

Suzhou Basecare Medical Corporation Limited

Articles of Association

(Applicable following the issuance of H Shares)

CONTENTS

Chapter 1	General	1
Chapter 2	Purpose and Scope of Business	2
Chapter 3	Shares	3
Section 1	Issuance of Shares	3
Section 2	Increase and Reduction of Shares and Their Redemption	5
Section 3	Transfer of Shares	8
Section 4	Financial Assistance for Acquisition of the Company's Shares	9
Section 5	Share Certificates and Register of Shareholders	11
Chapter 4	Shareholders and General Meetings	15
Section 1	Shareholders	15
Section 2	General Provisions of Shareholders' General Meeting	20
Section 3	Convening of Shareholders' General Meeting	22
Section 4	Proposal and Notice of the Shareholders' General Meeting	24
Section 5	Holding of the General Meeting of Shareholders	26
Section 6	Voting and Resolution of the Shareholders' General Meeting	30
Section 7	Special Procedures for Voting by Classified Shareholders	34
Chapter 5	Board of Directors	36
Section 1	Directors	36
Section 2	Board of Directors	39
Section 3	Special Committees of the Board of Directors	44
Chapter 6	General Manager and Other Senior Management Officers	44
Chapter 7	Board of Supervisors	47
Section 1	Supervisor	47
Section 2	Board of Supervisors	47
Chapter 8	Qualifications and Obligations of Directors, Supervisors, General Manager and Other Senior Management Officers	50
Chapter 9	Financial and Accounting System, Profit Distribution and Audit	57
Section 1	Financial and Accounting System	57
Section 2	Engagement of Accounting Firm	59
Chapter 10	Notice and Announcement	62
Chapter 11	Merger, Division, Increase or Decrease of Registered Capital, Dissolution and Liquidation	64
Section 1	Merger, Division, and Increase or Decrease of Registered Capital	64
Section 2	Dissolution and Liquidation	65
Chapter 12	Amendments to the Articles of Association	67
Chapter 13	Settlement of Dispute	68
Chapter 14	Supplementary Provisions	69

CHAPTER 1 GENERAL

Article 1 To safeguard the legitimate rights and interests of the shareholders and creditors of Suzhou Basecare Medical Corporation Limited (hereinafter referred to as the “**Company**”), and to regulate the organization and activities of the Company, these Articles of Association have been hereby established in accordance with the Company Law of the People’s Republic of China (the “**Company Law**”), the Securities Law of the People’s Republic of China, the Special Provisions of the State Council on the Offering and Listing of Shares Overseas by Joint Stock Limited Companies (the “**Special Provisions**”), the Prerequisite Clauses for Articles of Association of Companies to Be Listed Overseas, the Letter on the Opinion Regarding the Supplemental Amendments to the Articles of Association of Companies to be listed in Hong Kong jointly promulgated by the Overseas Listing Department of the China Securities Regulatory Commission and the Production System Department of the State Restructuring Commission, the Opinion Regarding Further Conformity in Operations and Reform of Companies Listed outside the PRC, the Reply of State Council on the Adjustment to the Provisions of Notice Period for Convening the General Meetings and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Hong Kong Listing Rules**”) and other relevant laws, regulations, department rules, normative documents and the relevant regulations of the securities regulators of the place where the shares of the Company are listed and in combination with the practical situations of the Company.

Article 2 The Company is a company limited by shares established in accordance with the Company Law, the Special Provisions and other relevant regulations.

The Company was converted and established in accordance with the law by Jiangsu Double Helix Biological Technology Co., Ltd. by way of promotion on August 27, 2020, and obtained its business license after it had been registered with the Administration for Industry and Commerce of Jilin Province on August 27, 2020. The unified social credit code of the Company is 91320585566841343H. Promoters of the Company are all the original shareholders of the Jiangsu Double Helix Biological Technology Co., Ltd., particularly including: LIANG BO, Guangzhou DaAn Gene Technology Co., Ltd., Guangzhou Darui Biotechnology Co., Ltd., Suzhou Basecare Investment Management Enterprise (Limited Partnership), Suzhou Industrial Park Seed Zhengze Yihao Venture Capital Enterprise (Limited Partnership), Zhejiang Shuangjing Investment Co., Ltd., Ms. JI Dongmei, Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership), Beijing Zhongcheng Fangyuan Phase II Investment Center (Limited Partnership), Guangzhou DaAn Jinghan Medical Health Industry Investment Enterprise (Limited Partnership), Zhangjiagang Broad Vision Investment Fund (Limited Partnership), Suzhou MING Bioventures Fund I Venture Capital, L.P. (Limited Partnership), Yingtan Jinhui Jiayi Hongsheng Investment Management Limited Partnership Corporation, HH SPR-XIV HK Holdings Limited, Zhangjiagang Broad Vision Harmony Shareholding Investment Fund (Limited Partnership) and ORBIMED PARTNERS MASTER FUND LIMITED.

Article 3 Chinese name of the Company: 蘇州貝康醫療股份有限公司

English name: Suzhou Basecare Medical Corporation Limited

The domicile of the Company: Unit 101, Building A3, BioBay, No. 218 Xinghu Street, Suzhou Industrial Park, Suzhou Area, China (Jiangsu) Pilot Free Trade Zone

Postal code: 215123

Article 4 The Company is a joint stock limited company of permanent existence.

Article 5 The Chairman of the Board of Directors shall be the legal representative of the Company.

Article 6 The total asset of the Company shall be divided into shares of equal value. The respective liability of the shareholders of the Company shall be limited to the shares held by them. The Company shall be held liable for its debts with all its assets.

