perform his duties, and the Board of Directors may propose to replace such director at the shareholders' general meeting.

Section 2 Independent Non-executive Directors

Article 86 Independent non-executive Directors refer to Directors who do not hold any other position in the Company other than Director, member or chairman of the special committees of the Board of Directors, and have no relationship with the Company and substantial shareholders that may affect their independent and objective judgments. Independent non-executive Directors shall account for at least one third of the Board members and not less than three. At least one of the independent non-executive Directors of the Company shall have appropriate professional qualification or accounting or relevant financial management expertise, and at least one of them shall normally reside in Hong Kong.

The terms of office of the independent non-executive Directors are the same as that of other Directors of the Company. Upon expiration of their term, the independent non-executive Directors can be re-elected.

Article 87 An independent non-executive Director shall have the qualification and independence to hold office as stipulated by laws and regulations, and the listing rules of the place where the shares of the Company are listed.

Article 88 An independent non-executive Director may resign before his/her term of office expires.

Article 89 An independent non-executive Director shall perform his/her duties in accordance with laws and regulations, and the listing rules of the place where the shares of the Company are listed.

Article 90 The Company shall formulate a working system for independent non-executive Directors, specifying the qualification, nomination, election and replacement, and rights and obligations of independent non-executive Directors, subject to approval of the shareholders' general meeting.

Article 91 Where it is not expressly provided for in this section in relation to independent non-executive Directors, the relevant laws and regulations, the listing rules of the place where the shares of the Company are listed and the Articles of Association concerning the Directors of the Company shall apply.

Section 3 Board of Directors

Article 92 The Company shall establish a Board of Directors, which consists of 10 Directors, with a chairman, including four independent non-executive Directors with at least one accounting professional.

Article 93 The Board of Directors shall be responsible to the shareholders' general meetings and exercise the following functions and powers:

(I) to convene Shareholders' general meeting and report on its work to the Shareholders' general meeting;

(II) to implement the resolutions of the Shareholders' general meeting;

(III) to decide on the business plans and investment plans of the Company;

(IV) to formulate proposals for the Company's annual financial budget and final accounts;

(V) to formulate the Company's profit distribution proposal and loss recovery proposal;

(VI) to formulate proposals for the increase or reduction of the Company's registered capital and the issue of corporate bonds;

(VII) to formulate proposals for the merger, division or dissolution of the Company or change of corporate form;

(VIII) to decide on the internal management setup of the Company;

(IX) to appoint or dismiss the general manager of the Company; to appoint or dismiss senior vice general manager, vice general manager, chief financial officer and other senior management personnel of the Company based on the nominations of the general manager, and to determine their emoluments;

(X) to formulate the Company's basic management system;

(XI) to formulate plans for amendment of the Articles of Association; and

(XII) other duties and powers provided in laws and regulations, listing rules of the place where the securities of the Company are listed and granted by the shareholders' general meeting, and specified in the Articles of Association.

Resolutions by the Board of Directors on matters referred to in the preceding paragraph, except for sub-paragraphs (VI), (VII) and (XI), may be passed by the affirmative vote of more than half of the Directors. The Board of Directors shall perform its duties in accordance with national laws, administrative regulations, the listing rules of the place where the securities of the Company are listed, the Articles of Association and resolutions approved by the shareholders' general meeting.

Article 94 The chairman of the Board of Directors shall exercise the following functions and powers:

(I) to preside over the shareholders' general meetings and to convene and preside over Board meetings;

(II) to supervise and inspect the implementation of resolutions of the Board of Directors; and

(III) to exercise other functions and powers granted by the Board of Directors or the listing rules of the place where the securities of the Company are listed.

Where the chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Article 95 Board meetings include regular meetings and extraordinary meetings. Board meetings shall be convened at least four times a year and be called for by the chairman. The notice of the regular meeting of the Board of Directors shall be given not less than 14 days in advance, and the notice of the extraordinary meeting shall be given not less than 5 days in advance. With the consent of the Directors of the Company, the time limit of the above notices may be exempted. However, in the event of emergency for which an extraordinary meeting of the Board of Directors needs to be held as soon as possible, the notice may be given by telephone or other oral means at any time, provided that the convener shall give an explanation at the meeting therefor.

