

ARTICLES OF ASSOCIATION
OF
WENZHOU KANGNING HOSPITAL CO., LTD.

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CHAPTER 1 GENERAL

Article 1 To afeg ard he legi ima e righ and in ere of Wen ho Kangning Ho pi al Co., L d. (he Compan) and i hareholder and credi or , and o reg la e organi a ion and ac of he Compan , he e Article of A ocia ion are form la ed p r an o he Compan La of PRC (he Compan La), he Sec ri ie La of PRC (he Sec ri ie La), he Special Pro i ion of he S a e Co ncil on he O er ea Offering and Li ing of Share b he Join S ock Limi ed Companie (he Special Pro i ion), he Manda or Pro i ion for Article of A ocia ion of Companie o be Li ed O er ea , he G ideline on Article of A ocia ion of Li ed Companie , he Le er of Opinion on S pplemen and Amendmen o he Article of A ocia ion of Companie Li ed in Hong Kong, he Repl of he S a e Co ncil on he Adj men of he No ice Period of he General Mee ing and O her Ma er Applicable o he O er ea Li ed Companie (G o Han [2019] No. 97), he R le Go erning he Li ing of Sec ri ie on The S ock E change of Hong Kong Limi ed (he Li ing R le), and o her rele an pro i ion .

Article 2 The Compan i a join ock limi ed compan d l incorpora ed in accordance i h he Compan La and o her rele an la , admini ra i e reg la ion or norma i e doc men of he People’ Rep blic of China (he PRC).

Wi h all hareholder of he original Wen ho Kangning Ho pi al Co., L d. a he promo er , hro gh he o erall con er ion of he a di ed book ne a e of he original Wen ho Kangning Ho pi al Co., L d. a a 31 J l 2014, and cond c ing o erall al era ion, he Compan a e abli hed and regi ered a Wen ho Admini ra ion for Ind r and Commerce on 15 Oc ober 2014, i h he B ine Licen e (regi ra ion n mber 330300000044161) gran ed.

The promo er of he Compan compri e 9 par ie , 3 of hich are na ral per on hareholder , namel G an Weili, Wang Lian e, Wang Hong e; 6 of hich are non-na ral per on hareholder , namel G ang ho GL Capi al In e men F nd L.P., Beijing CDH Wei in Ven re Capi al L.P., Beijing CDH Wei en Ven re Capi al L.P., Ningbo Xin hi Kangning In e men Managemen L.P., Ningbo Enci Kangning In e men Managemen L.P. and Ningbo Renai Kangning In e men Managemen L.P.

Article 3 The registered Chinese name of the Company is 溫州康寧醫院股份有限公司.

The English name of the Company is Wenho Kangning Hospital Co., Ltd.

Article 4 Domicile of the Company: Shengjin Road, Hanglong Residential District, Wenho
Postal code: 325000
Telephone number: 0577-88789117
Facsimile number: 0577-88789117

Article 5 The chairman of the board of directors (the Board) is the Company's legal representative.

Article 6 The Company is a perpetual joint stock limited company and an independent entity with independent corporate property. It enjoys property ownership of legal person and civil rights in accordance with the law, and shall assume civil liability. All the acts of the Company shall be in compliance with the requirements of the law, regulation and normative documents of the PRC and shall protect the lawful rights and interests of shareholders. The Company is governed and protected by the law, regulation and normative documents of the PRC.

Article 7 All the Company's shares are divided into equal shares. Each shareholder is responsible to the Company proportionally to his/her/its subscribed shares. The Company is responsible for its debts proportionally to its assets.

Article 8 The Articles of Association take effect and be implemented on the date when they are approved through a resolution at the general meeting. Any proposed amendment to the Articles of Association should be formulated by the Board and shall come into effect from the date of approval at the general meeting.

Article 9

From the effective date of the Article of Association, the Article of Association shall become a legally-binding document which regulates the Company's organization and activities, the rights and obligations between the Company and shareholder and among the shareholders.

The Article of Association shall be legally binding on the Company, its shareholder, director, officer and senior management, in which personnel being entitled to claim for rights on matters relating to the Company, and undertaking corresponding obligations in accordance with the Article of Association.

Without prejudice to the provision of Article 244, and according to the Article of Association, one shareholder may sue the other shareholder, and the shareholder may sue the Company's director, officer and senior management. The shareholder may sue the Company. The Company may sue the shareholder, director, officer and senior management.

For the purpose of the preceding paragraph, the term "sue" shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "senior management" in the Article of Association refers to the general manager (also known as president), executive deputy general manager(), deputy general manager() (also known as vice president()), including senior vice president(), chief financial officer, secretary of the Board and other personnel appointed by the Board as the Company's senior management. The term "general manager and deputy general manager()" shall refer to manager and deputy manager() under the Company Law, and "chief financial officer" shall refer to the person in charge of finance under the Company Law.

Article 10 The Company may in the ordinary course of business. However, it shall not become a capital contributor shall bear joint liability for the debt of the enterprise incurred, unless otherwise provided for by law. Based on its business development needs, the Company, upon approval by relevant government authorities, established subsidiaries, branches, representative offices, offices etc. outside of the PRC and in Hong Kong Special Administrative Region (Hong Kong), Macao Special Administrative Region (Macao) and Taiwan.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE

Article 11 The operational objectives of the Company are: to integrate and manage all parties, abide by professional ethics, be disciplined and obedient, provide and continuously improve psychiatric and psychological treatment and other medical services, and endeavor to enhance both the economic efficiency and social efficiency of the enterprise.

Article 12 As registered according to law, the Company's scope of business covers: medical services; hospital management services, and scientific research of mental health, medical psychology and related medical fields and the technology transfer in respect hereof (including the technology development and application of human stem cell or gene diagnosis and treatment).

The aforesaid scope of business shall be subject to the items approved by the competent administration for industry and commerce.

CHAPTER 3 SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

Article 13 The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorized representatives of the Shareholders' Meeting.

Article 14 The Company's shares shall be in the form of share certificate.

All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

The RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

Article 15 Company shares shall be issued based on the principle of openness, fairness and justice. Shares of the same class shall carry equal rights.

For the same class of shares of the same issuance, each share shall be issued at the same condition and price. An entity or individual shall pay the same price for an equal share subscribed.

Article 16 The Company may issue shares on or inside the PRC and in or outside the PRC upon approval of the executive regulator authorities under the State Council.

For the purpose of the preceding paragraph, the term in or outside the PRC shall refer to on or from foreign countries or Hong Kong, Macao or Taiwan has subscribed for shares issued by the Company. The term in or inside the PRC shall refer to on or inside the PRC, including the above-mentioned region, has subscribed for the shares issued by the Company.

Article 17 The shares issued by the Company on or inside the PRC for subscription in Renminbi shall be referred to as domestic shares. The shares issued by the Company on or outside the PRC for subscription in foreign currency shall be referred to as foreign shares. The foreign shares have liabilities shall be referred to as overseas-listed foreign shares. A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares and shall have the same obligations and rights.

The term "foreign currency" in the preceding paragraph shall refer to the lawful currency freely convertible in other countries or regions (other than RMB), which is recognized by a foreign exchange authority and acceptable to pay there.

The over-the-counter foreign exchange traded by the Companies which are listed in Hong Kong are referred to as "OTC exchange", namely, the RMB-denominated exchange approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as "HK Stock Exchange" or "Hong Kong Stock Exchange") for listing, quotation and trading are in Hong Kong dollars.

Approved by the Securities and Futures Commission under the Securities and Futures Ordinance, the Companies' domestic exchange may be listed and traded on an over-the-counter exchange and conducted in over-the-counter foreign exchange. Upon completion of such exchange in over-the-counter foreign exchange, listing and trading of such exchange shall comply with the regulatory procedure, regulation and requirements of the foreign exchange market. The completion of domestic exchange in over-the-counter foreign exchange and listing on an over-the-counter exchange shall not require the convening of a general meeting or class meeting. The completed over-the-counter foreign exchange shall belong to the same class of exchange as the listing of over-the-counter foreign exchange.

Article 18

As approved by the approval authority of the Company authorized by the Share Council, 50,000,000 ordinary shares were issued on the promoter of the Company upon the abstinence of the Company. Promoter and their respective shares subscribed are as follows:

No.	Name of promoters	Shareholding (share)	Percentage of shareholding
1.	Gan Weili	19,810,250	39.6205%
2.	Gangho GL Capital Investment Fund L.P.	13,416,750	26.8335%
3.	Wang Hong'e	5,304,350	10.6087%
4.	Wang Lian'e	3,794,500	7.5890%
5.	Beijing CDH Weixin Venture Capital L.P.	3,347,750	6.6955%
6.	Beijing CDH Weixin Venture Capital L.P.	2,326,400	4.6528%
7.	Ningbo Xinhi Kangning Investment Management L.P.	1,543,000	3.0860%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.5160%
9.	Ningbo Renai Kangning Investment Management L.P.	199,000	0.3980%
		<hr/>	<hr/>
	Total	<u>50,000,000</u>	<u>100%</u>

Upon the increase in the registered capital in March 2015, the name of shareholder of the Company, number of subscribed share and their proportion in the share capital are set out as follows:

No.	Name of shareholders	Shareholding (share)	Percentage of shareholding
1.	Gan Weili	19,810,250	37.5194%
2.	Gangho GL Capital Investment Fund L.P.	15,384,541	29.1374%
3.	Wang Hongme	5,304,350	10.0461%
4.	Beijing CDH Weixin Venture Capital L.P.	3,838,754	7.2704%
5.	Wang Lianme	3,794,500	7.1866%
6.	Beijing CDH Weixin Venture Capital L.P.	2,667,605	5.0523%
7.	Ningbo Xinhi Kangning Investment Management L.P.	1,543,000	2.9223%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.4886%
9.	Ningbo Renai Kangning Investment Management L.P.	199,000	0.3769%
	Total	52,800,000	100%

Article 19 Upon the establishment of the Company, as approved by China Securities Regulatory Commission (the CSRC) and the Hong Kong Stock Exchange, the Company has issued no more than 20,240,000 H shares (including H shares issued upon the exercise of the Over-allotment Option).

The Company currently has a registered capital of RMB72,670,000. The shareholding structure is as follows: 72,670,000 ordinary shares, comprising 19,910,000 H shares and 52,760,000 domestic shares.

Article 20 The domestic shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The H shares of the Company are mainly under the central depository's custody, which belong to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual name.

Article 21 After the plan for issuing overseas-listed foreign share and domestic share has been approved by the executive regulator or authority under the State Council, the Company's Board may arrange for implementation of the plan by means of repurchase.

The Company's plan for issuance of overseas-listed foreign share and domestic share in accordance with the preceding paragraph may be implemented within 15 months upon approval by the executive regulator or authority under the State Council, unless otherwise stipulated by the executive regulator or authority under the State Council.

Article 22 Where the Company issues overseas-listed foreign share and domestic share separately within the total number of shares specified in the issuance plan, each share shall be fully subscribed in one single issuance. Where special circumstances make it impossible for either single issuance to be fully subscribed, the shares may be issued in batches, subject to the approval of the executive regulator or authority under the State Council.

Article 23 At its establishment, the Company had a registered capital of RMB50,000,000. Upon completion of the issue of H shares, the registered capital of the Company is RMB73,040,000. Upon completion of non-public issue of domestic shares in August 2018, the Company had a registered capital of RMB75,500,000. Prior to cancellation of repurchase of H shares in July 2020, the Company had a registered capital of RMB75,500,000. Upon completion of cancellation of the aforeaid repurchase of 899,700 H shares by the Company, the registered capital of the Company is RMB74,600,300. Prior to cancellation of repurchase of H shares in October 2024, the Company had a registered capital of RMB74,600,300. Upon completion of cancellation of the aforeaid repurchase of 1,930,300 H shares by the Company, the registered capital of the Company is RMB72,670,000.

Article 24 Unless otherwise stipulated in the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, or the relevant Article of Association, the shares of the Company may be freely transferred according to the law in connection. The transfer of shares of the Company shall be registered with the registration agency appointed by the Company.

Article 25 The Company shall not accept shares as the subject of a pledge.

Article 26 The shares of the Company held by the promoter shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company's public issuance of an share shall not be transferred within one year from the date after the shares of the Company are listed and traded in a stock exchange.

The director, per i or and enior management of he Compan shall repor o he Compan he hare held b hem and he change hereof. D ring he erm of heir office, he hare ran ferred b an of hem each ear hall no e ceed 25% of he o al hare of he Compan ha he hold . The hare of he Compan held b he afore aid per on hall no be ran ferred i hin one ear from he da e hen he hare of he Compan are li ed and raded in a ock e change. If an of he afore aid per on lea e from hi po , he hall no ran fer he hare of he Compan ha he hold i hin i mon h from ch depar re. If li ing r le of he ock e change of he place() in hich he hare of he Compan are li ed pro ide o her i e on re ric ion on ran fer of H hare , ch r le hall pre ail.

Article 27

If a direc or, per i or or enior management of he Compan , or a hareholder holding more han 5% of he hare of he Compan ell he hare of he Compan i hin i mon h af er b ing ho e hare , or b he hare i hin i mon h af er elling ho e hare , all he gain ari ing hereof hall belong o he Compan , and ch gain hall be collec ed b he Board of he Compan . B if a ec ri ie compan nder rie n old hare , hereb holding more han 5% of he hare , he ale of he e hare hall no be bjec o he aid i -mon h re ric ion. If li ing r le of he ock e change of he place() in hich he hare of he Compan are li ed pro ide o her i e on re ric ion on ran fer of H hare , ch r le hall pre ail.

If he Compan ' Board doe no e ec e in compliance i h he preceding paragraph, he hareholder can req e he Board o do o i hin 30 da . If he Board doe no enforce ch righ i hin he afore aid period, he hareholder are en i led o commence li ga ion in co r in heir o n name for he in ere of he Compan .

If he Compan ' Board doe no e ec e in compliance i h he fir paragraph, he direc or() liable hall a me join and e eral re pon ibili ie p r an o la .

CHAPTER 4 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 28

According o opera ional and de elopmen need , he Compan ma , according o he la and reg la ion and re ol ion of general mee ing , increa e ock capi al p r an o rele an pro i ion of he e Article of A ocia ion.

The Compan ma increa e ock capi al b adop ing he follo ing mean :

- (1) I ing ne hare o n pecified in e or ;
- (2) Placing ne hare i h e i ing hareholder ;
- (3) Gi ing ne hare o e i ing hareholder ;

- (4) Converting the re-registered shares into common shares;
- (5) Other means prescribed by the laws, administrative regulations or approved by the relevant authorities.

Increasing common shares of the Company through issuance of new shares shall be carried out in accordance with the procedures specified in relevant laws, administrative regulations and all applicable governing rules which prevail in the place where the shares are listed, after having been approved in accordance with the Articles of Association.

Article 29 The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other relevant regulations and the Articles of Association.

Article 30 If the Company reduces its registered capital, a balance sheet and an inventory of assets shall be prepared.

Where the Company reduces its registered capital, the Company shall notify the creditor, make an announcement in accordance with the provisions of the Company Law, repay the debt or provide corresponding guarantee as required by the creditor.

The reduced registered capital of the Company shall not be less than the amount of minimum.