Article 7 From the effective date, the Articles of Association shall become a legally binding document that regulates the organization and behaviors of the Company, the rights and obligations relationship between the Company and its shareholders and among the shareholders.

Article 8 The Articles of Association shall be binding upon the Company, its shareholders, directors, supervisors, senior management officer, all of whom are entitled to claim their rights in relation to the Company's affairs in accordance with the Articles of Association.

In accordance with the Articles of Association, shareholders shall have the right to take legal proceedings against other shareholders; shareholders shall have the right to take legal proceedings against directors, supervisors, general manager and other senior management officer of the Company; shareholders shall have the right to take legal proceedings against the Company; and the Company shall have the right to take legal proceedings against directors, supervisors, general manager and other senior management officer.

The "legal proceedings" referred to in the preceding paragraph shall include filing suits to a court or applying for arbitration to an arbitration organization.

Article 9 Within the scope permitted by the laws and regulations, the Company may invest in other enterprises, and shall assume responsibilities to the invested enterprises with limitation to its capital contribution or subscribed shares. Except as otherwise provided by law, the Company shall not become an investor of an enterprise for which the Company will assume several and joint liabilities.

Subject to approval by the authority authorized by the State Council, the Company may carry out investment operation in conformity to the stipulations of the Company Law based on the need of operation and management.

Article 10 Other senior management officer under the Articles of Association shall refer to the general manager, the chief financial officer, chief technical officer, chief operating officer and secretary to the Board.

CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS

Article 11 The purpose of the Company is: to help more families have healthy babies.

Article 12 The scope of business of the Company, as registered in accordance with the laws, covers: technical service, technological development, technology consulting, technological communication, technology transfer, technology promotion; sales of experiment analytical instrument.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 13 The shares of the Company shall be in the form of stock.

Article 14 The issuance of shares shall comply with the principle of openness, fairness and impartiality, and each share of the same category shall have equal rights.

Shares of the same category issued at the same time shall be issued on the same conditions and at the same price. All entities and individuals shall pay the same price for each share of the same category they subscribe for.

The domestic shares and foreign shares listed overseas issued by the Company shall entitle the equal rights in any distribution made in the form of dividends or otherwise. The Company shall not exercise any right against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 15 All the shares issued by the Company shall have a par value dominated in RMB which shall be RMB1 for each share.

The Company always has ordinary shares. Subject to approval of the approval authorities authorized by the State Council, the Company may have other kinds of shares according to its needs.

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

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from Hong Kong Special Administrative Region (hereinafter referred to as “**Hong Kong**”), Macau Special Administrative Region or Taiwan of the people’s Republic of China (hereinafter referred to as “**China**”) that subscribe for shares issued by the Company; and the term “domestic investors” shall refer to investors within the China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as foreign shares listed overseas.

Shares approved by authorities authorized by the State Council for issuance, and by foreign stock exchanges for listing on these exchanges shall be collectively referred to as foreign listed shares.

Foreign shares listed overseas (H shares) issued by the Company and listed in The Stock Exchange of Hong Kong Ltd. (hereinafter referred to as “**HKEX**”) are called H shares for short, referring to shares listed in HKEX upon approval, the par value of stock of which is indicated by Renminbi and the subscription and transaction of which is made by foreign currency.

The “foreign currency” referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for subscription payment of the Company’s shares.

Subject to the permission of relevant laws, administrative regulations and departmental rules and the approval of the security regulatory authority of the State Council, shareholders may list shares held by them on overseas market for transactions. The listing of such shares for transactions on overseas securities exchanges shall also abide by the regulatory procedures, regulations and requirements of the overseas securities market.

Article 18 Before the Initial Public Offer of foreign shares listed overseas, the total share capital shall be RMB200,000,000, and the total number of shares is 200,000,000, all of which are ordinary shares. The shareholding structure of the Company is:

No.	Name of Shareholder	Amount of Shareholding ('0,000 shares)	Shareholding Percentage (%)	Form of Capital Contribution
1	LIANG BO	55,231,640	27.6158	Net asset discount
2	Guangzhou DaAn Gene Technology Co., Ltd	8,133,798	4.0669	Net asset discount
3	Guangzhou Darui Biotechnology Co., Ltd.	4,748,225	2.3741	Net asset discount
4	Suzhou Basecare Investment Management Enterprise (Limited Partnership)	36,090,379	18.0452	Net asset discount
5	Suzhou Industrial Park Seed Zhengze Yihao Venture Capital Enterprise (Limited Partnership)	12,299,422	6.1497	Net asset discount
6	Zhejiang Shuangjing Investment Co., Ltd	3,355,185	1.6776	Net asset discount
7	Ms. Ji Dongmei	5,591,993	2.7960	Net asset discount
8	Suzhou Industrial Park Sungent Bio-Venture Capital Investment Enterprise (Limited Partnership)	11,418,525	5.7093	Net asset discount
9	Beijing Zhongcheng Fangyuan Phase II Investment Center (Limited Partnership)	15,189,172	7.5946	Net asset discount
10	Guangzhou DaAn Jinghan Medical Health Industry Investment Enterprise (Limited Partnership)	3,797,286	1.8986	Net asset discount
11	Zhangjiagang Broad Vision Investment Fund (Limited Partnership)	11,969,242	5.9846	Net asset discount
12	Suzhou MING Bioventures Fund I Venture Capital, L.P. (Limited Partnership)	3,419,787	1.7099	Net asset discount
13	Yingtian Jinhui Jiayi Hongsheng Investment Management Limited Partnership Corporation	1,709,894	0.8549	Net asset discount
14	HH SPR-XIV HK Holdings Limited	13,636,358	6.8182	Net asset discount
15	Zhangjiagang Broad Vision Harmony Shareholding Investment Fund (Limited Partnership)	10,227,269	5.1136	Net asset discount
16	ORBIMED PARTNERS MASTER FUND LIMITED	3,181,825	1.5909	Net asset discount
	Total	200,000,000	100.00	-