An extraordinary board meeting may be held of the occurrence of any of the following:

(I) When proposed by more than one tenth of the Shareholders with voting rights;

(II) When jointly proposed by more than one third of the Directors;

(III) When proposed by the Board of Supervisors;

(IV) When the chairman of the Board of Directors deems it necessary;

(V) When proposed by more than half of the independent non-executive Directors;
and

(VI) When proposed by the general manager.

The chairman shall convene and preside over the board meeting within 10 days of receiving such proposal.

Article 96 The notice of regular meetings or extraordinary meetings convened by the Board of Directors may be given by hand, mail, fax, or telephone.

The notice of meeting shall be deemed to have been issued to a Director if he is present at the meeting and does not raise an objection to the non-receipt of such notice prior to or at the meeting.

Regular meetings or extraordinary meetings of the Board of Directors may be held by way of teleconference, video conference or similar communication equipment. The Directors attending a meeting by such means shall be deemed to be present at the meeting in person provided all Directors present at the meeting can hear and communicate with each other.

Unless otherwise specified by laws and regulations or the listing rules of the place where the shares of the Company are listed, the Board of Directors may adopt a written resolution to replace the Board meeting. A written resolution shall be deemed to be passed upon signature of Directors of proper proportion and quorum for a Board of Directors stipulated by laws and regulations and the Articles of Association. Such written resolutions shall be filed together with Board meeting minutes and other archives of the Company, and shall have the same binding force and validity as the resolutions made by Directors attending Board meetings in person.

Article 97 Meetings of the Board of Directors shall be held only if more than half of the Directors (including directors in proxy in according with Article 99 in the Articles of Association) attend.

Voting of resolutions of the Board of Directors shall proceed by voting by a show of hands or voting by poll. Extraordinary meetings of the Board of Directors may be conducted by way of fax or circulation and resolutions may be passed thereat provided that the Directors shall have fully expressed their views and the directors attending the meeting shall sign accordingly.

Article 98 The Board of Directors shall formulate the rules of procedures for the Board of Directors and specify the formats of discussion and voting procedures for meetings of the Board of Directors to ensure work efficiency and scientific decision-making of the Board of Directors.

Each director shall have one vote. The resolution proposed by the Board of Directors shall be passed by more than half of all Directors, unless otherwise stated in the Articles of Association. When the negative votes and the affirmative votes are the same, the chairman has one more vote.

Article 99 The Directors shall attend the Board meeting by themselves. If a Director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

The Director attending the meeting on other's behalf shall only exercise the rights of a Director within the scope of authorization. If a Director fails to attend a board meeting or appoint a representative to attend on his behalf, such Director shall be deemed to have waived his right to vote at such meeting.

Article 100 The Board of Directors and any committee thereof shall record the decisions on the matters discussed at the meeting as minutes. Minutes of board meetings and meetings of board committees should record in sufficient detail the matters considered and decisions reached, including any concerns raised by directors or dissenting views expressed. Draft and final versions of minutes should be sent to all directors for their comment and records respectively, within a reasonable time after the board meeting is held.

The Directors and recorder attending the meeting shall sign the minutes. The minutes of meetings shall be kept for at least 10 years. Directors shall be liable for the resolutions of the Board of Directors. If the resolutions of the Board of Directors violate the laws, administrative regulations or the Articles of Association, and the Company suffers a material loss as a result thereof, the Directors participating in the resolutions are liable to the Company for the losses. However, Directors may be exempted from such liability if it is verified that such Director has stated his objection when voting and the same was recorded in the minutes at the Board meeting.

Any opinion stated by the independent non-executive Directors shall be recorded in the Board resolutions.

Section 4 Special Committees of the Board of Directors

Article 101 The Board of Directors may set up special committees such as Audit Committee, Remuneration and Assessment Committee, Nomination Committee and Strategy Committee, and formulate corresponding implementation rules to stipulate the main responsibilities, decision-making procedures and rules of procedures of each special committee. The Board of Directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

Article 102 Special committees shall be accountable to the Board of Directors. Special committees shall submit their proposals to the Board of Directors for their review and decision. Special committees may engage an intermediary to seek professional advice at the Company's expense.

Section 5 Secretary to the Board of Directors

Article 103 There shall be a secretary of the Board. The secretary of the Board of Directors is a member of senior management of the Company.