Article 31 The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in the Articles of Association, and submit the same to the relevant authorities for approval:

- (1) Reducing the Company's registered capital;
- (2) Merging with another company holding shares in the Company;
- (3) Utilizing shares in the employee share ownership scheme or for share incentives;
- (4) Acquisition of shares held by a shareholder (upon their request) who declines from an resolution proposed in an general meeting on the merger or division of the Company;
- (5) Utilizing the shares for conversion of corporate bonds which are convertible into shares issued by the listed company;
- (6) Where it is necessary to safeguard the interests of the listed company and the interests of its shareholders.

Article 32

With approval from relevant authorities or resolution of the Company may proceed in any one of the following manner :

- (1) Making of a redemption offer in the same proportion to all shareholder ;
- (2) Redemption through open market on a stock exchange;
- (3) Redemption by agreement of a stock exchange;
- (4) Other method recognized by relevant regulatory authorities .

Article 33

In the event of a redemption of shares by the Company by an agreement of a stock exchange, prior approval shall be obtained from the shareholder at a general meeting in accordance with the procedure stipulated in the Company's Articles of Association. Upon obtaining further prior approval of the shareholder at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner aforesaid or any of its rights under such contracts .

The contracts for the redemption of shares referred to in the aforesaid paragraph include (but not limited to) agreements whereby redemption obligations are undertaken and redemption rights are acquired.

The Company shall not assume contracts for the redemption of its shares or any of its rights thereunder.

The price per share for redeeming the Company's non-redeemable shares proposed to be made otherwise than by tender or in the market shall be capped at a maximum price; where the redemption is proposed to be made by a tender, tender shall be made available to all holders of such shares on the same terms .

Article 34

The acquisition of its shares by the Company for reasons set forth in Item (1) or (2) of Article 31 hereof shall be subject to the approval at the general meeting in accordance with the provisions hereunder. The acquisition of its shares by the Company for reasons set forth in Item (3), (5) and (6) of Article 31 hereof may be subject to the approval at the Board meeting as amended by more than a majority of the directors in accordance with the provisions hereunder. Upon the acquisition of its shares by the Company

provisions (h) notwithstanding (2ab)0.5 ()0.5 f(g)0.5 (a)0.5 (n)0.5 ((a)0.5 (r)0.5 (m)0.5 ()0do 8 -1.13 .18 T 0 -1.136 Td e bj h heq iir he()0.5 (h)0.

Article 36

Unless the Company has already entered the liquidation stage, it shall comply with the following provisions in bringing back its issued and outstanding shares :

- (1) Where the Company brings back shares at their par value, the amount hereof shall be deducted from the book balance of distributable profits and/or from the proceeds of a new share issue made over to the old shares ;
- (2) Where the Company brings back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new share issue made over to the old shares ; and the portion in excess of the par value shall be handled according to the following method :
 1. Where the shares brought back are issued at their par value, the amount shall be deducted from the book balance of distributable profits of the Company ;
 2. Where the shares brought back are issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits and/or from the proceeds of a new share issue made over to the old shares ; however, the amount deducted from the proceeds of the new share issue shall not exceed the total premium obtained at the time of issue of the old shares or exceed the amount (including the premium from the new share issue) in the Company's premium account (or capital common reserve account) at the time of reissue ;
- (3) The amount paid by the Company for the purchase of the below shall be paid out of the Company's distributable profits :
 1. Acquisition of the right to bring back its shares ;
 2. Amendment of the contract for reissue of its shares ;
 3. Release from an obligation under a reissue contract .
- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with the relevant regulation, the portion of the amount deducted from the distributable profits and over to the old shares at the par value of the shares brought back shall be included in the Company's premium account (or capital common reserve account).

CHAPTER 5 FINANCIAL ASSISTANCE FOR PURCHASE OF COMPANY SHARES

Article 37 The Company or its subsidiaries (including affiliates of the Company) shall not at any time provide any financial assistance in any form or purchase or prospective purchase of the share in the Company. Purchaser of share in the Company as referred to above shall include person who direct or indirect undertake obligation as a result of purchasing share in the Company.

The Company or its subsidiaries (including affiliates of the Company) shall not at any time provide any financial assistance in any form or the above obligation in order to reduce or discharge their obligation.

The provision of this Article shall not apply to the circumstances described in Article 39 of this Chapter.

Article 38 For the purpose of this Chapter, the term financial assistance shall include (but not limited to) the financial assistance in the form set out below:

- (1) Gift;
- (2) Guarantee (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligation by the obligor), indemnity (not including, however, indemnity arising from the Company's default) and release or waiver of right;
- (3) Provision of a loan or conclusion of a contract under which the obligation of the Company are to be fulfilled prior to the obligation of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of right under such loan or contract;
- (4) Financial assistance in any other form when the Company is involved or has no net asset or when such assistance would lead to a major reduction in the Company's net asset.

For the purpose of this Chapter, the term undertake obligation shall include the undertaking of an obligation by the obligor by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person) or by changing its financial position in any other way.

Article 39

The activities below shall not be regarded as the activities prohibited under Article 37 of this Chapter:

- (1) Where the Company provides the relevant financial assistance for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;
- (2) The full distribution of the Company's profits in the form of dividends;
- (3) Distribution of dividends in kind;
- (4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structure, etc., in accordance with the Articles of Association;
- (5) Provision of a loan by the Company within the scope of business and in the ordinary course of business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);
- (6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 40 The Company's shares shall be in registered form.

In addition to the particular provided for in the Company Law, the share certificate of the Company shall clearly state whether particular requirements specified by the Stock Exchange on which the Company's shares are listed.

The Company may make the form of ordinary deposit receipt or other derivation of share certificate or other foreign share in accordance with the applicable regulations and deposit practices of the listing venue.

During the listing of the Company's Shares on the main board of the Hong Kong Stock Exchange, the Company shall ensure that the following matters are included in all relevant documents (including Share Certificate) relating to the registered on the Hong Kong Stock Exchange and shall in respect of share registration or rejection, the registration of the subscription, acquisition or transfer of shares in the name of an individual holder and that the individual holder must use the appropriate signed form relating to shares to be registered and the form shall include the following matters:

- (1) the shareholder and the Company and each of the shareholder, and the Company and each of the shareholder agree to observe and comply with the requirements of the Company Law, Special Provisions and other relevant laws, administrative regulations and the Articles of Association.
- (2) the shareholder of the shares agree with the Company and each of the shareholder, director, officer and senior management of the Company, and the Company, acting on behalf of itself and each of director, officer and senior management of the Company, agree with each of the shareholder that, he will refer to arbitration for the settlement of all disputes and claims arising from the Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from any right or obligation under the Company Law or other relevant laws and administrative regulations in accordance with the provisions of the Articles of Association.

Article 41 The share certificate shall be signed by the chairman of the Board. Where the signatures of senior management of the Company are required by the stock exchange() on which the Company's shares are listed, the share certificate shall also be signed by such senior management. The share certificate shall become effective after the Company is established hereon or printed hereon. Under a resolution of the Board, the Company may amend share certificate. The signatures of legal representative or of senior management on the share certificate may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provision otherwise provided by local securities regulation or authority of the place() in which shares of the Company are listed shall prevail.

Article 42 The Company shall establish a register of shareholder in accordance with the evidence from the securities registration organization, and shall enter herein the following particulars :

- (1) The name, address (domicile), occupation or nature of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid or payable for the shares held by each shareholder;
- (4) The serial number of the shares held by each shareholder;
- (5) The date on which each shareholder is registered as a shareholder;
- (6) The date on which each shareholder ceases to be a shareholder.

The register of shareholder is the conclusive evidence of shareholder's holding of the Company's shares, notwithstanding to the contrary.

Article 43 The Company, pursuant to any understanding or agreement reached between the executive directors and the Share Council and a executive director organization outside the PRC, keep outside the PRC its original register of holder of overseas-listed foreign share, and entrust the administration hereof to an agent outside the PRC. The original register of public shareholder of the H share shall be kept in Hong Kong.

The Company shall keep a domicile duplicate of the register of holder of overseas-listed foreign share. The appointed agent outside the PRC shall entrust the register of holder of overseas-listed foreign share and its duplicate are contained all time.

Where the original and duplicate of the register of holder of overseas-listed foreign share are inconsistent, the original shall prevail.

Article 44 The Company shall keep a complete register of shareholder. The register of shareholder shall include the following parts:

- (1) A register kept at the Company's domicile or other than those specified in Items (2) and (3) of this Article;
- (2) The register(s) of holder of overseas-listed foreign share kept in the place(s) of the stock exchange(s) outside the PRC on which the share are listed;
- (3) Register of shareholder kept in other place at the Board may decide necessary for listing of the Company's share.

Article 45 The various parts of the register of shareholder shall not overlap one another. The transfer of share registered in a certain part of the register of shareholder shall not, during the continuance of the registration of such share, be registered in another part of the register.

Change and correction to each part of the register of shareholder shall be carried out in accordance with the law of the place where each part is kept.

Article 46

All paid Shares are freely transferable according to the Article of Association. However, unless meeting the following condition, the Board may decline to recognize an transfer instrument in respect of the following reasons:

- (1) An transfer instrument or other instrument which relates to shares or ownership or beneficial ownership shall be registered, and HK\$2.50 (each transfer instrument) or such other higher fee determined by the Board (but such fee shall not exceed the maximum fee prescribed in the Listing Rules of the Hong Kong Stock Exchange from time to time) shall be paid for each registration;
- (2) The transfer instrument only in whole Shares listed in Hong Kong;
- (3) The demanded fee for transfer instrument has already been paid;
- (4) Relevant share certificate and such other evidence as the director may reasonably require to prove the transferor's right to transfer shares are lodged;
- (5) Transfer of an share to no more than four joint holders in the event that the shares are to be transferred to joint holder;
- (6) The shares concerned are free of any lien in favour of the Company.

If the Board refuses to register an transfer of shares, the Company shall within one month from the date of formal application for the transfer provide the transferor and transferee with a notice of refusal to register such transfer.

An shareholder of foreign share may transfer all or part of his share through an instrument in any form in the relevant place in which the share of the Company are listed or in any other form as the Board may accept. The transfer of Hong Kong shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The transfer instrument may be under hand but need not be under seal only, if the transferor or transferee is a clearing house defined under Hong Kong Securities and Futures Ordinance or its nominee, a hand written or machine imprinted signature shall be acceptable.

All instruments of transfer shall be maintained at the legal address, address of the share registrar of the Company or such place as the Board may designate from time to time.

Article 47 Where PRC laws and regulations and the securities regulations of the place where the Company's shares are listed apply on the period of closure of the register of shareholders prior to a shareholder's general meeting or the reference date of the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 48 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require confirmation of the identification of shareholders, the convenor of the Board or the general meeting shall decide the record date. The shareholder whose name appears on the register of shareholders at the close of trading on the record date shall enjoy the relevant rights.

Article 49 Any person has the right to apply to the register of shareholders and require his name to be entered in or removed from the register or to apply to a competent authority for correction of the register.

Article 50 Any shareholder who is registered in the register of shareholders or requires his name to be registered in the register of shareholders may apply to the Company for a replacement certificate in respect of such share (the Relevant Share) if his share certificate (the Original Share Certificate) is lost.

Application for the replacement of domestic share certificate shall be dealt with in accordance with the relevant provision of the Companies Law.

Application for the replacement of over-sea-located foreign share certificate shall be dealt with in accordance with the law, regulation, rule of stock exchange and other relevant regulation of the place where the original register of holder of over-sea-located foreign share is kept.

Where public shareholder of the share applies for replacement of lost certificate, such replacement shall comply with the following requirements:

- (1) The applicant shall submit the application in the form prescribed by the Companies Law accompanied by a notarial certificate or a sworn declaration. The notarial certificate or a sworn declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other person may require registration as a shareholder in respect of the Relevant Share.
- (2) The Companies Law shall receive a sworn declaration requiring registration as a shareholder in respect of the share from any person other than the applicant before it decides to issue a replacement share certificate.
- (3) If the Companies Law decides to issue a replacement share certificate to the applicant, it shall publish an announcement of its intention in the next paper designated by the Board; the period of the announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.
- (4) Before publishing the announcement of its intention to issue a replacement share certificate, the Companies Law shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate is made in accordance with the registered holder of the Relevant Share, the Company shall mail to each shareholder a photocopy of the announcement in accordance with the public.

(5) Upon expiration of the 90-day period specified in Item (3) and (4) hereof, if the Company has not received an objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant.

(6) When the Company issues a replacement share certificate according to the requirements of this Article, it shall immediately cancel the Original Share Certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders.

(7) All expenses for the cancellation of the Original Share Certificate and issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action in the reasonable manner obtained from the applicant.

Article 51

After the Company has issued a replacement share certificate in accordance with the requirements of this Article of Association, the name of a bona fide purchaser obtaining the replacement share certificate mentioned above or a shareholder who has been registered as the owner of the share (provided that he is a bona fide purchaser) shall not be deleted from the register of shareholders.

Article 52

The Company shall not be liable for any damage suffered by any person from the cancellation of the Original Share Certificate or the issuance of the replacement share certificate, unless the claimant is able to prove fraudulent action on the part of the Company.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 53 The Company's shareholders are persons who lawfully hold shares of the Company and whose name has been registered in the register of shareholders.

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholders of every class shall enjoy equal rights in the distribution of dividends or distribution in another form.

Where a shareholder of the Company is a legal person, his legal representative or the nominee of his legal representative shall exercise, on behalf of him, his rights.

Where two or more persons registered as joint shareholders of a share, they shall be deemed a joint holder of the relevant share, and shall be subject to the following terms:

- (1) The Company need not register more than four persons as joint shareholders for a share;
- (2) All joint shareholders of a share shall bear the joint liability for all the payable amount of the relevant share.

In the circumstance of joint shareholders:

- (1) In case of death of one of the joint shareholders, only the other surviving joint shareholder(s) shall be deemed by the Company as the owner of the share, but for the purpose of registering the register of shareholders, the Board shall be entitled to demand the surviving joint shareholder(s) to provide a death certificate to the Board in writing.

- (2) For joint shareholder of an share, the person whose name and firm in the register of shareholder shall be entitled to receive share certificate of the relevant share, receive notice from the Company, and the exercise of notice of the aforesaid person shall be deemed a exercise of notice of all joint shareholder. Any of the joint shareholder may sign a proxy form; provided, however, where the number of the joint shareholder present in person or by proxy at a meeting is more than one, the vote cast, no matter in person or by proxy, by the shareholder whose name appears in prior sequence shall be regarded as the vote and exercise on behalf of the relevant joint shareholder. For the purpose of voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholder holding Relevant Share as prescribed in the Company's register of shareholder.

Where one of the joint shareholder delivers a receipt of the Company in regard to an dividend, bonus or return of capital which shall be distributed to each joint shareholder, such receipt shall be deemed a valid receipt from each joint shareholder of the Company.