Article 19 With the approval of the company examining authority authorized by the State Council, the Company may issue total 76,667,000 ordinary shares. The Company issued 66,667,000 foreign shares to foreign investors subject to the approval of the securities regulatory authority of the State Council. Upon preceding issuance, the total number of shares of the Company shall be 266,667,000. Upon above issuance of H shares (assuming Over-allotment Option not exercised), the shareholding structure of the Company on the Listing date is: 266,667,000 ordinary shares, among which, 183,181,817 are domestic shares, 9,410,765 are unlisted foreign shares, and 74,074,418 are H shares.

Before the issuance of H shares, the Company's registered capital shall be RMB200,000,000.

Upon above issuance of H shares (assuming Over-allotment Option not exercised), the Company's registered capital on the Listing date is RMB266,667,000.

Article 20 After the Company's plan of issuing of foreign shares listed overseas and domestic shares being approved by the security regulatory authority of the State Council, the Board of the Company may make implementation arrangements for such plan by means of separate issuance.

The Company's plan of separate issuance of foreign shares listed overseas and domestic shares pursuant to the preceding paragraph may be implemented respectively within 15 months from the date of approval by the security regulatory authority of the State Council.

Article 21 Where the Company issues foreign overseas listed shares and domestic shares respectively within the total number of shares defined in the issuance plan, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several stages subject to the approval of the security regulatory authority of the State Council.

Section 2 Increase and Reduction of Shares and Their Redemption

Article 22 The Company may, based on its demands of operation and business development and in accordance with the relevant laws and regulations and subject to the resolutions approved by the general meeting, approve an increase of capital in the following ways:

- (1) public offering of shares;
- (2) private placement of shares;
- (3) placing or allotting new shares to its existing shareholders;
- (4) capitalizing its capital reserve;
- (5) any other means which is permitted by the laws, administrative regulations and approved by the regulatory authorities.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State and Hong Kong Listing Rules.

Article 23 The Company may reduce its registered capital. The Company's reduction of its registered capital shall follow procedures set out in the Company Law and other relevant regulations and the Articles of Association.

Article 24 The Company may, in accordance with stipulations of laws, administrative regulations, departmental rules and the Articles of Association, repurchase its shares under the following circumstances:

- (1) reducing its registered capital;
- (2) merging with another company that holds shares of the Company;
- (3) granting shares to employee stock option plan and equity incentive;
- (4) acquiring shares held by shareholders who vote against any resolution proposed in any general meeting on the merger or division of the Company upon their request;
- (5) converting the convertible bond issued by the Company with shares;
- (6) being necessary to maintain the value of the Company and shareholders' equity;
- (7) other circumstances as permitted by laws, administrative regulations, departmental rules and regulatory rules of the place where the Company's shares are listed.

Company shall not engage in the trading of its shares save for the circumstances specified above.

The repurchase of shares made due to the reason mentioned in previous paragraphs (1) and (2) shall be resolved by the general meeting of shareholders of the Company. The repurchase of shares made due to the circumstance stimulated in above paragraphs (3), (5) and (6) shall be resolved by the board meeting with two thirds of all directors are present according to the authorization of general meeting of shareholders.

The shares of the repurchase made by the Company under the above-mentioned circumstance in paragraph (1) shall be cancelled within 10 days; the shares of the repurchase made by the Company under the above-mentioned circumstance in paragraphs (2) and (4) shall be transferred or cancelled within 6 months. The number of repurchased shares made by the Company under the above-mentioned circumstance in paragraphs (3), (5) and (6) shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within 3 year.

The Company making a share repurchase shall perform their obligation of information disclosure according to the laws.

Article 25 The Company may repurchase its shares in one of the following manners:

- (1) to make a repurchase offer pro rata to all its shareholders;
- (2) to repurchase shares through open transaction at a stock exchange;

- (3) to repurchase shares through agreement outside a securities exchange;
- (4) other means as permitted by the laws, administrative regulations and the regulatory authorities.

Article 26 Where the Company repurchases its shares through agreement outside a securities exchange, it shall seek prior approval of the shareholders' general meeting in accordance with the Articles of Association. Upon the prior approval by the shareholders' general meeting obtained in the same manner, the Company may rescind or change a contract so entered into by the Company or waive any of its rights thereunder shareholders' general meeting.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, agreements whereby redemption obligations are undertaken and redemption rights are acquired.

The Company shall not assign a contract for repurchasing its shares or any of its rights thereunder.

Where the Company has the right to repurchase redeemable shares, repurchases not made through the market or by tender shall be limited to a maximum price; if repurchases are made by tender, invitation for tenders shall be made to all shareholders alike.

Article 27 Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.

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

Article 28 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:

- (1) Where the Company repurchases its shares at par value, payment shall be deducted from the book balance of the distributable profits of the Company and the proceeds of a fresh issuance of shares made for that purpose;
- (2) Where the Company repurchases its shares at a premium over their par value, the portion corresponding to the par value shall be made out of the book balance of distributable profits of the Company and the proceeds of a fresh issuance of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 1. If the shares repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
 2. If the shares repurchased were issued at a premium over their par value, payment shall be made out of the book balance of the distributable profits of the Company and the proceeds of a fresh issue of shares made for that purpose; However, the amount deducted from the proceeds of the fresh issuance of shares shall not exceed the aggregate of premiums received by the Company from the original shares issuance, nor exceed the balance of the Company's premium account or capital reserve account (including the premiums on the fresh issuance of shares);

- (3) Payment by the Company for the following purposes shall be paid from the Company's distributable profits:
 1. obtaining rights to repurchase shares of the Company;
 2. modifying of any contract for repurchasing shares of the Company;
 3. release of its obligation under any contract for repurchasing its shares.
- (4) After the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's premium account or capital reserve account.