Article 104 The secretary to the Board of Directors of the Company shall be a natural person with the necessary professional knowledge and experience and shall be appointed or dismissed by the Board of Directors. Its principal responsibilities include:

(I) ensure that the Company has complete organizational documents and records;

(II) ensure that reports and documents requested by the competent authorities are prepared and submitted by the Company in accordance with the law and be responsible for accepting, organizing, and completing related tasks assigned by supervisory authorities;

(III) ensure that the register of members of the Company is properly established, and ensure that the person that has the right to receive relevant records and documents from the Company will receive such records and documents timely;

(IV) be responsible for the information disclosure matters of the Company, and ensure that the information disclosed by the Company is timely, accurate, legal, true, and complete; and

(V) exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the stock exchanges on which the Company's shares are listed.

CHAPTER 6 GENERAL MANAGER OF THE COMPANY

Article 105 The Company shall have one general manager to be appointed or dismissed by the Board of Directors.

The Company shall have 3 deputy general managers to be appointed or dismissed by the Board of Directors.

The Board of Directors of the Company shall have the right to appoint members of the Board of Directors to serve concurrently as general manager.

The term of office of the general manager shall be 3 years and the general manager may be reappointed upon the expiration of his/her term.

Article 106 The general manager, who is responsible for the Board of Directors, may exercise the following functions and powers:

(I) to lead the Company's operation and management, to organize the implementation of the resolutions of the Board and to report to the Board;

(II) to organise the implementation of the Company's annual business plans and investment plans;

(III) to formulate plans for establishment of internal management of the Company;

(IV) To draft the Company's basic management system;

(V) to formulate the basic rules and regulations of the Company;

(VI) to propose the appointment or dismissal of the Company's vice general manager(s) and the chief financial officer;

(VII) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the Board of Directors); and

(VIII) to exercise other duties and powers conferred by the Articles of Association and the Board.

Article 107 The general manager of the Company shall attend the Board meetings, but he/she has no voting rights at the Board meetings if he/she is not a director.

Article 108 The general manager of the Company shall exercise the functions and powers in accordance with laws, administrative regulations, rules, normative documents, relevant provisions of the securities regulatory authorities of the place(s) where the Shares of the Company are listed and the Articles of Association and performs the obligations of honesty and diligence.

CHAPTER 7 SUPERVISORY COMMITTEE

Article 109 The Company shall establish a Supervisory Committee.

Article 110 The Supervisory Committee shall comprise three supervisors, including one chairman. Each term of office of a supervisor is three years and he may be re-elected.

The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by the votes of more than two-thirds of the members of the Supervisory Committee.

Article 111 The Supervisory Committee consists of two representatives of the Shareholders and one employee representative of the Company. Shareholder representatives shall be elected and removed by Shareholders' general meetings, and employee representative shall be elected and removed democratically by the employees of the Company.

A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association until the re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors before the expiry of their term of office results in the number of supervisors being less than the quorum.

Article 112 Directors, general manager and other senior management members of the Company may not serve as Supervisors concurrently.

Article 113 The meetings of the Supervisory Committee consist of regular meetings and extraordinary meetings. Regular meetings of the Supervisory Committee shall be convened at least once every six months and be convened and presided by its chairman. Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee. A Supervisor shall be jointly elected by more than half of the Supervisors to convene and preside over the meetings of Supervisory Committee when the chairman fails or refuses to perform his/her duties.

Article 114 The Supervisory Committee shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in accordance with the law:

(I) to review the regular reports of the Company prepared by the Board of Directors and to submit its written audit opinions thereon;

(II) to review the Company's financial position;

(III) to supervise the Directors, the general manager and other senior management in their performance of their duties of the Company and to propose the removal of Directors and senior management who have violated laws, administrative regulations, listing rules of the place(s) where the Shares of the Company are listed and the Articles of Association or resolutions of general meetings;

(IV) when the acts of a Director, general manager and other senior management are detrimental to the Company's interests, to require him/her to correct such acts;

- (V) to propose the convening of extraordinary general meetings and to convene and preside over Shareholders' general meetings when the Board fails to perform the duty of convening and presiding over Shareholders' general meetings in accordance with the Company Law;
- (VI) to make proposals to the shareholders' general meeting;
- (VII) to initiate litigation against Directors, the general manager, and other senior management members in accordance with Article 151 of the Company Law; and
- (VIII) to conduct an investigation and, if necessary, to engage professional organizations, such as accounting firms and law firms for assistance at the cost of the Company if irregularities in the operations of the Company are found.