Article 54 Holder of ordinary share of the Company shall enjoy the following rights:

- (1) To receive dividend and profit distribution in other form according to the number of shares held by them;
- (2) To request, convene, hold, participate in or appoint proxy to attend general meeting and exercise corresponding voting rights in accordance with the law;
- (3) To monitor, make suggestion or question the Company's operation;
- (4) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulation, listing rule of the stock exchange of the place() in which the shares of the Company are listed, and all provisions of the relevant Article of Association;

(5) To obtain relevant information in accordance with the Article of Association of the Company, which shall include:

1. Obtaining the Article of Association of the Company after payment of a charge to cover the cost;
2. Having the right to access and make a copy, after payment of reasonable charge, of:

(1) all parts of the register of shareholders;

(2) personal information of the director, proprietor and senior management of the Company, including:

a. current and previous name and aliases;

b. main address (domicile);

c. nationality;

d. full-time and all other part-time occupation and duties;

e. identification credentials and membership.

(3) the assets of the Company's issued share capital;

(4) reports of the aggregate par value, number and highest and lowest price of each class of share bought back by the Company since the last financial year as well as all the expenses paid by the Company therefor;

(5) bonds, minutes of general meetings, special resolutions of the Company, resolutions of board meetings, resolutions of the meetings of Shareholders, Committees and financial reports;

(6) the Company's most recent audited financial statements, and reports of the Board, directors and the board of directors;

(7) copy of the latest annual review report which has been filed with the competent administration for industry and commerce or other competent authority, if applicable.

Documents referred to in items (1) and items (3) to (7) above and any other applicable documents shall be made available by the Company, according to the requirements of the Listing Rules, at the Company's address in Hong Kong, for the public and holders of other equity-linked foreign shares to inspect free of charge. Minutes of general meetings shall only be made available for inspection by shareholders of the Company.

(6) When the Company terminates or liquidates, its shares of remaining assets of the Company according to the shares held will be distributed;

(7) If a shareholder disengages from the merger or division of the Company at a general meeting, he may request the Company to acquire his shares;

(8) Other rights under the law, administrative regulations, departmental regulations and the Articles of Association.

The Company shall not exercise power only because an person who directly or indirectly owns equity interest does not disclose its equity interest in the Company or for any other means to damage any rights attached to the shares of the person.

Article 55

If an shareholder requests for access to the information or asks for documents prescribed in the preceding Article, he shall first provide written proof to certify the class and number of the Company's shares he holds. The Company shall provide the requested documents after verification of the identity of each shareholder and may reasonably charge for photocopies of the documents.

Article 56

If a resolution of the Company's general meeting or Board meeting concerning the alteration or administration regulation, the shareholder are entitled to require the corporation to annul the decision.

If the convening procedure or voting method of a general meeting or Board meeting concerning the alteration, administration regulation or the Articles of Association, or if the content of the resolution of such meeting concerning the Articles of Association, the shareholder are entitled to require the corporation to revoke the resolution within 60 days of the resolution.

Article 57

If a director or senior management concerning the alteration, administration regulation or the Articles of Association has carried out his duties relating to the Company, shareholder individually or collectively holding 1% or more of the shares for 180 days consecutively are entitled to require the Supervisor Committee in writing to commence litigation in the corporation. If a board of supervisor concerning the alteration, administration regulation or the Articles of Association has carried out his duties relating to the Company, the shareholder are entitled to require the Board in writing to commence litigation in the corporation.

If the Supervisor Committee or the Board refuse to commence litigation upon receipt of the shareholder's written request pursuant to the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the litigation is organized in a manner which causes irreparable loss to the Company if an immediate litigation is not commenced, the shareholder or pursuant to the preceding paragraph are entitled to commence litigation directly in the corporation under their own name for the benefit of the Company.

If an person intervenes in the affairs of the Company relating to the Company, a shareholder pursuant to the first paragraph is entitled to commence litigation at the corporation in accordance with the preceding paragraph.

Article 58 If a director or senior management contravenes the law, administrative

Article 60 Shareholder who hold share with voting right of the Company or over 5% and pledge their share shall be liable to the Company on the date when the pledge occurs.

Article 61 The controlling shareholder or de facto controller of the Company shall not be liable for damage to the Company's interests. In case of a breach resulting in damage to the Company, he shall be liable for compensation.

The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and public shareholder. The controlling shareholder shall exercise his rights as a capital contributor in compliance with the law. The controlling shareholder shall not make use of his position to damage the lawful interests of the Company and public shareholder in the distribution of profits, re-structuring of assets, foreign investments, misappropriation of assets, borrowing or loan guarantee, and shall not make use of his controlling position to damage the interests of the Company and public shareholder.

In addition to the obligations under the law, administrative regulations or the listing rules of the stock exchange of the place() in which the shares of the Company are listed, controlling shareholder shall not, in the exercise of their shareholder's power, make decisions prejudicial to the interests of all or part of the shareholder as a result of the exercise of their voting rights on the issues set forth below:

- (1) Discharging the responsibility of a director or supervisor or acting dishonestly in the interests of the Company;
- (2) Approving a director or supervisor (for his own or other's benefit) to deprive the Company of its property in form, including (but not limited to) an opportunity that is favorable to the Company;

- (3) Approving a director or supervisor (for his own or other's benefit) or depriving other shareholder of their personal interest, including (but not limited to) the right of distribution and voting right, but not including exercising of the Company's bonded and paid up share by the shareholder general meeting in accordance with the Article of Association.

The term controlling shareholder mentioned in this Article refers to a person who satisfies any one of the following conditions:

- (1) He, acting individually or in concert with others, makes more than half of the director;
- (2) He, acting individually or in concert with others, makes exercise or control the exercise of more than 30% of the Company's voting right;
- (3) He, acting individually or in concert with others, holds more than 30% of the issued and outstanding shares of the Company;
- (4) He, acting individually or in concert with others, actually controls the Company in other ways.

CHAPTER 8 GENERAL MEETING

Section 1 General Provisions on General Meeting

Article 62 The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 63 The general meeting shall exercise the following functions and powers:

- (1) Decide the operational policies and investment plan of the Company;
- (2) Elect and replace directors and supervisors who are not affiliated representatives. Make decisions on matters in relation to the remuneration of the relevant directors and supervisors;
- (3) Review and approve the reports of the Board;
- (4) Review and approve the reports of the Supervisors Committee;
- (5) Review and approve the annual financial budget and final accounts of the Company;
- (6) Review and approve the profit distribution plan and loss compensation plan of the Company;
- (7) Pass resolutions on increasing or reducing the registered capital of the Company;
- (8) Pass resolutions on merger, division, winding up, liquidation or changing the form of the Company;
- (9) Pass resolutions on the issuance of corporate bonds or other securities and listing plan;
- (10) Pass resolutions on the appointment, reappointment or dismissal of accounting firms by the Company;

(11) Amend the Article of Association;

(12) Review and approve the external guarantee issue which shall be reviewed at the general meeting as prescribed in Article 64 of the Article of Association;

Article 64

The following e ernal g aran ee of he Compan shall be re ied and pa ed a he general mee ing:

- (1) An g aran ee in addi ion o he aggrega e of e ernal g aran ee pro ided b he Compan and i holding b idiar i h a o al amo n eq al o or more han 50% of he Compan ' la e a di ed ne a e ;
- (2) An g aran ee in addi ion o he aggrega e of e ernal g aran ee pro ided b he Compan i h a o al amo n eq al o or more han 30% of he Compan ' la e a di ed o al a e ;
- (3) To pro ide g aran ee o en iie i h more han 70% deb a e ra io;
- (4) A ingle g aran ee ho e amo n e ceed 10% of he la e a di ed ne a e ;
- (5) To pro ide g aran ee for hareholder , de fac o con roller and heir connec ed par ie ;
- (6) O her g aran ee hich hall be pa ed a he general mee ing a pre cribed b he local ock e change here he Compan ' hare are li ed and he e Article of A ocia ion.

The erm e ernal g aran ee refer o he g aran ee pro ided b he Compan o o her , incl ding g aran ee pro ided o an of i con rolling b idiar . The erm o al amo n of e ernal g aran ee of he Compan and i holding b idiar refer o he m of o al amo n of he Compan ' e ernal g aran ee (incl ding he Compan ' g aran ee o i holding b idiar) and he e ernal g aran ee pro ided b he Compan ' holding b idiar .

When the general meeting is considering a resolution to provide guarantee for an shareholder, de facto controller or their connected parties, the said shareholder or the shareholder controlled by the said de facto controller shall abstain from voting on the resolution, and the resolution shall be subject to approval by more than half of the voting rights held by the other shareholders attending the general meeting.

Article 65 Except when the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting, enter into a contract to hand over all or material business management of the Company to a person other than a director, supervisor or other senior management.

Article 66 The general meeting shall include annual general meeting and extraordinary general meeting. Annual meeting shall be convened once a year and shall be held within six months from the end of the preceding financial year.

Article 67 The Board shall convene an extraordinary general meeting within six months upon the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number stipulated in the Company Law or less than one-third of the number prescribed in the Articles of Association;

- (2) The loan of the Company has had no been made to reach one-third of the total share capital;
- (3) Shareholder who individually or collectively hold more than 10% of the share of the Company require to convene an extraordinary general meeting in written form;
- (4) Whenever the Board consider necessary;
- (5) When the Special or Committee propose to convene a meeting;
- (6) Other circumstances prescribed by the law, administrative regulation, departmental regulation, listing rule of the stock exchange() of the place() in which the share of the Company are listed or the Articles of Association.

Article 68

The venue of convening a general meeting of the Company shall be the domicile of the Company or other specific location notified by the convenor of the general meeting.

A general meeting shall be in the form of physical meeting to be held online. However, so far as permitted by the electronic regulation or a priori, such meeting may also be held in such other manner as shall be recognized or required by the electronic regulation or a priori. A shareholder who participates in a general meeting in the aforeaid manner shall be deemed to have been present at the meeting.

Section 2 Proposing and Convening of General Meeting

Article 69 Two of independent non-executive directors are entitled to propose or convene an extraordinary general meeting of the Board. Concerning the proposal of convening an extraordinary general meeting required by the independent non-executive directors, the Board shall, in accordance with the requirements of the law, administrative regulations and the Articles of Association, reply in a written opinion or state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reason and make an announcement accordingly.

Article 70 The Supervisor Committee is entitled to propose or convene an extraordinary general meeting of the Board, which shall be made in writing. The Board shall, in accordance with the law, administrative regulations and the Articles of Association, reply in a written opinion or state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the after the decision is made. Any change made to the original request in the notice shall be agreed by the Supervisor Committee.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed a failure to discharge or non-discharging its duties to convene the general meeting. The board of supervisors shall then be entitled to convene and hold the meeting by itself.

Article 71

Shareholder holding more than 10% of share (individually or collectively in the aggregate) shall be entitled to require to convene an extraordinary general meeting or class meeting according to the following procedure :

- (1) Upon signing one or several written requests in the same content and form, and stating the object of the meeting, the aforesaid shareholder may require the Board to convene an extraordinary general meeting or class meeting. The Board shall, in accordance with the requirements of law, administrative regulation and the articles of Association, reply in a written opinion on each request within 10 days upon receipt of the proposal. Share held by the above shareholder shall be calculated as at the date of submitting the written request.
- (2) If the Board agrees to convene an extraordinary general meeting or class meeting, it shall issue a notice of convening the general meeting within 5 days upon being resolved by the Board. Any change made to the original request in the notice shall be agreed by the relevant shareholder.
- (3) If the Board disagrees to convene the extraordinary general meeting or class meeting, or does not reply within 10 days upon receipt of the proposal, shareholder individually or collectively holding more than 10% of the share of the Company are entitled to require the Supervisor Committee in writing to convene an extraordinary general meeting or class meeting.
- (4) If the board of supervisor agrees to convene the extraordinary general meeting or class meeting, it shall issue a notice of convening the general meeting within 5 days upon receipt of the proposal. Any change made to the original request in the notice shall be agreed by the relevant shareholder.

(5) If the board of directors does not give notice of general meeting within the prescribed period, it shall be deemed as the board of directors not convening and not holding the general meeting. Then the shareholder who individually or collectively hold more than 10% of the share for more than 90 consecutive days are entitled to convene and hold the meeting themselves.

Before making an announcement on the resolution() of the general meeting, the convening shareholder shall hold not less than 10% of the share. When the convening shareholder gives the notice of general meeting and the announcement on the resolution() of the general meeting, he shall submit the relevant proof material to the secretary general or a director and relevant stock exchange where the Company is located.

Article 72

Where the Supervisory Committee or shareholder convene a meeting themselves in accordance with the provision of this section, a written notice shall be submitted to the Board and filed with the secretary general or a director and relevant stock exchange where the Company is located. The Board and the secretary of the Board shall cooperate in form of such meeting. The Board shall provide the register of shareholder on the shareholding record date. The expenses reasonably accrued herefrom shall be borne by the Company and be deducted from the amount due for payment to the director as a result of their negligent manner.

Section 3 Proposals and Notices of General Meeting

Article 73 The content of the proposal to be raised shall be within the scope of duties of the general meeting. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

Article 74 When a general meeting is convened by the Company, the Board, Supervisor, Committee or shareholder who individually or collectively hold more than 3% of the share of the Company shall be entitled to propose resolution of the Company.

Shareholder who individually or collectively hold more than 3% of the share of the Company may submit an ad hoc proposal in writing to the convenor of the general meeting 10 days before the convening of the general meeting. The convenor shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposal and announce the content of the ad hoc proposal.

Except for circumstances provided in the above paragraph, the convenor, after issuing the notice and announcement of the general meeting, shall neither raise the proposal raised in the notice of general meeting nor add new proposal.

If a notice of general meeting does not specify the proposed resolution or does not comply with Article 73 herein, no voting for resolution shall be carried out at the general meeting.

Article 75 Where an annual general meeting is convened by the Company, it shall inform all shareholder of the time and venue of the meeting and the matters to be considered hereinafter 20 Hong Kong business days before the meeting is held, and where an extraordinary general meeting is convened, it shall inform all shareholder 10 Hong Kong business days or 15 days (whichever is earlier) before the meeting is held. The announcement of a general meeting issued to the holder of overseas-listed foreign shares shall be published through the website of or in one or more newspapers designated by the Hong Kong Stock Exchange. Upon the publication of the announcement, all holder of overseas-listed foreign shares shall be deemed to have received announcement of the relevant general meeting.

When calculating the time limit of the notice, the date of the meeting convened shall be excluded.

Article 76 A general meeting shall not pass a resolution on matters not specified in the notice.

Article 77 Notice of the general meeting shall include the following:

- (1) Time, place and duration of the meeting;
- (2) Specified matters and resolutions to be proposed at the meeting;
- (3) Provision to the shareholder of the detailed information and explanation necessary for the shareholder to make a sound decision about the matters to be decided. This principle includes (but not limited to) the provision of the specific terms and conditions, if any, of the proposed transaction and a brief explanation about the cause and effect when the Company proposes merger, recapitalization of share, re-structuring of share capital or other restructuring;
- (4) In the event that any of the directors, officers, manager or other senior management has a material interest in a matter to be decided, the nature and extent of the interest in a matter shall be disclosed. If the matter to be decided affects a director, officer, manager or other senior management as a shareholder in a manner different from how it affects the same type of other shareholder, the difference shall be explained;

- (5) Inclusion of the full text of an special resolution to be proposed for approval at the meeting;
- (6) A clear explanation in words indicating how the entitled shareholders are entitled to attend and vote at the general meeting, or to appoint proxies to attend and vote at the meeting on his or her behalf and how such proxies are not necessarily shareholders ;
- (7) Record date for shareholder entitled to attend the meeting;
- (8) Name and telephone number of the contact person;
- (9) Specified delivery time and place of the power of attorney for proposing at the meeting.