The above-mentioned repurchase of shares shall also comply with the relevant stipulations by laws, administrative regulations and regulatory authorities.

Section 3 Transfer of Shares

Article 29 Unless otherwise provided by the laws, administrative regulations, securities regulatory authority of the place where the Company's shares are listed, and listing rules, the shares of the Company which was fully paid may be transferred freely pursuant to laws without any lien being attached. Shares of the Company may be given, inherited and pledged in accordance with relevant laws, administrative regulations and the provisions of the Articles of Association. Transfer of shares shall be registered in the local stock registration institute appointed by the Company.

Article 30 H shares which are fully paid can be transferred freely pursuant to the Articles of Association. However, unless the transfer complies with the following conditions, the Board may refuse to recognize any transfer documents without stating any reasons therefor:

- (1) document that related to any share ownership or transfer documents that may affect the ownership of the shares shall be registered and such payment shall not exceed the maximum fee provided by the Stock Exchange of Hong Kong in its Listing Rules from time to time;
- (2) the transfer documents only involve the H shares;
- (3) the stamp duty chargeable on the transfer documents has been paid;
- (4) the relevant share certificate, and upon the reasonable request of the Board of Directors, any evidence in relation to the right of the transferor to transfer the shares has been submitted;
- (5) if the share is to be transferred to joint holders, the number of the joint holders shall not exceed 4;
- (6) the Company does not have any lien on the relevant shares; and

- (7) the shares shall not be transferred to minors or the person who is found to be of unsound mind or without legal capability.

If the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of transfer of shares to the transferor and transferee within 2 months from the date of the formal application for transferring the shares. For the purpose of the transfer of all H shares, an instrument of transfer in the general or ordinary form or any other written form accepted by the Board of Directors shall be used (including the standard transfer form or transfer form prescribed by the Hong Kong Stock Exchange from time to time); the instrument may be executed by hand or (if the transferor or transferee is a company) affixed with the company chop. If the transferor or transferee is a recognized clearing house within the defined meaning of the relevant ordinances under the Hong Kong laws in force from time to time (hereinafter the “**Recognized Clearing House**”) or its agent, the instrument of transfer may be executed by hand or by machine print.

All instruments of transfer shall be placed at the legal address of the Company or other places that the Board may designate.

Article 31 The Bank shall not accept any shares of the Bank as the subject of a pledge.

Article 32 The shares held by the sponsors of the Bank shall not be transferred within one year of the date of the incorporation of the Bank. The shares issued by the Company before the public offering, shall not be transferred within one year after the listing of shares of the Company.

The directors, supervisors and senior management of the Company shall report to the Company on his or her holdings of shares and its changes. The maximum shares transferred shall not exceed 25% of the total shares of the Company held by her or him during his or her term. The shares held by them shall not be transferred within one year after the listing of the shares of the Company. The directors, supervisors and senior management of the Company shall not transfer the shares held by her or him within half year after the termination of her or his term.

The transfer of shares of the Company of the foreign listed shares shall also comply with the relevant regulations by securities regulatory authorities of the place where the Company’s shares are listed.

Section 4 Financial Assistance for Acquisition of the Company’s Shares

Article 33 The Company or its subsidiaries (including affiliates of the Company) shall not, by any means including bestowal, underwriting, guarantee, compensation or loans and at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The aforesaid acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company or its subsidiaries (including affiliates of the Company) shall not, by any means and at any time, provide financial assistance to the aforesaid acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This provision does not apply to the circumstances stated in Article 35 of the Articles of Association.

Article 34 The financial assistance referred to in this chapter includes (but not limited to) the following means:

- (1) Gift;
- (2) Guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (but excluding compensation arising from the Company's own default) or relief or waiver of any rights;
- (3) Provision of loans or any other agreements under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under such loans or agreements;
- (4) any other forms of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would be reduced to a material extent.

The expression "assuming an obligation" referred to in this section includes the assumption of obligations by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by the changing of the obligor's financial position by any other means.

Article 35 Except as otherwise prohibited in accordance with the laws, administrative regulations, department rules and normative documents, the following activities shall not be deemed to be activities as prohibited under Article 33 of the Articles of Association:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith for the interest of the Company, and the principal purpose of provision the financial assistance is not for the acquisition of shares of the Company, or the provision of the financial assistance is an incidental part of certain master plan of the Company;
- (2) the lawful distribution of the Company's assets as dividend;
- (3) distribution of dividends in form of shares;
- (4) reduction of registered capital, repurchase of shares, adjustment of the shareholding structure of the Company effected in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (6) The provision of fund by the Company for contributions to employee shareholding schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

Section 5 Share Certificates and Register of Shareholders

Article 36 Shares of the Company shall be in registered form. The items specified on the share certificates of the Company shall, in addition to those provided in the Company Law, contain the other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

The Company may issue overseas listed shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in place where the Company's shares are listed.

If the share capital of the Company includes shares with no voting right, words of "no voting right" shall be added to the name of such shares. If the equity capital includes shares with different voting rights, words of "restricted voting right" or "limited voting right" shall be added to the name of each category of shares (except for shares with the most preferential voting rights).