Supervisors may attend board meetings and make enquiries or proposals in respect of Board resolutions.

Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company.

Article 115 The meeting of the Supervisory Committee shall only be held when more than two-thirds of the Supervisors are present. The voting at meetings of the Supervisory Committee shall be conducted in the form of open ballot. Each Supervisor shall have one vote. Supervisors shall attend meetings of the Supervisory Committee in person. If a supervisor is unable to attend for any reason, he/she may appoint another supervisor to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

The resolutions of Supervisory Committee shall be passed by the votes of more than two-thirds of the members of the Supervisory Committee.

Article 116 The Supervisory Committee shall formulate the rules of procedures for the Supervisory Committee and specify the formats of discussion and voting procedures for meetings of the Supervisory Committee to ensure work efficiency and scientific decision-making of the Supervisory Committee.

Article 117 The meeting of the Supervisory Committee shall be recorded. The supervisors and recorder attending the meeting shall sign on the minutes. The meeting minutes of the Supervisory Committee shall be kept as archives of the Company by a person designated by the chairman of the Supervisory Committee. The minutes of meetings shall be kept for at least 10 years.

Article 118 The Company shall be responsible for the reasonable expenses incurred in hiring professionals such as lawyers, certified public accountants, and practicing auditors when the Supervisory Committee exercises its functions and powers.

Article 119 Supervisors shall faithfully perform their supervisory duties in accordance with laws, administrative regulations, and the provisions of the Articles of Association.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGERS AND OTHER SENIOR MANAGEMENT OF THE COMPANY

Article 120 No one shall be a director, supervisor, general manager, or other senior management officer of the Company under any of the following circumstances:

- (I) A person without or with limited capacity for civil conduct;
- (II) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than 5 years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than 5 years have elapsed since the sentence was served;
- (III) A person who is a Director, factory Director or manager of a bankrupt and liquidated company or enterprise due to poor operation and management whereby such person is personally liable for the insolvency of such company or enterprise, and where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (IV) A person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than 3 years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) A person who has a relatively large amount of debts which have become overdue;
- (VI) A person who is being prohibited from participating in the securities market by CSRC for a period which has not yet expired; and
- (VII) Other persons stipulated in the laws, administrative regulations and the listing rules or the relevant laws and regulations of the place where the Securities of the Company are listed.

In the case of the election, appointment of directors and supervisors or employment of senior management which violates the above provisions, the election, appointment or employment shall be null and void.

Any director, supervisor or senior management officer who falls under the circumstances as set out in Paragraph (I) of this Article during his/her term of office shall be removed by the Company.

Article 121 Any person who takes an administrative role other than a director or a supervisor in the controlling shareholders of the Company shall not serve as a senior management officer of the Company.

The senior management officers of the Company only receive remuneration in the Company, not paid by the controlling shareholders on its behalf.

Article 122 If any senior management officer violates laws, administrative regulations, departmental rules or the Articles of Association when performing his/her duties in the Company, he/she shall indemnify the Company against its losses incurred due to such violation.

Article 123 Senior management officers of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all the shareholders. If senior management officers of the Company fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, they shall be liable for compensation in accordance with the law.

Article 124 The Company shall enter into written contracts with each of its Director, Supervisor and senior management, of which shall include the following provisions at least:

- (I) An undertaking by the director, supervisor and senior management to the Company to observe the Company Law, the Articles of Association, the Codes on Takeover and Mergers reviewed by the Securities and Futures Commission of Hong Kong, which is amended from time to time, the Codes on Share Repurchases and other rules of the Hong Kong Stock Exchange, and an agreement that the Company shall have the remedies provided in the Articles of Association, and that neither the contract nor his office is capable of assignment; and
- (II) An undertaking by the director, supervisor or senior management to the Company on behalf of each shareholder to observe and perform his/her obligations for its shareholders required by the Articles of Association.

CHAPTER 9 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 125 The Company shall formulate its financial accounting system in accordance with the laws, administrative regulations, and PRC accounting standards formulated by the competent financial authority under the State Council.

Article 126 At the end of each accounting year, the Company shall prepare a financial report which shall be audited by an accounting firm according to law.

Article 127 The Company's Board of Directors shall submit the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by the local government and the competent authorities and the listing rules of the place where the securities of the Company are listed to the shareholders at every annual general meeting.

Article 128 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of the annual general meeting. Each shareholder of the Company has the right to receive the financial reports mentioned in this Chapter.