Article 78

For matters of disclosure in relation to the election of directors and proxies, the notice of general meeting shall adequately disclose the detailed information of the candidate for each director and proxy, which shall at least include the following:

- (1) Personal particulars including education background, working experience and any part-time job;
- (2) Whether there is any connected relationship between the Company and the controlling shareholder and de facto controller of the Company ;
- (3) Disclosure of the shareholding in the Company ;
- (4) Whether or not he has been penalized by CSRC or other related regulatory authorities and the stock exchange.

Apart from directors and proxies elected through the coming year, each candidate of director or proxy shall be individually proposed.

Article 79

No notice of general meeting shall be served on the shareholder (whether having voting rights on general meeting or not) either by hand or by post in a prepaid mail, addressed to each shareholder at his registered address as shown in the register of shareholders, or by publication in the Company's website or other website designated by stock exchange where the Company's shares are listed, subject to compliance with applicable law, regulation and listing rule. For holder of domestic shares, the notice of a general meeting may also be given by publishing an announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the executive director under the Share Council within the period of 20 Hong Kong business days before an annual general meeting is held, or 10 Hong Kong business days (whichever is earlier) before an extraordinary general meeting is held. Once the announcement is published, all holder of domestic shares shall be deemed to have received the notice in relation to the general meeting.

Article 80

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled for any proper reason and the proposal specified in the notice shall not be withdrawn. In case of delay or cancellation, the convenor shall make an announcement giving reason at least 2 working days before the date when the meeting is convened, unless otherwise prescribed in listing rule of the stock exchange() of the place() in which the shares of the Company are listed (if so, the latter shall prevail).

Article 81

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

Section 4 Convening General Meeting

Article 82 All shareholder on the register of shareholder on the shareholders record date shall be entitled to attend the general meeting, and vote in accordance with the provision of the relevant law, regulation and the Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may or may not be necessarily a shareholder) as his proxy to attend and vote on his behalf.

Such proxy may exercise the following rights conferred by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with others in writing a poll;
- (3) Unless otherwise provided in the applicable listing rule or other applicable law and regulation, the right to vote may be exercised either by a show of hands or by poll. However, if a shareholder has appointed more than one proxy, such proxy may only exercise his voting right by poll.

If a shareholder is a recognized clearing house or its agent in the meaning of the relevant regulation imposed in Hong Kong from time to time, he may authorize one or more proxies as his proxy to act as his proxy at a general meeting or class meeting of shareholder. However, if more than one proxy are appointed, the proxy form shall specify the number and class of shares represented by each of such proxy under the authorization, and signed by authorized proxy of recognized clearing house. Such authorized proxy are entitled to attend the meeting on behalf of the recognized clearing house or their agent (in the presence of evidence of their shareholding, notified authorization and/or further proof demonstrating the legitimacy of the same) and exercise the right of the recognized clearing house or their agent, as if he were the individual shareholder of the Company.

Article 83

An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to presenting the proxy's identity proof, the proxy shall also present his identity proof together with the authorization letter from the shareholder.

A legal person shareholder shall appoint a director or representative or a proxy entrusted by the director or representative to attend the meeting. If a director or representative attends the meeting, he shall present his own identification documents and a valid certificate proving his qualification to be a director or representative; if a proxy is entrusted to attend the meeting, the proxy shall present his own identification, and a written power of attorney issued by the director or representative from the name of legal person shareholder in accordance with the law.

Article 84

The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney authorized in writing; where the principal is a legal person, the instrument shall be under the seal or under the hand of his director or authorized attorney.

The instrument issued by the shareholder or attorney and other person to attend the general meeting shall state the following contents:

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (4) Date of signing of the instrument and term of validity;
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;

(6) Specifying the number of shares represented by the proxy of the shareholder;

(7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy.

Article 85

The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other document authorizing the signator shall be notified. The notified authorized letter or other authorized document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of convening the meeting.

Where the principal is a legal person, its authorized representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meeting as the representative of such legal person.

Article 86

An instrument by the Board of the Company to the shareholder for the appointment of proxies shall give the shareholder free choice to instruct their proxy to cast a vote in favor of or against each resolution and enable the shareholder to give separate instructions on each matter to be voted on at the meeting.

The proxy form shall also have if the shareholder does not give specific instructions, the proxy shall vote as his/her/its own discretion.

Article 87 Where the entering party is deceased or incapacitated or has otherwise signed proxy in a dividend or the relevant share has been transferred prior to the voting, a vote given in accordance with the terms of the proxy shall remain valid as long as the Company has not received a written notice of such matter before the commencement of the relevant meeting.

Article 88 A registration record for a shareholder at the meeting shall be compiled by the Company. The registration record shall contain information including but not limited to the name of the shareholder (or name of organization), identification number, residential address, the number of shares held or voting rights represented and name of the proxy (or name of organization).

Article 89 The company shall verify the shareholder's qualification according to the register of members provided by the securities registration and clearing institution. The name of shareholder and the total number of shares held with voting rights held by them shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholders and proxy attending the meeting and the total number of shares held with voting rights.

Article 90 The director, supervisor and senior management of the Company shall, upon request of the general meeting, be present at each meeting for an answering query raised by the shareholder.

Article 91

The general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). Where the position of vice chairman does not exist, or where the vice chairman of the Board is unable to discharge or fails to discharge his/her duties, more than one half of the directors shall designate a director to convene and preside over the meeting. Where more than one half of the directors cannot designate a director to convene and preside over the meeting, the shareholder attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (the herein person or persons) shall preside over the meeting.

If a general meeting is convened by the Supervisory Committee, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to fail to discharge his/her duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholder himself, the convenor shall nominate a representative to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (including his/herself) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the rules of procedure of general meeting, rendering the meeting impossible to proceed, if the convenor from more than one half of the attending shareholders is not qualified, one person may be nominated as the general meeting officer as the chairman and the meeting may proceed. If for any reason the shareholders are unable to elect a chairman of the meeting, the attending shareholder holding the largest number of voting shares (including his/herself) shall preside over the meeting.

Article 92 The Company shall formulate the rules of procedure for the general meeting and specify in detail the procedure for convening and holding a general meeting, including notification, registration, receiving of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcement as well as a principle for the authorization granted to the Board by the general meeting. The rules of procedure for the general meeting shall be appended to the Articles of Association. The Board shall be formulated by the Board and approved by the general meeting.

Article 93 In the annual general meeting, the Board and the Supervisory Committee shall report their work for the past year to the general meeting. Each independent non-executive director shall also prepare a work report.

Article 94 Directors, supervisors and senior management shall provide explanation regarding and answer the enquiry and suggestion from shareholder at the general meeting.

Article 95 The chairman of the meeting shall, prior to holding, announce the number of shareholder and provide a ending the meeting in person as well as the total number of voting share, which shall be the number of shareholder and provide a ending the meeting in person and the total number of their voting share as indicated in the meeting's registration record.

Article 96 Minutes shall be prepared for general meeting by the secretary of the Board. The minutes shall take the following content:

- (1) Time, venue and agenda of the meeting and name of the convener;
- (2) The name of the chairman of the meeting and the name of the director, supervisor and senior management attending or preparing the meeting;

- (3) The number of shareholder (including holder of domestic share and overseas-listed foreign share (if any)) and provide attending the meeting, total number of voting share the represent and the percentage of their voting share to the total share capital of the Company for each shareholder;
- (4) The process of review and decision, manner of announcement and voting result of each proposal;
- (5) Shareholder's question, opinion or suggestion and corresponding answer or explanation;
- (6) Name of promoter and initiator of the company;
- (7) Other content to be included as specified in the relevant Article of Association.

Article 97

The convenor shall ensure that the content of the minutes are true, accurate and complete. Director, supervisor, secretary of the Board, convenor or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, prospectus and valid record on incorporation and other means of filing, for a period of no less than 10 years.

Article 98

The convenor shall ensure that the general meeting be conducted continuously until final resolution are made. If the general meeting is suspended or resolution cannot be made because of force majeure and other special cases, the convenor shall take necessary measures to resume the meeting or direct termination of the meeting as soon as practicable followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the stock exchange() of the place() in which the share of the Company are listed.

Section 5 Voting and Resolutions at General Meetings

Article 99 Resolution of the general meeting include ordinary resolution or special resolution.

Ordinary resolution at a general meeting shall be passed by more than one half of the voting share held by shareholder (including their proxy) attending the general meeting.

Special resolution at a general meeting shall be passed by more than one-third of the voting share held by shareholder (including their proxy) attending the general meeting.

Article 100 When shareholder (including proxy) vote at the general meeting, they shall exercise their voting right according to the number of voting share they represent. Each share shall carry one voting right.

Share held by the Company do not carry voting right, and shall not be counted in the total number of voting share represented by shareholder present at a general meeting.

Subject to and conditional upon compliance with applicable law, regulation or requirement of the listing rule of the stock exchange() of the place() in which the share of the Company are listed, the Board, independent non-executive director and other shareholder who qualify with relevant specified condition may solicit for the voting share from shareholder.

When the general meeting consider related party transaction, the related party shareholder shall not participate in the voting if so specified in the applicable law, regulation or listing rule of the stock exchange() of the place() in which the share of the Company are listed. His share held with voting right shall not be counted within the total number of valid vote. The public announcement on the voting result of the general meeting shall fully disclose the voting result of the non-related party shareholder.

In accordance with the applicable law, regulation and listing rule of the stock exchange() of the place() in which the share of the Company are listed, here an shareholder shall abstain from voting for an particular resolution, or increased vote only for or against a resolution, an vote in violation of such requirement or restriction by the shareholder (or their proxy) shall not be counted in the voting result.

Article 101 Voting is conducted by open ballot at the general meeting.

Article 102 When a poll is taken at a meeting, a shareholder (including proxy) who has the right to vote or more votes need not call his vote in the same way.

Article 103 When the number of votes for and against a resolution is equal, the holder on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 104 The following matters shall be passed by a majority of ordinary resolution at a general meeting:

- (1) Work report of the Board and the Supervisory Committee;
- (2) Profit distribution plan and long-term compensation plan formulated by the Board;
- (3) The appointment and removal of non-employee representatives of the Supervisory Committee among members of the Board and members of the Supervisory Committee;
- (4) The remuneration and method of payment of members of the Board and members of the Supervisory Committee;
- (5) Annual budget and final accounts of the Company;
- (6) Annual report of the Company;

- (7) Matter other than those requiring the approval of special resolution in accordance with the law, administrative regulation, listing rules of the stock exchange() of the place() in which the shares of the Company are listed or the Articles of Association.

Article 105 The following matters shall be passed by a special resolution at a general meeting:

- (1) Increase or reduction in the registered capital and issue of any kind of shares, warrants and other similar securities by the Company;
- (2) Issue of corporate bonds;
- (3) Division, merger, dissolution and liquidation of the Company or change of form of incorporation of the Company;
- (4) Amendment of the Articles of Association;
- (5) Acquisition and disposal of material assets within one year by the Company and the total amount exceeding 30% of the latest audited total assets of the Company;
- (6) Equity incentive plan;
- (7) Other matters required by the law, administrative regulation, listing rules of the stock exchange() of the place() in which the shares of the Company are listed and the Articles of Association or those resolved at the general meeting by a ordinary resolution and deemed to be of significant impact on the Company and hereby required to be passed by a special resolution.

Article 106 The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 107 If the chairman of the meeting has not done before the opening of a resolution, he may arrange the reconing of the vote. If the chairman of the meeting does not arrange the re-coning of the vote, a shareholder or proponent of the meeting who declines from the resolution notified by the chairman of the meeting shall be entitled to require the re-coning of the vote immediately after such announcement, in which case the chairman of the meeting shall immediately arrange the re-coning of the vote.

Article 108 If the coning of the vote is conducted at a general meeting, the result of the coning shall be recorded in the minutes of meeting. The minutes of meeting, the attendance register and proxy form shall be kept at the Company's domicile for a period of not less than 10 years.

Article 109 Shareholder may examine photocopies of the minutes of meeting during the Company's office hours free of charge. If any shareholder requires for a photocopy of the relevant minutes of meeting, the Company shall send such photocopies within 7 days upon receipt of the payment for reasonable charge.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING AT CLASS MEETINGS

Article 110 Shareholder who hold different classes of shares shall be shareholder of different classes.

Shareholder of different classes shall enjoy rights and undertake obligations in accordance with the law, administrative regulation and the Article of Association.

Where the share capital of the Company includes shares which do not carry voting rights, the order of voting rights may appear in the designation of such shares.

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, may include the order, restricted voting rights or limited voting rights.

Article 111 The Company shall not proceed to change or abrogate the shareholder's right of a class of shares unless such change or abrogation has been approved by a two-thirds majority of a special resolution at the general meeting and a separate class meeting by the shareholder of the affected class in accordance with Article 113 to 117, save and except for the circumstances provided for under paragraph 4 of Article 17 herein in respect of the conversion of listed domestic shares into over-allotment foreign shares.

For the change or abrogation of right of class shareholder a matter of the change in domestic and foreign law, regulation and the listing rules of the stock exchange() of the place() where the shares of the Company are listed shall be the decision made pursuant to the law domestic and foreign regulator authorities, no approval at general meeting or class meeting shall be required.

Article 112 The right of shareholder of a certain class shall be deemed to have been changed or abrogated in the following condition :

- (1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting right, distribution right or other privilege equal or superior to those of the shares of such class ;
- (2) conversion of all or part of the shares of such class into shares of another class or conversion of all or part of the shares of another class into shares of such class or the grant of the right of such conversion;
- (3) a removal or reduction of right to accrued dividend or cumulative dividend attached to the shares of such class ;
- (4) a reduction or removal of a dividend preference or proper distribution preference during the liquidation of the Company, attached to the shares of such class ;

- (5) an addition, removal or reduction of share conversion right, option, voting right, transfer right, preemptive right or right to acquire the securities of the Company attached to the share of each class;
- (6) a removal or reduction of right to receive amount payable by the Company in a particular circumstance attached to the share of each class;
- (7) creation of a new class of share with voting right, distribution right or other privilege equal or superior to those of the share of each class;
- (8) an imposition of restriction or additional restriction on the transfer of or ownership of the share of each class;
- (9) an issuance of right to subscribe for, or conversion, the share of each class or another class;
- (10) an increase in the right and privilege of the share of another class;
- (11) a restructuring plan of the Company which causes shareholder of different class to bear liability of difference in ending the restructuring; and
- (12) an amendment or repeal of the provision of this section.

Article 113

Shareholder of the affected class, whether or not having the right to vote at the general meeting, shall have the right to vote at a class meeting in respect of matters referred to in paragraph (2) to (8) and (11) to (12) in Article 112, except that interested shareholder shall not vote at a class meeting.

The term interested shareholder in the preceding paragraph shall have the following meaning:

- (1) if the Company has made a tender offer to all shareholder in the same proportion or has bought back its own share through open market transaction on a stock exchange in accordance with Article 32 hereof, the controlling shareholder as defined in the definition of Association shall be the interested shareholder;

(2) if the Company has bought back its shares by an agreement outside of a stock exchange in accordance with Article 32 hereof, holder of shares in relation to such agreement shall be the interested shareholder ;

(3) under a recurring proposal of the Company, shareholder who will bear liability in a proportion smaller than his of the liability borne by other shareholder of the same class, or shareholder who has an interest different from his interest of other shareholder of the same class shall be the interested shareholder .