Article 37 During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all its listing documents pertaining to H shares (including H shares certificates) include the statements stipulated below, and shall further instruct and cause its share registrars to refuse to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until the holder delivers to the share registrar a signed form in respect of the shares including the following statements:

- (1) the purchaser of shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law, the Special Regulations and other requirements of the relevant laws, administrative regulations and the Articles.
- (2) the purchaser of shares agrees with the Company, each of the other shareholders, the directors, the supervisors, and the members of senior management, and the Company (acting both for itself and for each director, supervisor and member of senior management) agrees with each shareholder to refer all differences and claims arising from the Articles or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with the Articles, and any referral to an arbitration tribunal shall be deemed to authorize the tribunal to conduct its hearing in an open hearing and to publish its findings. The findings of the arbitration tribunal shall be final and conclusive.
- (3) the purchaser of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder of such shares.
- (4) the purchaser of shares authorizes the Company to enter into a contract on his behalf with each director and member of senior management whereby such directors and members of senior management undertake to observe and comply with their obligations to shareholders stipulated in the Articles.

Article 38 The Company's share certificates shall be signed by the Chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the Company's general manager or other senior management officer, the share certificates shall also be signed by general manager or other relevant senior management officer. The share certificates shall take effect after being affixed with the seal of the Company or the seal of the Company in printed form. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Company, general manager or other relevant senior management officer on the share certificates may also be in printed form. In case of paperless issuance and transaction of the shares of the Bank, the regulations of the securities regulators and stock exchanges in the place where the shares of the Company are listed shall apply.

Article 39 The Company shall keep a register of shareholders which shall contain the following contents, or register shareholders in accordance with the stipulations of the laws, administrative regulations, department rules and Listing Rules:

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

The register of shareholders shall be the sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Subject to these Articles of Association and other applicable provisions, the name of the transferee of the Company's shares shall be entered on the register of shareholders as the holder of such shares upon transfer.

Article 40 Transfer of shift of shares shall be registered in the register of shareholders. The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of shareholders of foreign shares listed overseas outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of foreign shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at the Company's domicile; the appointed overseas agent(s) shall always ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign shares.

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

Article 41 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) the register of shareholders maintained at the Company's domicile, other than those as described in items (2) and (3) of this article;
- (2) the register of shareholders in respect of the holders of overseas-listed foreign shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of shareholders maintained at such other places as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 42 Each part of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

Changes or corrections of each part of the register of shareholders shall be made in accordance with the laws of the place where that part of the register of shareholders is maintained.

Article 43 Registration of change in the register of H shares shareholders due to shares transfer shall not be allowed within 30 days prior to the date of a general meeting or within 5 days before the base date set by the Company for the purpose of distribution of dividends.

If the securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 44 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate or engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

Article 45 Any person who objects to the register of shareholders and requests to have his name registered in or removed from the register of shareholders may apply to a court of competent jurisdiction for correction of the register.

Article 46 Any shareholder who is registered in, or any person who requests to have his name registered in, the register of shareholders may, if his share certificates (the "**original certificates**") are lost, apply to the Company for a replacement share certificate in respect of such shares (the "**relevant shares**").

If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a holder of foreign shares listed overseas loses his share certificates and applies for their replacements, it may be dealt with in accordance with the laws of the place where the original register of holders of foreign shares listed overseas is maintained, the rules of the stock exchange or other relevant regulations.

The issuance of replacement share certificates which are lost to holders of foreign shares listed in Hong Kong who apply for a replacement shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarization document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as the declaration that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares;
- (2) No declaration has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company decides to issue the replacement share certificate;
- (3) The Company shall, if it decides to issue a replacement new share certificate to the applicant, make an announcement of its intention to issue the replacement new share certificate in such newspapers designated by the Board. The announcement shall be made at least once every 30 days for a period of 90 days;
- (4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of 90 days;

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published;

- (5) If, upon expiration of the 90-day period referred to in Items (3) and (4) of this article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application;
- (6) Where the Company issues a replacement share certificate under this article, it shall forthwith cancel the original certificate and register the cancellation and the issuance in the register of shareholders accordingly;
- (7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 47 Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

The Company shall not be liable for any loss suffered by any person due to the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company acted fraudulently.

CHAPTER 4 SHAREHOLDERS AND GENERAL MEETINGS

Section 1 Shareholders

Article 48 A shareholder of the Company is a person who lawfully holds the shares of the Company and whose name is registered in the register of shareholders. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he/she holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

When two or more persons are registered as the joint shareholders of any shares, they shall be regarded as the common owners of such shares and subject to the following terms:

- (1) the Company shall not register more than 4 persons as the joint shareholders for any shares;
- (2) the joint shareholders of any shares shall assume the joint and several liabilities for all the amounts payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only other living persons of the joint shareholders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right to demand a death certificate of such shareholder which it deems appropriate for the purpose of amending the register of shareholders;
- (4) for joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares, to receive the Company's notices. Any notice delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares. Any joint shareholder may sign the proxy form, provided that if more than one joint shareholders attend the general meeting in person or by proxy, the vote of the senior joint shareholder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members in respect of the joint shareholding;
- (5) Any receipts issued to the Company by one of the joint shareholders in respect of any dividend, bonus issue or return on capital payable to such joint shareholders shall be deemed as a valid receipt that has been issued by all the joint shareholders to the Company.

Article 49 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate or engage in other activities that involve determination of shareholdings, shareholders whose names appear in the register of shareholders shall entitle relevant interests.