Unless otherwise required in the Articles of Association, the Company shall, at least 21 days before convening of the annual general meeting, send by prepaid mail to all holders of overseas-listed foreign shares the aforesaid reports or directors' reports, accompanied by the balance sheet (including each document required by laws and regulations to be attached to the balance sheet) and income statement or income and expenditure statement or abstract of financial reports; and the addresses of addressees shall be those recorded in the shareholders' register. The Company can proceed by way of announcements, including announcement via the Company's website and/or newspapers, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the securities of the Company are listed.

Article 129 The financial statements of the Company shall be prepared in accordance with China's accounting standards, laws and regulations.

Article 130 Interim results or financial information published or disclosed by the Company shall be prepared in accordance with China's accounting standards, laws and regulations.

Article 131 The Company shall publish its financial reports twice in each accounting year. An interim financial report shall be published within 60 days after the end of the first six months of each accounting year, while an annual financial report shall be published within 120 days after the end of each accounting year.

Where the securities regulatory authorities at, and listing rules of, the place where the shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 132 The Company shall have no other accounting books except the statutory accounting books. The Company's assets shall not be deposited in any account opened in the name of any individual.

Article 133 Capital reserve shall include the following items:

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

Article 134 The common reserve funds of the Company shall be used for making up for the losses of the Company, expanding the Company's business operations or being converted to the Company's capital. The common reserve of the Company shall be only applied for the following purposes:

- (I) making up for the losses. The capital reserve shall not be used to recover the losses;
- (II) conversion into capital. Where the statutory reserve fund is converted into capital by way of capitalization, the balance of the fund shall not be less than 25% of the registered capital of the Company before such conversion; and
- (III) expanding the Company's business operations.

Article 135 Taking the interests of shareholders into full consideration, the Company will implement a reasonable dividend distribution policy based on the Company's business situation and market environment annually. The Company may distribute dividends in cash or by Shares.

Article 136 When the Company distributes each year's profit after tax, the Company shall allocate 10% of the after-tax profits as the statutory reserve fund of the Company. Such allocations may be stopped when the statutory reserve fund of the Company has accumulated to above 50% of the registered capital of the Company.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory reserve fund is allocated as per above.

After the Company has made allocations to the statutory reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' general meeting, make further allocations from its after-tax profits to the discretionary reserve fund.

If the shareholder's general meeting or the Board of Directors has, in violation of the provisions in the preceding paragraphs, distributed profits to shareholders before the Company recovered the losses and allocated statutory reserve fund, the profits thus distributed shall be returned to the Company.

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

CHAPTER 10 APPOINTMENT OF ACCOUNTING FIRM

Article 137 The Company shall appoint an independent PRC qualified accounting firm to audit the Company's annual financial report and to review other financial reports.

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

The Board of Directors shall exercise such powers while the inaugural meeting fails to exercise the powers prescribed in the preceding paragraph.

Article 138 The term of appointment of an accounting firm appointed by the Company shall be between the conclusion of the annual general meeting of the Company and the conclusion of the next annual general meeting and the term of appointment may be renewable upon expiry of the term of appointment.

Article 139 The appointment, removal and remuneration of an accounting firm shall be decided by the shareholders' general meeting.

CHAPTER 11 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Article 140 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new company.

Merger by absorption shall mean that one company absorbs other companies and the absorbed companies are dissolved. Merger by establishment of a new company shall refer to the establishment of a new company as a result of merger of two or more companies and dissolution of the parties being merged.

Article 141 In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and asset list. The Company shall notify its creditors within 10 days from the date of on which the resolution in favour of the merger is adopted and shall publish an announcement in a newspaper within 30 days from the date of such resolution. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

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

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

In the event of a division, the parties to the division shall enter into a division agreement, and prepare balance sheets and asset list. The Company shall notify its creditors within 10 days from the date on which a resolution is adopted in favour of the division and shall publish an announcement in a newspaper within 30 days from the date of such resolution.

Debts incurred by the Company before its division shall be jointly and severally borne by the companies after the division unless it is otherwise agreed in a written agreement reached by the Company and the creditors in relation to the debt pay-off before the division.

Article 142 The Company must prepare a balance sheet and an asset list when it reduces its registered capital.