Article 114 Resolution of a class meeting may be passed only by more than two-thirds of the voting rights of the class represented by the shareholder attending the meeting in accordance with Article 113.

Article 115 When the Company is to hold a class meeting, the time limit for issuing a notice shall be the same as the notice period for the non-class shareholder meeting to be convened on the same date of such class meeting. The notice shall notify all the registered shareholder of the said class of the matter to be considered at the meeting, and the date and venue of the meeting.

When calculating the aforesaid time limit, the date of the meeting convened shall be excluded.

If there are any special requirements under the listing rules of the stock exchange () of the place () where the Company's shares are listed, such requirements shall prevail.

Article 116 The notice of the class meeting shall be delivered only to the shareholder entitled to voting herea .

The procedure of a class meeting shall, where possible, be identical with the procedure of a general meeting. Unless otherwise specified in this Chapter, the provisions of the Articles of Association of the Company in relation to the procedure for the holding of a general meeting shall be applicable to a class meeting.

Article 117 In addition to the holder of other class of share, holder of domestic share and overseas-listed foreign share are deemed to be different class of shareholder .

The special procedure for voting in the class meeting shall not apply under the following circumstances :

- (1) Where the Company is a domestic share and overseas-listed foreign share, upon approval in the form of a special resolution by the shareholder at a general meeting, either separately or concurrently, once every 12 months and the number of each of the domestic share and overseas-listed foreign share to be issued is no more than 20% of the amount of share in issue;
- (2) Where the Company's plan to issue domestic share and overseas-listed foreign share upon its incorporation is implemented within 15 months from the date of approval by the executive director or a director under the Share Council;
- (3) Where in the approval by the executive director or a director under the Share Council, the shareholder concerned held domestic share in overseas-listed foreign share for overseas listing and trading.

CHAPTER 10 BOARD OF DIRECTORS

Section 1 Directors

Article 118 Director shall be elected by the general meeting and serve a term of 3 years for each election. A director may be re-elected if re-elected upon the expiry of his term, unless otherwise stipulated by the relevant laws, regulations, the Articles of Association and listing rules of the place(s) where the Company's shares are listed.

A director's term of service commences from the date he takes office, until the current term of service of Board ends. If a director's term of service expires but a new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and the Articles of Association until he is re-elected director takes office.

Any person appointed by the Board to fill the casual vacancy or as an addition to the Board shall hold office only until the forthcoming annual general meeting of the Interim and shall be eligible for re-election.

A director's position may be assumed by the general manager or other senior management, but the total number of directors shall also include the director of the general manager or other senior management and the number of independent directors, shall not exceed one half of the total number of directors of the Company.

A director need not hold the shares of the Company.

Article 119 The director, both collective and individual, are expected to fulfill fiduciary duties and duties of skill, care and diligence at least on the standard established by the law of Hong Kong. This means that every director must, in the performance of his duties as a director:

- (1) act honestly and in good faith in the interests of the Company as a whole;
- (2) act for a proper purpose;
- (3) be responsible to the Director for the application or misapplication of its assets;
- (4) avoid actual and potential conflicts of interest and duty;
- (5) disclose fully and fairly his interests in the contracts with the Director; and
- (6) apply such degree of skill, care and diligence as a man reasonably expected of a person of his/her knowledge and experience and holding a directorship in a listed company.

Article 120 The notice concerning proposed nomination of a director candidate and the relevant notice regarding the indication of the candidate's intention to accept the nomination shall be given to the Company in a hard copy form of at least 7 days. The date of notification of the abovementioned form shall not be earlier than the first day upon the issue of the notice for convening the shareholder's meeting for his purpose, and the date of receipt shall not be later than 7 days prior to the date of convening the shareholder's meeting.

Subject to compliance with relevant laws, regulations and the Listing Rules, a director can be removed by a resolution of an ordinary resolution passed at a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages pursuant to any contract.

Article 121 If a director is unable to attend Board meetings in person for a consecutive meeting, and does not appoint another director to attend the Board meeting on his behalf, he shall be deemed a failing to carry out his duties. The Board shall propose to the general meeting to replace him.

Article 122 A director may resign before the expiration of his term of office. When a director resigns, he shall submit a written resignation notice to the Board.

If the member of the director falls below the minimum number of requirements of a director's resignation, the original director shall still perform his duties as a director in accordance with the requirements of the law, administrative regulations, departmental rules and the Articles of Association before the appointment of the re-elected director; the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board.

Article 123 When a director's resignation takes effect or his term of office expires, the director shall complete all transfer procedures with the Board. His fiduciary duties toward the Company and the shareholder do not necessarily cease after the end of his term of office and shall still be in effect for a period of one year. The duty of confidentiality in respect of trade secrets of the Company prior to his resignation or expiration of his term of office, shall not become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of the same, and the circumstances and terms under which the relationship between them and the Company has been terminated.

Article 124 In the absence of specification in the Articles of Association or legislation authorisation by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, by a third party made on behalf of the director in representing the Company or the Board, the director shall declare his name and capacity in advance.

Article 125 If a director breaches the law, administrative regulation, departmental regulation or the Articles of Association when carrying out his corporate duties and causes loss to the Company, he shall be held responsible for damage.

Section 2 Independent Non-executive Directors

Article 126 The Company shall have independent non-executive directors. Independent non-executive directors refer to each director of the Company who is not a director elsewhere, has no relationship with the Company and its substantial shareholder (referring to each shareholder who individually or collectively holds more than 5% of the total number of shares) who may hinder their independent judgment, and satisfy the requirements on independence by the listing rules of the stock exchange of the place where the Company's shares are listed.

Unless otherwise provided in this section, the relevant provisions set out in Chapter 15 of the Articles of Association shall apply to the qualification and obligation of independent non-executive directors. An independent non-executive director shall satisfy the following basic conditions:

- (1) Be qualified to be a director of a listed company under the law, administrative regulation, listing rules of the stock exchange on which the Company's shares are listed and other relevant provisions;
- (2) Be independent in the meaning of the listing rules of the stock exchange of the place where the Company's shares are listed;

- (3) Have the basic knowledge of the operation of a listed company, and be familiar with the relevant laws, administrative regulations, rules and regulations;
- (4) Possess more than five years of experience in law, economic or other working experience as required for discharging duties of an independent non-executive director; and
- (5) Such other conditions as required under the Article of Association.

Article 127

No less than one-third of the Board members and no less than three Board members of the Company shall be independent non-executive directors; among them, at least one independent non-executive director must have appropriate professional qualification or accounting or related financial management expertise. Should the number of the independent non-executive directors fail to meet the number of the independent non-executive directors as required by the Article of Association because the independent non-executive directors fail to satisfy the condition of being independent or because it is inappropriate for the independent non-executive directors to perform their duties on the occurrence of some event(s), the Company shall appoint additional independent non-executive directors to meet each required number.

At least one independent non-executive director of the Company shall ordinarily reside in Hong Kong.

Article 128

An independent non-executive director shall have the same term of office as that of other directors of the Company, and upon expiration, may be re-elected for a consecutive term of no more than 6 years.

Prior to the expiration of the term of his/her office, an independent non-executive director may not be dismissed in the absence of proper reason. Dismissal of an independent non-executive director prior to the expiration of the term of office shall be decided at a special meeting of the Company.

Other than the power conferred upon the Company and other relevant laws, regulations, listing rules of the stock exchange() of the place() where the Company's shares are listed and the Articles of Association, an independent non-executive director shall have the following special powers:

- (1) Significant connected transactions, as determined according to the criteria listed, from time to time, by the regulatory bodies in the place() of listing, shall be submitted to the Board for decision after having been endorsed by the independent non-executive director. Prior to making an judgment, the independent director may engage an intermediary in relation to issue an independent financial advisory report upon which the decision of the independent director may be based;
- (2) To propose to the Board the appointment or termination of appointment of an accounting firm;
- (3) To propose to the Board the convening of an extraordinary general meeting;
- (4) To propose the convening of Board meeting;
- (5) To engage external audit firm or consulting firm to conduct audit or consultation on specific matters of the Company at the cost of the Company.

The exercise of the aforesaid powers by an independent non-executive director shall require the consent from more than one half of the total number of independent non-executive directors of the Company. Disclosure shall be made by the Company if any of the aforesaid proposals is not adopted or any of the aforesaid powers cannot be exercised in normal manner.

The independent non-executive director shall carry out their duties in accordance with appropriate requirements of the laws, administrative regulations, rules and regulations, and departmental regulations.

Article 129 The Company shall formulate the working rules of independent non-executive directors, which will specify the qualification, nomination, election and replacement, right and obligation, and liability of independent non-executive directors.

Article 130 Matters relating to independent non-executive directors not covered in this section shall be handled according to the relevant applicable laws, regulations or listing rules of the stock exchange() of the place() where the Company's shares are listed.

Section 3 Board of Directors

Article 131 The Company shall elect the Board which shall be accountable to the general meeting.

Article 132 The Board shall be composed of 8 directors, including 3 independent non-executive directors. The Board shall have one chairman. Whether or how to elect the position of the vice chairman of the Board shall be decided by the general meeting in form of an ordinary resolution. (The provision related to the vice chairman as provided herein shall be only applicable to each circumstance where the position() of vice chairman is elected in the Company, same as below.)

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and dismissed by more than one half of all the directors. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of 3 years and may be re-elected upon the expiration of their term.

Article 133 The Board exercises the following functions and powers:

- (1) to be responsible for convening general meetings and reporting the work to the general meeting;
- (2) to implement resolutions of the general meeting;
- (3) to decide on the Company's business plan and investment plan;

- (4) to formulate the annual financial budget and final account of the Company ;
- (5) to formulate the Company 's profit distribution plan and plan on making plans ;
- (6) to formulate proposals for the Company to increase or decrease the registered capital, issue corporate bonds or other securities and prepare an listing hereof;
- (7) to formulate plans for merger, division, dissolution and alteration of corporate form of the Company ;
- (8) to formulate plans for the Company 's financial acquisition and purchase of the share of the Company ;
- (9) to handle the proposals decided by the general meeting, to decide, among others, the Company 's external investments, purchase and sale of assets, provision of securities on the Company 's assets, matters on external guarantees, entrusted real estate management, connected transactions and others ;
- (10) to decide on the establishment of internal management organizations of the Company ;
- (11) to determine the establishment of the special committee under the Board, appoint or dismiss the chairman (convenor) of such committee ;
- (12) to appoint or dismiss the general manager, the secretary of the Board and the company secretary ; to appoint or dismiss the senior management including the acting deputy general manager, the deputy general manager and the chief financial officer of the Company in accordance with the nomination made by the general manager, and to decide on their remuneration ;

- (13) to formulate the basic management system of the Company ;
- (14) to formulate proposals to amend the Articles of Association;
- (15) to formulate the incentive stock option plan of the Company ;
- (16) to manage information disclosure of the Company ;
- (17) to propose to the general meeting the appointment or replacement of the accounting firm which provides auditing services to the Company ;
- (18) to listen to work reports of the general manager of the Company and review the work of the general manager;
- (19) to consider, review and approve the matters on the Company 's external guarantee which shall not fall into the scope required to be considered by the general meeting as provided in Article 64 hereunder;
- (20) to examine and supervise the Company 's policies and standards regarding the Company 's compliance with laws and regulations or provisions ;
- (21) to examine and supervise the training and continuing professional development for the director , supervisor and senior management ;
- (22) to examine the Company 's compliance with the Corporate Governance Code in the Listing Rules and the disclosure in the corporate governance report ;
- (23) to decide on each major matter and administrative affair other than those which should be decided by the general meeting as specified in the laws , administrative regulations , rules and regulations of the competent authorities and the Articles of Association and enter into other important agreements ;

(24) other power and duties imposed by law, administrative regulation, and departmental rule and regulation, listing rule of the stock exchange() of the place() where the Company's share are listed, and the Article of Association, and conferred upon by the general meeting .

Should the foregoing exercise of functions and power by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rule of the stock exchange() of the place() where the Company's share are listed, such shall be limited to the general meeting for consideration and review .

Except for the Board resolution in respect of the matter specified in paragraph (6), (7) and (14) which shall be passed by more than two-thirds of the director, the Board resolution in respect of all other matters set out in the preceding paragraph may be passed by more than one-half of the director .

The Board shall provide explanation to the general meeting with respect to the auditor's report of a non-standard opinion, issued by a certified public accountant, regarding the Company's financial statements .

Article 134

The Board shall formulate the rules of procedure for meeting of the Board to ensure implementation of the resolution of the general meeting, improve the efficiency of work and ensure efficient decision-making. The rules of procedure for the Board shall be the procedure for holding the Board meeting and convening a Board meeting, and shall be appended to the Article of Association, being formulated by the Board and approved by the general meeting.

Article 135

The Board shall elect the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, and may elect other special committees including the Strategic Committee, to advise and counsel the Board on major decisions.

Audit Committee shall comprise at least 3 members and all of whom shall be non-executive directors, among whom, one member shall be an independent non-executive director possessing proper qualifications in compliance with the relevant requirements of the Listing Rules or appropriate accounting principles or related financial management principles. The independent non-executive directors shall form a majority in the members of the Audit Committee. The person who shall be the chairman of the Committee shall be an independent non-executive director. The independent non-executive directors shall form a majority in the members of the Remuneration and Appraisal Committee, and the chairman hereof shall be an independent non-executive director.

Article 136

When the Board is disposing of fixed assets and holds the majority of the special shares of the fixed assets proposed for disposal by the Board and the shareholders for the fixed assets have exercised of within 4 months prior to each proposed disposal exceed 33% of the fixed assets value or in the latest balance sheet recently considered by the general meeting, the Board may not dispose of or agree to dispose of each fixed asset without each prior approval by the general meeting.

The term fixed assets disposal referred to in this Article shall refer to, among other things, the acquisition of certain interests in a company, but not including the acquisition of shares in a company.

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

Article 137 The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to procure and check the implementation of resolutions of the Board;
- (3) to sign on share certificates, bond certificates and other securities issued by the Company;
- (4) to organize the formulation of various rules for the operation of the Board and to coordinate for the operation of the Board;
- (5) to sign on important documents of the Board and to execute all legal binding documents on behalf of the Company;
- (6) to exercise the powers and functions as a legal representative;
- (7) to nominate candidates for the election of the Board, members and chairmen of the special committee under the Board;
- (8) to listen to regular or irregular work reports of the senior management of the Company, and provide guiding opinions regarding the implementation of the Board resolutions;
- (9) in the event of an emergency of force majeure including man-made natural disasters, to exercise the special right of disposal over the Company's affairs, being in line with the requirements of law and the interests of the Company, and to report to the Board and the general meeting hereafter;
- (10) to exercise other functions and powers stipulated by laws, administrative regulations, departmental rules and regulations, and the Articles of Association and conferred upon by the Board.