Article 50 The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and benefit distributions in other forms in proportion to the number of shares held;
- (2) the right to request, convene, preside attend or entrust proxy to attend general meetings and to exercise the corresponding voting right thereat;

- (3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer shares held by them in accordance with the laws, administrative regulations, rules, the relevant requirements of the securities regulatory authority in the place of listing of the shares of the Company and the provisions of the Articles of Association;
- (5) The right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 1. to obtain a copy of the Articles of Association, subject to payment of relevant costs;
 2. to inspect and copy, subject to payment of a reasonable charge:
 - 1) all parts of the register of shareholders (list of all shareholders at the close of trading on the date of equity registration as determined in the Company's last periodic report);
 - 2) personal particulars of each of the Company's directors, supervisors, general manager and other senior management staff, including:
 - (a) Present and former name and alias;
 - (b) Principal address (domicile);
 - (c) Nationality;
 - (d) Full-time and all other part-time occupations and duties;
 - (e) Identification document and its number.
 - 3) the status of the Company's share capital;
 - 4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last fiscal year and the aggregate amount incurred by the Company for this purpose (by domestic shares and foreign shares (including H shares (if applicable)));
 - 5) minutes of shareholders' general meeting (for inspection only) and copies of resolutions made at meetings of the shareholders, Board and Board of Supervisors;
 - 6) the latest audited financial statements and the reports of the Board of Directors, the auditors and the supervisors of the Company;

- 7) copies of the latest annual inspection report filed with the AIC or other authorities in the PRC;
 - 8) special resolutions of the Company.
3. bond stub of the Company

In accordance with the requirements of Hong Kong Listing Rules, the Company shall make the documents referred to in item 2(1) 、(3) 、(4) 、(5) 、(6) 、(7) and (8) available for free inspection by the public and shareholders of H Shares at the address of the Company in Hong Kong (except minutes of shareholder's general meeting shall be available for inspection by shareholders only). Shareholders demanding inspection of the relevant information aforesaid or request of the materials shall provide to the Company the written documents certifying the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request;

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (7) with respect to shareholders who vote against any resolution on the merger or division of the Company proposed at a general meeting, the right to demand the Company to repurchase the shares held by them;
- (8) The shareholders that solely or collectively hold more than 3% of the shares of the Company may put forward an interim proposal and submit it to the convener in written form within 10 days before the meeting is held;
- (9) other rights conferred by laws, administrative regulations, department rules, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

The Company shall not exercise any right against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 51 If any resolution made by the general meeting and the Board of Directors of the Company violates the laws and administrative regulations, the shareholders are entitled to apply to the People's Court to affirm it as invalid.

If the convening procedures and voting ways of the general meeting and the Board of Directors violate laws, administrative regulations or the Articles of Association, or the content of resolution is in violation of the Articles of Association, shareholders are entitled to apply to the People's Court for revocation of such resolutions within 60 days upon the date of adopting the resolution.

Article 52 If Board members and senior management officer violate laws, administrative regulations or stipulations of the Articles of Association when performing duties of the Company and thereby cause damage to the Company, shareholders who independently or jointly hold 1% or more of the shares of the Company for more than 180 days are entitled to apply in writing to the Board of Supervisors to file a suit to the People's Court; if the Board of Supervisors violates laws, administrative regulations or stipulations of the Articles of Association when performing duties of the Company thereby causing damage to the Company, shareholders are entitled to apply in writing to the Board of Directors to file a suit to the People's Court.

Where the Board of Directors and the Board of Supervisors refuse to file a suit after receiving the written request of shareholders aforesaid in the preceding paragraph, or don't file a suit within 30 days from the date of receiving the request, or if the suit is not filed immediately, irreparable damage to the benefit of the Company may be caused due to urgent situations, shareholders specified in the preceding paragraph are entitled to directly file a suit to the People's Court in his own name for the benefit of the Company.

If another person infringes upon the legitimate interest of the Company and thereby causes damage to the Company, shareholders specified in the first paragraph may file a suit to the People's Court in accordance with provisions of the first two paragraphs.

Article 53 When the Board members and senior management officer infringe on legitimate interests of shareholders in violation of laws, administrative regulations or stipulations in this Articles of Association, then the shareholders have the right to file suit to the People's Court.

Article 54 Shareholders of the Company shall perform the following obligations:

- (1) to abide by laws, administrative regulations, department rules, regulatory rules of the place where the Company's shares are listed and the Articles of Association;
- (2) to pay share capital according to the number of shares subscribed and the method of subscription;
- (3) shall be liable for the debts of the Bank to the extent of all their shareholdings;
- (4) not to withdraw the shares unless required by the laws and administrative regulations;
- (5) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company;

Shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law;

where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly liable for the debts owed by the Company;

- (6) other obligations imposed by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

Article 55 Shareholders holding more than 5% of the voting shares of the Company who pledge their shares shall send a written notice to the Company as of the date of such pledge.

Article 56 The controlling shareholder and the actual controller shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated this provision and caused damage to the Company, they shall bear the liability for such damages.

The controlling shareholder and the actual controller of the Company shall have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the laws. The controlling shareholder shall not do harm to the legitimate interests of the Company and public shareholders of the Company through means such as profit distribution, asset restructuring, overseas investment, possession of capital lending guarantees, connected transactions, and shall not make use of its controlling status against the interests of the Company and shareholders of the Company.

Article 57 In addition to obligations imposed by laws, administrative regulations or regulatory rules of the place on which shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person), by any means, of the Company's assets, including (but not limited to) opportunities beneficial to the Company;
- (3) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (but not limited to) any rights to distributions and voting rights save for the restructuring of the Company submitted to the general meeting for approval in accordance with the Articles of Association.