The Company shall notify its creditors within 10 days from the date of the Company's resolution to reduce registered capital and shall publish an announcement in a newspaper within 30 days. A creditor has the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within 30 days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within 45 days from the date of the relevant announcement.

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

Article 143 Where the merger or division of the Company involves changes in its registered particulars, such changes shall be filed with company registration authorities pursuant to the law. Where the Company is dissolved, it shall cancel its registration pursuant to the law. Where a new company is incorporated, its incorporation shall be registered pursuant to the law.

If the Company increases or reduces its registered capital, it shall file for change registration formalities with company registration authorities pursuant to the law.

Article 144 The Company shall be dissolved and liquidated according to law in any of the following circumstances:

- (I) upon expiry of term of business stipulated in the Articles of Association or occurrence of other circumstances of dissolution stipulated in the Articles of Association;
- (II) the shareholders' general meeting by special resolution dissolves the Company;
- (III) dissolution is necessary due to a merger or division of the Company;
- (IV) the business license is revoked, the Company is ordered to close, or is wound up according to law; and
- (V) The Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding more than 10% of the total voting rights of the Company may appeal to the people's court for dissolution of the Company.

Article 145 In the circumstance of sub-paragraph (I) of the preceding Article, the Articles of Association may be amended so that the Company can continue to exist. Where the Company is dissolved pursuant to sub-paragraphs (I), (II), (IV) and (V) of the preceding Article, a liquidation committee shall be set up within 15 days after the occurrence of the event of dissolution, to proceed with the liquidation. The members of the liquidation committee shall be directors or persons determined by the shareholders' general meeting.

In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a people's court for appointing relevant persons to form the liquidation committee for liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

Article 146 The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers within 60 days. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received.

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

During the period of declaration of claims, the liquidation committee shall not make repayment to the creditors.

Article 147 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to liquidate the Company's assets and prepare a balance sheet and an asset list respectively;
- (II) to notify creditors by sending notice and making public announcement;
- (III) to deal with and settle any outstanding businesses of the Company;
- (IV) to pay outstanding taxes as well as taxes arising in the course of liquidation;
- (V) to settle claims and debts;
- (VI) to dispose of the remaining assets of the Company after the repayment of debts;
and
- (VII) to represent the Company in any civil proceedings.

Article 148 After sorting out the Company's assets and preparing a balance sheet and an asset list, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or to the relevant competent authorities for confirmation.

The remaining assets of the Company shall be distributed to the shareholders based on the proportion of the shares held by them after successive payment of liquidation expenses, staff wages and social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The Company continues to exist during the liquidation period, but it shall not engage in any operating activities irrelevant to the liquidation.

The Company's assets shall not be distributed to shareholders before repayments are made in accordance with the provision described above.

Article 149 If, after sorting out the Company's assets and preparing a balance sheet and an asset list in connection with the liquidation of the Company due to its dissolution, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, it shall immediately apply to a people's court for declaration of bankruptcy.

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

Article 150 Following the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, a statement of the income and expenses during the liquidation period and financial accounts, which shall be verified by a certified public accountant of the People's Republic of China, and then submitted to the shareholders' general meeting or a people's court for confirmation.

Within 30 days from the date of confirmation by the shareholders' general meeting or the relevant competent authorities, the liquidation committee shall submit the aforesaid documents to company registration authorities and apply for deregistration and make an announcement on termination of the Company.

Article 151 Members of the liquidation committee are required to discharge their duties in good faith and perform their obligation of the liquidation in compliance with laws. Members of the liquidation committee shall be prohibited from abusing their authority in accepting bribes or other unlawful income and from misappropriating the Company's properties. Members of the liquidation committee shall assume compensation liability if the Company or creditors incur losses as a result of the deliberate or gross default of the said members.

Article 152 Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 153 The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association.

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

- (I) anything as contained in the Articles of Association is inconsistent with the amended laws and administrative regulations after the Company Law or the relevant laws and administrative regulations are revised;
- (II) the Company's situation has changed and is inconsistent with that set forth under the Articles of Association; and
- (III) the shareholders' general meeting has decided on making amendments to the Articles of Association.

Article 154 The Board of Directors shall amend the Articles of Association pursuant to the resolution to amend the Articles of Association passed at the Shareholders' general meeting and examination and approval opinions from relevant competent authorities.

Where the amendments to the Articles of Association constitute information that shall be disclosed under the laws and regulations, the Company shall disclose such amendments in accordance with the requirements.