The vice chairman shall act as the chairman of the Board in its absence. Should the chairman be unable to or fail to carry out his duties, the vice chairman shall carry out the duties of the chairman (and if the Company has two or more vice chairmen, the vice chairman nominated by more than one half of the directors shall carry out the duties of the chairman). Where the position of vice chairman does not exist, or where the vice chairman is unable to or fail to carry out his duties, more than one half of the directors shall jointly nominate a director to carry out such duties.

Article 138

The Board meetings shall include regular meetings and extraordinary meetings.

Regular meetings of the Board of directors shall be held at least four times a year. Such meetings shall be convened by the chairman of the Board. Notices of and documents for meetings shall be delivered to all directors and, prior to 14 days before the meeting is held. Regular meetings of the Board shall not include the obtaining of approval from the Board by means of circulation of resolutions.

The chairman, an shareholder holding more than one tenth of the shares, more than one third of the directors or the Special Committee or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal, and shall give resolutions to all directors and, prior to 5 days before the meeting is held.

In case of emergency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not being subject to the requirements of meetings notified in this Article, provided that reasonable notice shall be given to directors, prior to and the general manager.

Board meeting may be conducted by means of telephone conference, video conference, circulation of documents, facsimile etc. provided that director can fill the presence, and all director who participate in Board meeting held in such form shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall state the details of the resolution of the meeting, and shall state the deadline date for voting. The director who participate in such meeting shall be present on the Company via facsimile by the deadline date for voting as stated in the notice of meeting, and the original copy of voting decision, which shall be signed by each director himself, shall be sent to the Board of the Company.

If there is conflict of interest deemed to be material by the Board found in the matter to be considered by a substantial shareholder or director at the Board, the relevant matter shall be handled by means of holding a Board meeting (by non-related resolution). Independent non-executive director himself and his associate, have no material interest in the transaction should be present at such Board meeting.

Article 139 The notice of Board meeting may be delivered in the manner() as set out in Article 240 of the Articles of Association.

For the director who have attended the meeting, a notice of the Board meeting will be deemed to have been issued if each director failed to raise

Article 141 For an major ma er o be de ermined b he Board of he Compan , fficien informa ion hall be pro ided o he direc or and he direc or are en i led o req e pplemen ar ma erial . When more han one-fo r h of he direc or or o or more e ernal direc or (referring o ch direc or ho ha e no e ec i e po i ion in he Compan) con ider ha he ma erial pro ided i in fficien or he rea oning i nclear, he ma joinl propo e o defer he Board mee ing or defer he Board' con idera ion on he rele an ma er , and he Board hall accep ch gge ion accordngl .

Article 142 The Board mee ing hall no be held nle more han one half of he direc or (incl ding pro ie) are pre en .

Unle o her i e pro ided in o her ar icle herein, re ol ion of he Board hall be req ired o be pa ed b more han one half of all he direc or .

A for he o ing on a Board re ol ion, each direc or hall ha e one o e. When he n mber of o e ca for and again a re ol ion i he ame, he chairman of he Board hall ha e a ca ing o e.

Article 143 The direc or hall a end a Board mee ing in per on. If a direc or i nable o a end ch mee ing for an rea on , he ma appoin ano her direc or in rring o a end ch mee ing on hi behalf. The a hori a ion le er hall con ain he name of he repre en a i e, he ma er repre ened, cope of a hori a ion and alidi period. S ch le er hall be igned or ealed b he principal.

The appoin ed direc or ho a end he mee ing hall e erc i e a direc or' d i e i hin he a hori ed cope. If a direc or fail o a end a Board mee ing in per on and fail o appoin a repre en a i e o a end he mee ing, he/ he hall be deemed o ha e ai ed hi /her o ing righ a he mee ing.

The Company shall bear the reasonable expense incurred by directors attending the Board meeting. Such expense may include cost for transportation from the place() where the director reside to the venue of the meeting (if chosen is not located at the place where director are stationed), meal and accommodation expense and local transportation cost during the duration of the meeting.

Article 144 If there are connected relationship between the enterprise involved in the matter to be resolved by the director and the Board, a director may not exercise his/her voting right, nor shall he/she vote on behalf of other director. Such Board meeting can be held if more than one half of the non-connected director attend the meeting. Resolutions made by the Board meeting shall be required to be passed by more than one half of the non-connected director. If less than three non-connected director attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

Article 145 The Board meeting shall vote for resolution by a majority of disclosed ballot.

Article 146 The Board shall keep minutes of its decision on the matter discussed at the meeting. The director and secretary of the Board shall attend the meeting shall sign on the minutes of the meeting.

The director shall be responsible for the resolution of the Board. Where a resolution of the Board is in violation of law, administrative regulation or the Article of Association, hereby causing or likely to cause the Company, the director who took part in the resolution shall be liable to the Company for damage. However, where a director can prove that he/she predicted his/her opposition to such resolution when such resolution is passed by the vote, and has such opposition recorded in the minutes of the meeting, the director shall be relieved from such liability.

The minutes of Board meeting shall be kept at a company file for a period of not less than ten years.

Article 147 The minutes of the Board shall consist of the following:

- (1) date and venue of the meeting and the name of the convener;
- (2) the name of the director present and name of director being appointed or a candidate on his behalf (pro or con);
- (3) the agenda;
- (4) the main points of director's speeches;
- (5) the voting method of each resolution and the result (and the result shall specify the number of votes for, against and abstaining from each resolution).

CHAPTER 11 SECRETARY TO THE BOARD

Article 148 The Company shall have one secretary to the Board. The secretary is a senior management officer of the Company.

Article 149 The secretary to the Board shall be a natural person who has the requisite professional knowledge and experience and shall be appointed by the Board.

The principal duties of the secretary to the Board are:

- (1) to ensure that the Company has a complete set of organizational documents and records;
- (2) to ensure that the Company prepares and submits the reports and documents as required by the applicable provisions;
- (3) to ensure that the register of shareholders of the Company is kept in a proper manner and that the person entitled to the accounts of the relevant records and documents of the Company may obtain the same in a timely manner;

(4) to carry out any other duties as prescribed by law, administrative regulations, departmental rules and regulations or the Articles of Association.

Article 150 Director or other senior management officer may concurrently act as the secretary of the Board. No accounting firm has been appointed by the Company may concurrently act as the secretary of the Board.

Where the secretary of the Board concurrently acts as a director, for an act which is required to be made by a director and the secretary of the Board separately, the person who concurrently acts as a director and the secretary of the Board may not perform the actual capacity.

Article 151 The Company's director, general manager and related internal departments shall support the secretary of the Board to perform his or her duties legally and shall provide guarantee in respect of organizational expense, staff deployment, and funding. All relevant departments of the Company shall actively cooperate with the secretary of the Board regarding the work of the latter's working organization.

CHAPTER 12 COMPANY SECRETARY

Article 152 The Company shall appoint a company secretary who enjoys good communication between and among the members of the Board and enjoys rich Board member to follow the policies and procedures of the Board. The company secretary shall report to the chairman of the Board and/or the general manager, advise the Board on corporate governance matters through the chairman of the Board and/or the general manager, and shall also arrange for on-job training and professional development of directors.

Article 153 The election, appointment and dismissal of a company secretary shall be subject to approval by the Board. Decision in this regard shall be made by a continuing physical meeting of the Board but not by a written resolution. The company secretary shall be an individual who, by virtue of his academic or professional qualification or relevant experience, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The Company may elect its company secretary from and among the employees of the Company who hold the necessary knowledge of the Company's business. It may also engage an external service provider as its company secretary, in which case it shall designate a senior management officer as a contact person in which the external service provider.

Article 154 The company secretary shall undergo no less than 15 hours of professional training in each financial year.

Article 155 All directors shall have access to the advice and services of the company secretary to ensure the Board procedure, and all applicable laws, rules and regulations, are observed.

CHAPTER 13 GENERAL MANAGER

Article 156 The Company shall have a team of managers who, under the direction of the Board, implement the decision of the Board and perform the Company's daily business operations. A general-manager responsibility team shall be formed within the team of managers.

The Company shall have one general manager, one acting deputy general manager and several deputy general managers to assist the general manager, and also have one chief financial officer. The general manager, acting deputy general manager, deputy general manager and chief financial officer shall be appointed and dismissed by the Board.

Article 157 The term of office of the general manager shall be three years. The general manager shall be re-elected upon reappointment.

The general manager can submit his resignation prior to the expiration of his term of office. The procedure concerning the general manager's resignation shall be stipulated by the employment contract and between the general manager and the Company. Should the general manager fail to perform his duties for special reasons, the standing deputy general manager or one deputy general manager designated by the Board shall perform the duties of the general manager on his behalf.

A director may concurrently act as the general manager, standing deputy general manager or deputy general manager, but the position of chairman of the Board and general manager may be taken up by different persons.

Article 158 The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, and report to the Board;
- (2) to organize and implement the Board's resolutions;
- (3) to organize the implementation of the Company's annual business plan and investment plan formulated by the Board;
- (4) to draft plans for the establishment of the Company's internal management structure;
- (5) to formulate the structure scheme for any branch(es) of the Company;
- (6) to draft the basic management system of the Company;
- (7) to formulate detailed rules and regulations of the Company;

- (8) to propose to the Board the appointment or dismissal of the Company's acting deputy general manager, deputy general manager() and chief financial officer;
- (9) to appoint or dismiss other management officer other than those required to be appointed or dismissed by the Board;
- (10) to exercise other powers conferred upon by the Article of Association or the Board.

Article 159 The Company's general manager shall attend the meeting of the Board. A non-director manager shall not have the right to vote at each meeting.

Article 160 The general manager shall formulate the detailed working rules of the general manager, and such working rules shall be submitted to the Board for approval.

The working rules of the general manager shall include the following:

- (1) condition, procedure and the number of participants for convening meeting of the manager officer;
- (2) respective duties and division of work among the general manager and other senior management;
- (3) limits of authority in signing company funds and other matters relating to signing of significant contracts, together with the terms of reporting to the Board and the Supervisory Committee;
- (4) other matters deemed to be necessary by the Board.

Article 161 When exercising his functions and powers, the general manager of the company shall bear the duties of good faith and due diligence in accordance with laws, administrative regulations and the Article of Association.

CHAPTER 14 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 162 The term of office of a supervisor shall be 3 years. Upon expiration, the supervisor's term of office shall be renewable upon re-election and re-appointment.

Article 163 A director and a senior management officer cannot concurrently act as a supervisor.

Article 164 When a supervisor's term of office expires while a new supervisor is not appointed, or when a supervisor resigns during his term of office, leaving the number of members in the Supervisor Committee falling below the quorum, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the provision of law, administrative regulation and the Charter of Association.

Article 165 A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 166 A supervisor may attend meetings of the Board. He can also question or make suggestions concerning proposed resolutions at the Board meeting.

Article 167 A supervisor may not make use of his or her connected relationship to harm the Company's interests. For an act or omission of the Company arising herefrom, he shall be liable to make indemnification.

Article 168 A supervisor shall faithfully perform his or her supervisor duties in accordance with the provision of law, administrative regulation and the Charter of Association.

If a supervisor violates the provision of law, administrative regulation, departmental rule and regulation or the Charter of Association while performing his duties for the Company and causing loss to the Company, he shall be liable to make indemnification.

Section 2 Supervisory Committee

Article 169 The Company shall establish a Supervisory Committee.

Article 170 The Supervisory Committee shall be composed of five members, one of whom shall be the chairman of the Supervisory Committee.

The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by more than one-half of its members.

Article 171 The Supervisory Committee shall be composed of shareholder representative members, independent members and employee representative members. The shareholder representative members and independent members shall be elected and dismissed by the general meeting, and the employee representative members shall be no less than one-half of the members of the Supervisory Committee, and democratically elected and dismissed by the Company's employees.

Article 172 The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers according to law:

- (1) to examine the Company's financial statements;
- (2) to supervise the directors and senior management officers to ensure that they perform their duties to the Company in violation of any law, administrative regulation or the Articles of Association, and to propose for and request the dismissal of any directors or senior management officers who are in violation of any law, administrative regulation, the Articles of Association or resolution of the general meeting;
- (3) to demand rectification made by a director and another senior management officer when the act of the foregoing person damages the Company's interests;

- (4) to verify the financial information in the financial report, balance report and profit distribution plan and otherwise be authorized by the Board or the general meeting and, hold an appropriate certificate, in the name of the Company, certified public accountant and practicing auditor to conduct a review hereof;
- (5) to propose to convene an extraordinary general meeting and to convene and preside over general meeting when the Board fails to perform its duties of convening and presiding over general meeting;
- (6) to be authorized by the general meeting;
- (7) to propose to convene an extraordinary meeting of the Board;
- (8) to represent the Company in negotiating with or in bringing legal action against the director and senior management officer in accordance with the provisions of the Company Law;
- (9) to conduct investigation upon discovery of abnormality in the business operation and engage professional firms such as accounting firm and law firm to assist in work where necessary. The cost shall be borne by the Company;
- (10) and other functions and powers authorized by the Articles of Association.

Article 173

The meeting of the Supervisor Committee shall be held at least once every month, which shall be convened and presided over by the chairman of the Supervisor Committee. A supervisor may propose to convene an extraordinary meeting of the board of supervisors.

Where the chairman of the board of supervisors is incapable of performing or fails to perform his duties, a supervisor elected by no less than half of the supervisors shall convene and preside over the meeting of the board of supervisors.

Article 174 The S per i or Commi ee hall form la e he orking r le for he board of per i or in order o en re he efficienc of ork and cien ific deci ion-making. The con ening and o ing proced re ip la ed in he orking r le of he S per i or Commi ee (appended o he e Article) hall be draf ed b he board of per i or and appro ed b he general mee ing.

Article 175 A mee ing of he S per i or Commi ee hall no be cond c ed nle i i a ended b more han half of he per i or . Vo ing a he mee ing of S per i or Commi ee hall be carried o b di clo ed ballo and each per i or hall ha e one o e. A per i or hall a end mee ing of he board of per i or in per on, or appoin in ri ing ano her per i or o a end he mee ing on hi behalf d ring hi ab ence i h ca e. The pro form hall pecif he e en of a hori a ion.

Re ol ion a he mee ing of he board of per i or hall be pa ed b more han o- hird of he per i or ' o e .

Article 176 The di c ed i e hall be recorded in he min e of he mee ing of he S per i or Commi ee. S per i or a ending he mee ing hall ign on he min e of mee ing .

S per i or are en i led o req e ha an e plana ion of heir commen made a he mee ing be no ed in he min e . Min e of mee ing of he board of per i or hall be main ained a compan file for a lea en ear .

Article 177 A notice of the regular meeting of Superior Committee of all members shall be given in writing 10 days prior to the convening of such meeting. A notice of the extraordinary meeting of Superior Committee of all members shall be given in writing 3 days prior to the convening of such meeting.

A notice of a Superior Committee meeting shall include the following contents :

- (1) date, venue, and duration of the meeting;
- (2) cause and issue of discussion;
- (3) date of issuance of notice.

Article 178 The Company shall bear the reasonable expense incurred by members in attending meeting of the Superior Committee. Such expense may include cost for transportation to the venue of the meeting (if no other region where members are stationed), meal and accommodation expense, rental for the meeting venue and local transportation cost during the duration of the meeting.