Article 58 The term "controlling shareholder" referred to in the Articles of Association means a person who satisfies any one of the following conditions:

- (1) a person who, acting alone or in concert with others, has the right to elect more than half of the Board members;
- (2) a person who, acting alone or in concert with others, has the right to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has real control of the Company in any other way.

Section 2 General Provisions of Shareholders' General Meeting

Article 59 The shareholders' general meeting is the organ of power of the Company which exercises the following functions and powers according to law:

- (1) determining the Company's business policies and investment plans;
- (2) electing and replacing directors and supervisors appointed from employee representatives, and determining matters concerning remunerations to directors and supervisors;
- (3) examining and approving reports of the Board of directors;
- (4) examining and approving reports of the Board of Supervisors;
- (5) examining and approving the Company's annual financial budget and final account proposals;
- (6) examining and approving the Company's profit distribution plans and losses making up plans;
- (7) adopting resolutions concerning the increase or decrease of the Company's registered capital;
- (8) adopting resolutions on issuing bonds or other securities of the Company, and the listing plans;
- (9) make resolution on merger, division, dissolution and liquidation or form change of the Company;
- (10) modifying the Articles of Association;
- (11) adopting resolution on engagement, dismissing or discontinuing the appointment of an accounting firm;
- (12) examining external guarantees matters which should be submitted to the shareholders' general meeting for examination in accordance with the Articles of Association;
- (13) examining purchase or sale of material assets of the Company that exceed 30% of the Company's total audited assets in the latest period within one year;
- (14) examining material transactions and connected transaction which should be submitted to the shareholders' general meeting for examination in accordance with the relevant laws, administrative regulations, regulatory rules of the place where the Company's shares are listed as well as the Articles of Association;
- (15) examining and approving the formulation, modification and implementation of equity incentive plans;
- (16) examining temporary proposals put forward by the shareholders who hold than 3% of the total voting shares of the Company individually or jointly;
- (17) examining and approving changes in use of the raised capital;

- (18) examining other matters which shall be decided by the shareholders' general meeting according to the laws, administrative regulations, departmental rules, Hong Kong Listing Rules or the Articles of Association.

Without violating the laws, regulations and mandatory provisions of relevant laws and regulations of the listing place, the general meeting may authorize or appoint the Board to handle matters authorized or delegated by the general meeting.

Article 60 Without the prior approval of the shareholders' general meeting, the Company shall not conclude any contract with any person other than a director, supervisor, manager and other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.

Article 61 The following external guarantees to be provided by the Company shall be considered and approved by the shareholders' general meeting:

- (1) Provision of a single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (2) Any provision of guarantee, where the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds 50% of the latest audited net assets;
- (3) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (4) On the basis of guarantee amount being calculated accumulatively for 12 consecutive months, any provision of guarantee exceeds 30% of the latest audited total assets;
- (5) Provision of guarantee to shareholders, de facto controllers and their connected parties;
- (6) Other guarantees stipulated by laws, regulations, normative documents, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

External guarantees to be approved at shareholders' general meeting shall be considered and approved by the Board of Directors before submission to the shareholders' general meeting. When the shareholders' general meeting is examining a guarantee in paragraph (4) of this Article, it shall be subject to approval by more than two thirds of the voting rights of the attending shareholders.

The Board of Directors is authorized to consider and approve other external guarantees except for the above guarantees subject to approval by shareholders' general meeting.

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or related connected party, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending Shareholders.

Article 62 The shareholders' general meeting consists of the annual meeting and extraordinary shareholders' general meeting. The annual meeting shall be held once every year within 6 months upon conclusion of the previous fiscal year.

Article 63 The Board shall convene an extraordinary shareholders' general meeting within 2 months since the date of the occurrence of any of the following circumstances:

- (1) The number of directors is less than two thirds of the number prescribed by the Company Law or the Articles of Association;
- (2) The Company's loss not made up reaches one third of the total paid-in equity;
- (3) Written request of extraordinary shareholders' general meeting has been put forward by the shareholders who have more than 10% of the total voting shares of the Company individually or jointly held (number of shares held shall be counted on the date of shareholders' written request);
- (4) The Board of directors deems it as necessary;
- (5) The Board of Supervisors proposes to convene;
- (6) Other circumstances stipulated by laws, administrative regulations, departmental regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 64 The location for the Company to convene a shareholders' general meeting shall be the Company's domicile or other places specified in the notice of the shareholders' general meeting.

The shareholders' general meeting will set up an assembly room and the location of meeting shall be clear and specific.

Section 3 Convening of Shareholders' General Meeting

Article 65 The general meeting shall be convened by the Board. If the Board is unable or fails to fulfill the obligation of convening the meetings of the general meeting, the Board of Supervisors shall convene such meetings. If the Board of Supervisors does not convene such meetings, the shareholders individually or jointly holding no less than 10% of the Company's shares for no less than 90 consecutive days may convene such meetings on their own.

Article 66 Independent directors shall have the right to propose for an extraordinary shareholders' general meeting to the Board of Directors. The Board of Directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting of shareholders according to the provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association within 10 days after receiving a proposal put forward by independent directors on convening an extraordinary general meeting of shareholders.

Directors will issue a notice to convene a shareholders' general meeting within 5 days after making the resolution where it agrees to convene an extraordinary general meeting of shareholders; where the Board of Directors disagree to convene an extraordinary shareholders' general meeting, it shall explain the reasons and make a public notice.