CHAPTER 13 NOTICES AND ANNOUNCEMENTS

Article 155 A notice of the Company may be given in the following ways:

- (I) by hand;
- (II) by mail;
- (III) by fax or email;
- (IV) by posting on the websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and listing rules of the place where the Securities of the Company are listed;
- (V) by announcement;

- (VI) by other means agreed by the Company or the recipient of the notice in advance or as accepted by the recipient of the notice upon receiving such notice; and
- (VII) by other means approved by the relevant regulatory authorities of the place where the Securities of the Company are listed or as specified in the Articles of Association.

Unless the context otherwise required, the “announcement” referred to in the Articles of Association means, as to the announcements made to the holders of domestic shares or the announcements required to be made in the PRC in accordance with the relevant provisions and the Articles of Association, an announcement published on any newspaper in the PRC which shall be specified by the PRC laws and regulations, or as designated, agreed or permitted by the securities regulatory authority of the State Council; or as to the announcements made to holders of H shares of the Company or the announcements required to be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in a newspaper and/or other designated media (including a website) in accordance with the requirements of the relevant listing rules.

Unless otherwise provided in the Articles of Association, where a notice delivered by the Company to the holders of H shares is delivered by way of an announcement, the Company shall submit an electronic version to the Hong Kong Stock Exchange through the electronic publication system of Hong Kong Stock Exchange on the same day for publication on the website of the Hong Kong Stock Exchange in real-time in accordance with Hong Kong Listing Rules, or publish an announcement on the newspapers (including an advertisement on the newspapers) as required under the Hong Kong Listing Rules. The announcement shall be published on the Company’s website at the same time. In addition, unless otherwise provided in the Articles of Association, service must be made by hand or by prepaid mail at the address of each holder of overseas listed foreign shares registered in the register of members, so as to ensure that each shareholder is well informed and has sufficient time to exercise his/her rights or act in accordance with the terms of the notice.

The holders of overseas listed foreign shares of the Company may choose in writing to receive corporate communications to be dispatched to the shareholders from the Company by electronic means or by mail, and may choose to receive only the Chinese version or English version, or both. The shareholders may also notify the Company in writing in advance within a reasonable time to change the way to receive the foresaid information and in which language on appropriate procedures.

If a shareholder or director intends to prove that any notice, document, information or written statement has been served to the Company, evidences showing that such notice, document, information or written statement has been served in an ordinary manner or by prepaid mail to the correct address within the specified time shall be provided.

Notwithstanding the aforesaid provision explicitly stipulating to provide and/or distribute corporate communications to shareholders in writing, in respect of the manner in which the Company provides and/or distributes corporate communications to shareholders in accordance with Hong Kong Listing Rules, if the Company obtained the prior written or implied consent of such shareholder in accordance with the relevant provisions of the relevant laws and regulations as well as the Hong Kong Listing Rules as amended from time to time, the Company may send or provide corporate communications to the shareholder by electronic means or by publication on the Company's website. Corporate communications include but are not limited to the below: circulars, annual reports, interim reports, notices of shareholders' general meetings and other corporate communications listed in the Hong Kong Listing Rules.

CHAPTER 14 SUPPLEMENTARY PROVISIONS

Article 156 The terms “more than” and “less than” referred to in the Articles of Association shall include the numeral referred thereto, while the terms “exceed”, “beyond” and “over” shall exclude the numeral referred thereto.

The meaning of the accounting firm as used herein shall be the same as the “auditor”.

The term “related party relationship” means the relationship between the Company and the related party as defined in the listing rules of the place where the securities of the Company are listed.

Article 157 All notices or other documents to be submitted by the Company to the Hong Kong Stock Exchange shall be written in English or accompanied by a signed certified English translation.

The Articles of Association are written in Chinese. In case of any discrepancy between the version in other languages and the Chinese version, the Chinese version shall prevail.

If there is any discrepancy between the provisions concerning such matter of the Articles of Association and relevant laws and regulations, rules, regulatory documents and the listing rules of the place where the securities of the Company are listed, the latter shall prevail.

The matters not covered herein shall be governed by the relevant laws and regulations, rules, regulatory documents and the listing rules of the place where the securities of the Company are listed.

Article 158 The Board of Directors of the Company shall be responsible for interpretation of the Articles of Association.

(If there is any inconsistency between the English and Chinese version of this document, the Chinese version shall prevail.)