The reasonable expense incurred by the board of members in the engagement of professional chartered, certified public accountant,

CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Article 179 A person may not be a director, supervisor or senior management of the Company if any of the following occasions occur:

- (1) A person who has capacity or restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, embezzlement of property, misappropriation of property or abusing the social economic order shall be penalised because of committing such offence; or who has been deprived of his political rights, in each case here less than 5 years have elapsed upon the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factor manager or general manager of a company or enterprise which has undergone bankruptcy and he is personally liable for the bankruptcy of such company or enterprise, here less than 3 years have elapsed upon the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which has been licensed or de-licensed because of a violation of the law and who incurred personal liability, here less than 3 years have elapsed upon the re-issuance of the business license;
- (5) A person who bears a relatively large amount of debt and is over-indebted;
- (6) A person who is under criminal investigation or prosecution by a judicial organisation for the violation of the criminal law here aided in investigation or prosecution in no case concluded;
- (7) A person who is prohibited from entering the trademark market by the competent trademark authority under the State Council and the afore-said prohibition period has not yet expired;

(8) An one who may or may not be a head of the company or any of the provisions of the laws and administrative regulations, or rules and regulations of the competent authority;

(9) An one judged by the competent authority to be in violation of the provisions of the relevant laws, has been involved in fraud or dishonesty activities more than 5 years have elapsed since the date on which the judgment was made;

(10) An one who is a natural person;

(11) Other circumstances stipulated by the laws, administrative regulations or departmental rules and regulations or rules of the relevant regulator and stock exchange in the place where the share of the Company are listed.

The breach of the foregoing provisions regarding the election of director and manager, or the appointment of the senior management shall render such election or appointment null and void. Should the occasion arise for the breach of the foregoing provisions occurring in the case of a director, manager or member of the senior management, the Company shall relieve such person from his/her duties.

Article 180 The validity of the acts of the director, manager or senior management for representing the Company to bona fide third parties shall not be affected by any act of non-compliance, with respect to their appointment, election or qualification.

Article 181 In addition to the obligations imposed by the laws, administrative regulations or listing rules of the stock exchange in the place where the share of the Company are listed, the Company's director, manager and senior management owe a duty to each Shareholder, in the exercise of their functions and powers conferred upon them by the Company:

(1) not cause the Company to exceed the business scope stipulated in its business license;

- (2) to act honestly in the best interests of the Company;
- (3) not to exercise the Company's powers in any form, including (but not limited to) to offer opportunities and advantages to the Company;
- (4) not to deprive the shareholder of their individual rights or interests, including (but not limited to) rights of distribution and voting rights, and to refrain from exercising of the Company's limited or general meeting for approval in accordance with the Articles of Association.

Article 182 Each of the Company's directors, officers and senior management, in the exercise of his rights and discharge of his duties, shall exercise the care, diligence and skill that a reasonably prudent person would exercise in similar circumstances.

Article 183 The Company's directors, officers, and senior management, in the exercise of their functions and powers, shall abide by the principle of good faith and shall not place themselves in a position where their personal interests conflict with their obligations. This principle shall include (but not limited to) the performance of the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise functions and powers within the scope of their functions and powers and may not go beyond the scope of such powers;
- (3) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, may not delegate the exercise of his discretion to another person unless permitted by law and administrative regulation or with the informed consent of the general meeting;
- (4) to treat shareholders of the same class equally and to treat Shareholders of different classes fairly;

- (5) no o concl de a con rac or en er in o a ran ac ion or arrangemen i h he Compan e cep a o her i e pro ided in he e Ar icle of A ocia ion or i h he informed con en of he general mee ing;
- (6) no o e he Compan proper for hi o n benefi in an a i ho he informed con en of he general mee ing;
- (7) no o e ploi hi po i ion o accep bribe or o her illegal income, nor mi appropria e he Compan ' f nd or e propria e he Compan ' proper b an mean , incl ding (b no limi ed o) oppor ni e ad an ageo o he Compan ;
- (8) no o accep commi ion in connec ion i h Compan ' ran ac ion i ho he informed con en of he general mee ing;
- (9) o abide b he Ar icle of A ocia ion, perform hi d ie fai hf ll , and pro ec he in ere of he Compan and no o e ploi hi po i ion and po er in he Compan o ad ance hi o n pri a e in ere ;
- (10) no o make e of he con enience bro gh b hi d ie , nor eek for him elf or o her he b ine oppor ni e originall belonged o he Compan , opera e for him elf or o her b ine imilar o he Compan ' and compe e i h he Compan in an a i ho he informed con en of he general mee ing;
- (11) no o mi appropria e Compan f nd or depo i he Compan f nd or a e in an acco n nder hi o n or o her' name;
- (12) no o, iola e he pro i ion of he e Ar icle of A ocia ion, b lending f nd o an o her per on or pro iding ec ri for he Compan ' hareholder or o her per on i h an proper ie of he Compan , i ho he con en of he general mee ing or he Board;
- (13) no o damage he in ere of he Compan b ing hi a ocia ed rela ion hip;

(14) no disclosure of confidential information which is related to the Company and acquired by him or her during his or her office in which he informed consent of the general meeting, and no disclosure of information except for the purpose of the interest of the Company; however, such information may be disclosed to the court or other government authorities under any of the following circumstances:

1. where it is a mandatory requirement;
2. in the interest of the requirement of the public interest; or
3. in the interest of the requirement of the interest of each director, partner or senior management of the Company.

Gain generated by each personnel referred in this Article in violation hereof shall belong to the Company, and for an amount offered by the Company as a result hereof, the personnel in violation hereof shall be liable for making indemnification.

Article 184

Director, partner and the senior management of the Company may not cause the following person or institution (hereinafter referred to as the Connected Person) to do anything which director, partner and the senior management are prohibited from doing in their capacity:

- (1) the spouse or minor child of each director, partner and the senior management of the Company;
- (2) the trustee of a director, partner or the senior management of the Company or of an institution referred to in Item (1) of this Article;
- (3) the partner of a director, partner or the senior management of the Company or of an institution referred to in Item (1) and (2) of this Article;

(4) the company or either a director, proprietor or the senior management of the Company individually, or joint control, or joint control with an person referred to in Items (1), (2) and (3) of this Article or another director, proprietor or the senior management of the Company, has actual common control; and

(5) the director, proprietor or the senior management of each company being controlled as referred to in Item (4) of this Article.

Article 185

The fiduciary duties of the director, proprietor and the senior management of the Company do not necessarily cease with the termination of their tenure while their obligation to reach trade secrets of the Company confidentially is the termination of their tenure, in which case become publicly available. Other duties may continue for such period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.

Article 186

Except for such circumstances provided in Article 60 of the Article of Association, a director, proprietor and the senior management of the Company may be relieved from such liability for the violation of his/her specific duty to the informed consent of shareholder given at a general meeting.

Article 187

Where a director, proprietor and the senior management of the Company has significant relationship in any way, direct or indirect, in an established or proposed contract, transaction or arrangement entered into by and with the Company, (other than the exercise contract entered into by and between a director, proprietor and the senior management of the Company and the Company), he/she shall disclose the nature and extent of his interest to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

A director shall not be liable in respect of any contract, transaction or arrangement in which he himself or any of his associates has a significant interest, nor shall such director be included in the quorum for a meeting.

Unless the interested director, partner or senior management of the Company has disclosed such interest to the Board as required under the first paragraph of this Article and the matter has been approved by the Board at a meeting where he was not concerned in the quorum and had refrained from voting, the Company shall have the right to rescind the contract, transaction or arrangement, except where the other party is a bona fide party acting in good knowledge of the breach of obligation by the director, partner or senior management concerned.

A director, partner or senior management of the Company shall be deemed to have some interest in a certain contract, transaction or arrangement in which a Connected Person of such director, partner or senior management has some interest.

Article 188 In the event that a director, partner or senior management of the Company gives a resolution to the Board before the Company considers or enters into the contract, transaction or arrangement for the first time, a manager had to the consent of the resolution, such director, partner or senior management of the Company has an interest in the contract, transaction or arrangement that may be made by the Company, such director, partner or senior management shall be deemed, for the purpose of the preceding Article of this Chapter, to have declared his/her interest, insofar as it is attributable to the contemplated resolution.

Article 189 The Company may, in any manner, pay or on behalf of a director, partner or senior management.

Article 190 The Company may directly or indirectly provide a loan or loan facility for a director, partner or senior management of the Company and of the Company's parent company, or Connected Person of the foregoing person.

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

- (1) the Company provide a loan to its subsidiary or the Company provide a loan security for its subsidiary ;
- (2) the Company provide a loan, loan security or other fund to a director, partner or senior management of the Company or an appointment contract approved by the general meeting, or a loan enable each director, partner or senior management of the Company to pay the expense incurred for the purpose of the Company or for performing his/her duties of the Company ; and
- (3) In the event that the normal business scope of the Company include provision of loan and loan security , the Company can provide loan and loan security to a related director, partner or senior management of the Company or a Connected Person hereof, and provided that the condition for the provision of loan and loan security shall be normal business condition .

Article 191 A for each loan provided by the Company in violation of the preceding Article, the recipient of each loan shall immediately repay each loan regardless of the term of the loan.

Article 192 A for each loan guarantee provided by the Company in breach of paragraph 1 of Article 190, no enforcement shall be imposed upon the Company , except for the following condition :

- (1) when the loan is provided to a Connected Person of a director, partner or senior management of the Company or its parent company , the loan provider is not aware of the circumstance;
- (2) the collateral provided by the Company has been fully sold by the loan provider to a bona fide purchaser.

Article 193 For the purpose of the preceding Article of this Chapter, the term "director" shall include an agent hereof a guarantor and a member liable or provide proper guarantee in order to secure the performance of obligations by an obligor.

Article 194 When a director, partner and senior management of the Company in breach of his/her duties to the Company, the Company shall have the right to adopt the following measures in addition to various rights and remedies as provided in laws and administrative regulations:

- (1) to demand the relevant director, partner or senior management to compensate for the losses suffered by the Company as a consequence of his/her dereliction of duty;
- (2) to revoke any contract or transaction concluded by the Company with the relevant director, partner or senior management or contract with a third party (hereinafter "third party" as referred to or who should be referred to as the director, partner or senior management representing the Company in breach of his/her obligations to the Company);
- (3) to demand the relevant director, partner or senior management to surrender the gains derived from the breach of his obligations;
- (4) to recover any funds which are received by the relevant director, partner or senior management and shall have been collected for the Company, including (but not limited to) commissions;
- (5) to demand the relevant director, partner or senior management to return the income earned or possibly earned on the funds that shall have been given to the Company; and
- (6) to take legal proceedings to obtain the judgment that each director, partner or senior management should return to the Company the proper amount received from his/her breach of obligations.

Article 195

The Company shall enter into a contract in writing with the director and the person of the Company concerning his/her remuneration, in writing prior to the general meeting. The foregoing remuneration shall include:

- (1) remuneration in respect of his/her services as a director, person or senior management of the Company;
- (2) remuneration in respect of his/her services as a director, person or senior management of a subsidiary of the Company;
- (3) remuneration in connection with the provision of other services for the management of the Company and its subsidiary; and
- (4) funds received by each director or person or a compensation for their loss of office or for their retirement.

A director or person may not sue the Company for such benefits due to him on the ground of the foregoing matter, except for under such contract as mentioned above.

In addition, the Company shall enter into a contract in writing with each director, person and senior management and such contract shall at least include, in addition, the following provision:

- (1) The director, person or senior management of the Company shall undertake that he/she shall observe and comply with the Company Law, the Special Provision, the Memorandum of Association, the Code on Takeover and Merger in Hong Kong, the Code on Share Repurchase in Hong Kong, and other regulations formulated by the Hong Kong Stock Exchange, and shall agree that the Company shall be entitled to the remedies provided in the Memorandum of Association and that neither the contract nor his office may be transferred;
- (2) The director, person or senior management of the Company shall undertake that he/she shall observe and perform his/her duties to the shareholder as stipulated in the Memorandum of Association; and
- (3) The arbitration clause shall be provided for in Article 244 hereof.

Article 196 The contract regarding remuneration entered into by and between the Company and its directors and officers shall provide herein the terms of a takeover of the Company, the Company's directors and officers shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payments for loss of their office or for their retirement. For the purpose of the preceding paragraph, the term a takeover of the Company shall refer to any of the following occasions:

- (1) an offer to acquire all the shares;
- (2) an offer to acquire shares which has the same definition as provided herein.

If the relevant director or officer fails to comply with this Article, any funds received by him/her shall belong to the person who has sold their shares as a result of their acceptance of the foregoing offer, and the expense incurred from the distribution of such funds on a pro rata basis shall be borne by the relevant director and officer and may not be paid out of such funds.

Article 197 The Company may be liable in respect of any claim required for directors, officers and senior management in order to reduce the risk which may arise from the performance of their duties by such personnel in normal manner.

CHAPTER 16 FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

Article 198 The Company shall formulate its financial and accounting system in accordance with the provision of laws, administrative regulations and accounting standards of China developed by the competent departments in charge of finance under the State Council.

Article 199 The Company shall adopt the calendar year as its fiscal year which shall begin from 1 January and end on 31 December of the Gregorian calendar per annum.

The Company shall prepare financial reports at the end of each fiscal year, and such reports shall be examined and verified according to laws.

Article 200 At each annual general meeting, the Board shall submit to the shareholder each financial report prepared by the Company pursuant to the relevant laws, administrative regulations and each regulatory document promulgated by the local governments and the competent authorities. The annual general meeting for a particular year shall be held within no more than six months from the end of the year to which the annual accounting for that year is made up.

Article 201 The financial report of the Company shall be made available for inspection by shareholder 20 days prior to an annual general meeting to be convened. Each shareholder of the Company shall have the right to obtain a copy of the financial report referred herein in this Chapter.

The financial reports mentioned in the preceding paragraph shall include the report of the Board, together with the balance sheet (including each document required to be attached thereto in accordance with the laws and administrative regulations of the PRC or otherwise), profit and loss account or income and expenditure statement, or (in the event of a violation of the relevant PRC laws) the summary of financial reports approved by Hong Kong Stock Exchange.

At least 21 days before the annual general meeting is convened, and in any event no more than four months from the end of the relevant year, the Company shall deliver the foregoing reports to each holder of ordinary listed foreign shares by postage-paid mail or other means (including through posting at the Company's website or other website designated by the relevant stock exchange or other electronic means) permitted by the laws and regulations or listing rules of the stock exchange(s) in the place(s) in which the shares are listed, at the recipient's address as registered in the shareholder register.

The Company shall also send interim financial reports to each holder of ordinary listed foreign shares for the first six months of each financial year. The time of delivery shall be three months upon the completion of each six-month period.

Article 202

The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards, laws and regulations but also in accordance with the international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If the financial statements prepared in accordance with each one of accounting standards differ significantly, such differences shall be stated in notes appended to each financial statement. For the purpose of the Company's distribution of after-tax profits in a given financial year, the amount, whichever is less, of after-tax profits shown in the said foregoing financial statements shall prevail.

Article 203

The Company publishes financial results for each fiscal year, has an announcement regarding interim results within one month upon the completion of the first month of the fiscal year and an

After the Company has made provision for the loss and has allocated a portion common reserve, it shall distribute the remaining profit to the shareholder based on their shareholding ratio, except for distribution made no based on the shareholding ratio as provided herein the Article of Association.

Should the general meeting distribute the profit to the shareholder before the loss has been made provision and the portion common reserve has been allocated, in violation of the provision of the preceding paragraph, the profit has distributed in violation of such provision may be returned to the Company.

No profit shall be distributed in respect of the share of the Company being held by the Company.

Article 208 The reserve of the Company is intended to make provision for the Company's loss, expand the production operation of the Company or increase the Company's capital. However, capital reserve shall not be used to make provision for the Company's loss.

When a portion common reserve is considered in capital, the remaining balance of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 209 The Company may distribute dividends in one of the following forms (or in

The Company shall pay cash dividends and other payments in RMB to domestic shareholder. Such payments made by the Company to holder of foreign share shall be denominated and declared in Renminbi and paid in Hong Kong dollar. Such Hong Kong dollar required for the Company's payments of cash dividends and other payments to the holder of foreign share shall be handled pursuant to the relevant provision of the State Administration of Foreign Exchange.

The Board shall be authorized by a resolution passed by the general meeting to implement the dividend distribution of the Company.

Article 210 An amount paid in advance of call on any share of the Company may carry interest but shall not entitle the holder of the share to participate in a dividend subsequently declared in respect hereof of such prepaid amount for any share(s).

Article 211 The Company shall appoint a receiving agent for holder of over-allied foreign share to collect on behalf of the relevant shareholder the dividend distributed and other funds payable in respect of over-allied foreign share.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) of such listing, or the relevant provision of the Stock Exchange(s) of such listing.

The receiving agent appointed by the Company for holder of over-allied foreign share listed on the HK Stock Exchange shall be a registered person pursuant to the Trade Ordinance of Hong Kong.

Subject to complying with the relevant PRC laws and regulations applicable to the HK

The Company has the right to cease and deliver each dividend arrangement to the holder of overseas-listed foreign share, provided that each power shall not be exercised until and each dividend arrangement has been notified in accordance with the provisions. However, each power may also be exercised by the Company should each arrangement be delivered and returned for the firm's employment.

In the event of exercising the right to issue arrangements to the holder, no new arrangement shall be issued to replace the lost one unless the Company confirms, in its own reasonable doubt, that the original arrangement has been destroyed.

The Company has the right to sell the share of a holder of overseas-listed foreign share where each holder cannot be contacted in such manner deemed to be appropriate by the Board by the Company's officers in the following condition:

- (1) during a period of twelve years, there has been a lengthy distribution of each dividend in respect of the share in question and no dividend during that period has been claimed;
- (2) upon the expiry of the twelve-year period, the Company shall give a notice stating its intention to sell the share by way of an announcement published in one or more newspapers in the place where the Company is listed and shall not if the stock exchange of each listing of such share of such intention.

Article 212 After the general meeting of the Company has resolved on the plan of allocation of profits, the Board shall complete the distribution of dividends (or dividends share) within 2 months after the meeting is convened.

Article 213 The Company shall give full consideration to the interests of shareholders and shall implement reasonable profit distribution policies according to the business situation and market conditions. The Company's

CHAPTER 17 APPOINTMENT OF AN ACCOUNTING FIRM

Article 214 The Company shall engage an independent accounting firm that complies with the relevant provisions of the Securities and Exchange Act of 1934 and other financial reporting requirements of the Company.

The independent accounting firm of the Company may be appointed by the independent members of the Board of Directors at the next annual general meeting. The term of each independent accounting firm shall end upon the conclusion of the next annual general meeting.

Should the Company's independent members fail to exercise their functions and powers under the preceding paragraph, the Board shall exercise such functions and powers.

Article 215 The term of engagement of an independent accounting firm engaged by the Company shall commence from the conclusion of the current annual general meeting and end at the conclusion of the next annual general meeting.

Article 216 An independent accounting firm engaged by the Company shall be entitled to the following rights:

(1) the right of access, at any time, to the accounting books, records or

Article 217 If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is convened. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy exists, such accounting firm shall continue to act.

Article 218 Save as is provided for under Article 217, the appointment of the accounting firm by the Company may be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

Nothing hindering anything in the contract between the accounting firm and the Company, the general meeting may, by means of an ordinary resolution, dismiss an accounting firm prior to the expiration of its term of appointment. Such accounting firm's right to claim damage from the Company in respect of such dismissal shall not be affected hereby.

Article 219 The amount of remuneration of an accounting firm or the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be decided by the Board.

Article 220 The appointment, dismissal or re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the secretary to be registered under the Seal of the Council for the filing and record.

Where it is intended to pass a resolution at a general meeting to appoint an accounting firm which is not holding a current position to fill a vacancy of the position of the accounting firm, or to dismiss an accounting firm before the expiration of its term of appointment, such matters shall be handled prior to the following provisions:

(1) Before the dispatch of the general meeting notice, the proposal on the appointment or dismissal is delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant financial year. Leaving office shall include the dismissal, resignation and retirement for an accounting firm.

- (1) The accounting firm may resign from its position through by placing the resignation notice in writing at the legal address of the Company. Such notice shall take effect since the date on which it is placed at the legal address of the Company or a later date as specified in the notice. The notice shall include the following matters:
1. in its opinion, has its resignation does not involve any matters that should be made to shareholder or creditor of the Company; or
 2. any other circumstances that shall be pre-empted.
- (2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains such matters as above mentioned in paragraph (1) 2. of this Article, the Company shall prepare and place copies of such matters at the company for inspection by shareholder. The Company shall also deliver duplicate of such foregoing matters by postage prepaid mail to each holder of ordinary foreign share at the recipient's address registered in the shareholder register, or, subject to observing the applicable law, regulation and listing rule, the Company shall provide such information at the company website or such site specified by the stock exchange() of the place() where the Company's shares are listed.
- (3) If the accounting firm's resignation notice contains any matters referred to in paragraph (1) 2. of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholder to hear its plan on the initiation of its resignation.

CHAPTER 18 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Section 1 Merger and Division

Article 222 The merger or division of the Company shall require the proposal prepared by the Board. After each proposal has been passed in accordance with the procedure specified in the Articles of Association of the Company, the relevant examination and approval procedure regarding each proposal shall be carried out according to law. Shareholders have the right to require the Company or shareholder who are in favor of each proposal on merger or division to purchase their share at a fair price. The content of each resolution approving the merger or division of the Company shall be compiled in a special document for information to shareholders.

For holders of overseas-listed foreign shares, the foregoing documents shall be entered by post or in a manner permitted by the relevant laws, regulations or listing rules of the stock exchange of the place where the shares of the Company are listed.

Article 223 The merger of a company may be effected by way of a merger or a new consolidation.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheet and checklist of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement on newspaper recognized by the stock exchange of the place where the Company's shares are listed, and shall clear off its debt or provide corresponding guarantee to the creditors required.

In the case of a merger, the respective creditors' rights and debts of all parties to the merger shall be inherited by the surviving company, or the newly established company upon the merger.

Article 224 A for the dissolution of a company, the properties hereof shall be divided accordingly.

A for the dissolution of a company, the balance sheet and checklists of properties of the Company shall be prepared. The companies involved shall notify the creditors according to the provisions of the Companies Law, and make a public announcement on newspaper recognized by the exchange of the place() where the Company's shares are listed.

Debts owed by the Company prior to the dissolution shall be jointly assumed by the existing companies upon the dissolution, as each other has agreed by written agreement with the Company and the creditors prior to the dissolution.

Article 225 Where any of the registered items changed due to a merger or dissolution of a company, the Company shall process the change of registration with the company registration authority. Should the Company be dissolved, it shall be de-registered according to law. If a new company is established, it shall go through the registration for companies established according to law.

Section 2 Dissolution and Liquidation

Article 226 The Company shall be dissolved and liquidated pursuant to law should the Company be under any of the following circumstances:

- (1) Any of the cases for dissolution stipulated in the Article of Association is present;
- (2) The general meeting resolves to dissolve it;
- (3) It is necessary to be dissolved due to merger or dissolution of the Company;
- (4) The Company is declared bankrupt according to law for being unable to pay its debts;

(5) Its business license is revoked or it is ordered to close down or to be dissolved according to law; or

(6) In the event that the Company has encountered serious difficulties in operation and management and that the interests of the shareholders of the Company are caused to suffer from substantial loss due to the continuing existence of the Company while such interests cannot be solved by any other means, the shareholder who holds 10% or more of the voting rights of all the shareholders of the Company may file an application with the people's court to dissolve the Company pursuant to law.

Article 227 Where the Company is dissolved according to the provisions of Article 226 (1), (2), (5) or (6) of the e Article of Association, a liquidation team shall be formed within 15 days of the occurrence of the cause of dissolution, to carry out liquidation. The liquidation team shall be composed of the director or another people as determined by the general meeting. Where no liquidation team is formed within the time limit, the creditor may file an application with the people's court to designate a relevant person to form a liquidation team to carry out liquidation.

Where the Company is dissolved according to the provisions of Article 226 (4) of the e Article of Association, the people's court shall, in accordance with relevant laws, arrange for the shareholder, relevant authorities and relevant professionals to establish a liquidation team to carry out liquidation.

Article 228 If the Board decides that the Company shall be liquidated (except for such liquidation as a result of the Company's declared bankruptcy), the notice of the general meeting convened for such purpose shall include a statement on the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay off its debts in full within 12 months after the liquidation has commenced.

The functions and powers of the Board shall terminate immediately after the general meeting has passed the resolution regarding the carrying out of liquidation.

The liquidation team shall take in r c ion from the general mee ing and shall repor o the general mee ing on the liq ida ion team' income and ependi re, the b ine of the Compan and the progre of the liq ida ion a lea once per ear. It shall make a final repor o the general mee ing pon the comple ion of ch liq ida ion.

Article 229

The liq ida ion team shall, i hin 10 da of i forma ion, no if the credi or , and shall, i hin 60 da , make a p blic anno ncemen on ne paper recogni ed b the ock e change() here the hare of the Compan i /are li ed. Creditor shall, i hin 30 da of the receip of the no ice or i hin 45 da of the relea e of the p blic anno ncemen in the ca e of fail re o recei e aid no ice, file heir credi or ' righ i h the liq ida ion team.

Where credi or file heir credi or ' righ , he shall e plain abo the ma er rela ed o credi or ' righ , and shall provide the e idencing

Article 231 After the liquidation team has liquidated the properties of the Company and has prepared the balance sheet and checklist of properties, it shall prepare a plan of liquidation, and report it to the general meeting of the people'

Article 233 Following the completion of the liquidation of the Company, the liquidation

- (2) The change ha the Compan ha e ndergone are no in con i ence i h he record made in he Ar icle of A ocia ion; or
- (3) The general mee ing decide ha he Ar icle of A ocia ion ho ld be amended.

Article 237 Amendmen o he Ar icle of A ocia ion pa ed b re ol ion a he general mee ing hall be req ired o be e amined and appro ed b he compe en a hori ie , and hall be bmi ed o he compe en a hori ie for appro al. Sho ld he regi ra ion of he Compan be in ol ed, he change o ch regi ra ion hall be handled according o la .

Article 238 The Board hall amend he e Ar icle of A ocia ion according o he re ol ion of he general mee ing and he opinion of he rele an compe en a hori .

No i h anding he foregoing paragraph, in he follo ing circ m ance , he general mee ing ma pa a re ol ion o a hori e he Board o amend he e Ar icle of A ocia ion in line i h he follo ing principle :

- (1) Where a a re l of he implemen a ion of he general mee ing' re ol ion, here i he need o make nece ar non- b an i e modifica ion (a req ired in accordance i h he re ol ion of he general mee ing hich in ol e amendmen o, among o her , he regi ered capi al amo n , he n mber of hare and he name and addre of he Compan in he Ar icle of A ocia ion), he Board hall ha e he righ o modif he e Ar icle of A ocia ion according o pecific circ m ance ;
- (2) In he e en ha change in he e or he order of he ar icle are nece ar for filing he Ar icle of A ocia ion appro ed b he general mee ing i h he compe en a hori he Board i en i led o amend he e Ar icle of A ocia ion in accordance i h he req iremen of he compe en a hori .

Article 239 An amendment of the Article of Association having information to be disclosed as required by the law, regulation or the listing rule of the place() in which the share of the Company are listed, shall be publicly announced as required.

CHAPTER 20 NOTICE

Article 240 Notice of the Company may be served through means as follows :

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the law, regulation and listing rule of the stock exchange() of the place() in which the share of the Company are listed, post as the Company's secretary or secretary designated by the relevant stock exchange;
- (5) by public announcement;
- (6) other means as prescribed between the Company and the recipient or a confirmed means upon notice; or
- (7) other means approved by the relevant regulator or agency of the place() in which the share of the Company are listed or as set out in the Article of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless otherwise required by the Article of Association, if the notice of the holder of overseas-listed foreign shares are issued by a of announcement, an read-to-publish electronic copy of such notice shall be submitted through HKEX-ESOP of the HK Stock Exchange for publication on internet on the same day in accordance with the Listing Rules. The announcement shall meanwhile be published on the Company's website. In addition, it shall be served on each of the holder of the overseas-listed foreign shares (e)0.5 (p)0.E0.5 (e)0.5 ((e)ofm.5 (e)0.5 (d)0.r5 (e)0.5 (e)0.5 (p)pr (i)0.5 (

Article 241 Unless otherwise provided in the Articles of Association, all matters of record of no record in the preceding Article shall also be applicable to records for general meeting, meeting of Board or the Supervisory Committee.

Article 242 If the record is entered by hand, the date of record is the date of acknowledgment of receipt by signature (or affixed seal) on the record receipt slip. If the record is entered by post, the date of record is the fifth working day from the date of delivery at the post office. If the record is made via facsimile, e-mail or Weibo, the date of record is the date of transmission. If the record is made by public announcement, the date of record is the date of the first publication of the public announcement.

Article 243 Where relevant corporate documents must be in English accompanied by a Chinese version and be entered through delivery, post, distribution, ending or announcement or other means according to the requirements of the listing rules of the stock exchange() of the place() in which the shares of the Company are listed, in respect of shareholder who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as the date of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholder as the choice.

CHAPTER 21 SETTLEMENT OF DISPUTES

Article 244 The Company shall comply with the following rules in settling disputes:

- (1) Whenever a dispute or claim arises from a right or obligation as provided in the Articles of Association, the Company, Law and other relevant laws and administrative regulations between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such dispute and claim through arbitration.

Where a dispute or claim described above is submitted for arbitration, the entire dispute or claim shall be referred through arbitration; all persons who have a cause of action based on the same fact giving rise to the dispute or claim or who participate in need for the resolution of such dispute or claim, if they are shareholder, director, supervisor, general manager or other senior management of the Company or the Company, shall submit to arbitration.

Disputes over which a shareholder and other shareholders do not have to be referred through arbitration.

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

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

(3) The laws of the PRC shall govern the arbitration of dispute or claim described in Item (1) above, unless otherwise provided by the laws or administrative regulations.

(4) The award of the arbitral body is final and shall be binding on the parties hereto.

CHAPTER 22 SUPPLEMENTARY ARTICLES

Article 245 Definition

(1) In the e Article of A ocia ion, ac ing in concer mean he ac of

Article 247 The term "accounting firm" as used in the Article of Association shall have the same meaning as a director.

Article 248 The Articles of Association are in Chinese. If it conflicts with a provision