If the securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 67 The Board of Supervisors shall have the right to propose for an extraordinary general meeting of shareholders to the Board of Directors, and shall put forward its proposal to the Board of Directors in written form. The Board of Directors shall give a written reply on whether to agree or disagree to convene an extraordinary general meeting of shareholders according to the provisions of the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association within 10 days after receiving the proposal.

The Board of Directors will issue a notice to convene a shareholders' general meeting within 5 days after making the resolution where it agrees to convene an extraordinary general meeting of shareholders, any changes made to the original proposal in the notice shall obtain consents of the Board of Supervisors.

Where the Board of Directors disagrees to convene an extraordinary general meeting of shareholders or fails to give a feedback after receiving the proposal within 10 days, the Board of Directors shall be regarded as unable to perform or fail to perform its duty to convene a shareholders' general meeting, the Board of Supervisors can convene and preside over a shareholders' general meeting on its own initiative.

Article 68 The shareholders that solely or collectively hold more than 10% shares of the Company can submit written requests to the Board of Directors to require the latter to convene an extraordinary general meeting of shareholders. The Board of Directors shall give a written reply on agreeing or disagreeing to convene an extraordinary general meeting of shareholders within 10 days upon receipt of the request in accordance with the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

Where the Board of Supervisors agrees to hold an extraordinary general meeting of shareholders, it shall send out a notice within 5 days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders.

Where the Board of Directors does not agree to hold an extraordinary general meeting of shareholders or fails to give a reply within 10 days upon receipt of the proposal, the shareholders that solely or collectively hold 10% or more shares of the Company shall have the right to propose the Board of Supervisors to hold an extraordinary general meeting of shareholders, and shall put forward the request to the Board of Supervisors in written form.

Where the Board of Supervisors agrees to hold an extraordinary general meeting of shareholders, it shall send out a notice within 5 days upon receipt of the request, any changes made to the original proposal in the notices shall obtain the consent of the relevant shareholders.

Where the Board of Supervisors fails to send out a notice on the extraordinary general meeting of shareholders within the prescribed time limit, it shall be regarded that the Board of Supervisors will not convene or preside over the meeting, and the shareholders that solely or collectively hold 10% or more shares of the Company for consecutively 90 or more days may hold or preside over the meeting on their own initiatives.

Article 69 Where the Board of supervisors or shareholders decide to convene the shareholders' general meeting on its/their own initiative, it/they shall send out a written notice to the Board of Directors, and shall put on the records of the dispatched office of the China Securities Regulatory Commission and the Stock Exchange at the locality of the Company.

Before the resolution of the shareholders' general meeting is announced, the proportion of shares held by the summoning shareholders shall be no less than 10%.

Article 70 In respect to the shareholders' general meeting convened by the Board of supervisors or shareholders on its/their own initiative, the Board of Directors and its secretary shall show cooperation. The Board of Directors shall provide the register of shareholders on the date of equity registration.

Article 71 The expenses necessary for holding the shareholders' general meeting convened by the Board of supervisors or shareholders shall be borne by the Company, and deducted from payment due from the Company to the default director.

Section 4 Proposal and Notice of the Shareholders' General Meeting

Article 72 The contents of a proposal shall be within the duty of the shareholders' general meeting, have definite topics and specific matters for resolution, and shall be in line with the laws, administrative regulations, Hong Kong Listing Rules and the Articles of Association.

Article 73 Where the Company convenes a shareholders' general meeting, the Board of Directors, the Board of supervisors and the shareholders that solely or collectively hold 3% or more of the shares of the Company may put forward a proposal to the Company.

The shareholders that solely or collectively hold 3% or more of the shares of the Company may put forward an interim proposal and submit it to the convener in written form within 10 days before the meeting is held. The convener shall issue a supplementary notice on the meeting and announce the contents of the interim proposal within 2 days upon receipt of the aforesaid proposal.

Unless it is prescribed by the preceding paragraph, the convener shall, after sending out a notice on the shareholders' general meeting, not amend the proposal as mentioned in the aforesaid notice or add any new proposal.

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

Article 74 Where the Company shall convene a shareholders' general meeting, the Company shall send out a written notice 20 days before the meeting (exclusive the date sending a notice and the date convening a meeting), and while convening a extraordinary shareholders' general meeting, the Company shall send out a written notice 15 days or 10 working days before the meeting (which is longer, exclusive the date sending a notice and the date convening a meeting). If the laws, regulations and securities regulators of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

An extraordinary general meeting of shareholders may not decide any matters not stated in the notice.

Article 75 A notice of the shareholders' general meeting shall be in writing and including following contents:

- (1) state the time, venue, duration and form of the meeting;
- (2) state the matters to be considered at the meeting and the proposals;
- (3) contain a prominent statement that all shareholders shall be entitled to attend and appoint in writing proxy to attend and vote on his/her behalf and that a proxy need not to be a shareholder;
- (4) list the name and the phone number of the permanent contact person of the meeting;

- (5) provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them; this principle includes (but not limited to) the terms of the proposed transaction must be provided in detail together with the proposed contract (if any), and the cause and effect of such proposal must be properly explained while the Company proposes a merger, repurchase of shares, reorganizing the share capital or restructuring the Company in any other way;
- (6) contain a disclosure of the nature and extent of any material interest of a director, supervisor, manager or other senior management officer in the matters for discussion and the effect of interest on his/her capacity as a shareholder insofar as it is different from the interest of the shareholders of the same class;
- (7) contain the full text of any proposed special resolution to be voted at the meeting;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) specify the record date on which the shareholders are eligible to attend the shareholders' general meeting;
- (10) other requirements stipulated by laws, administrative regulations, departmental regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association.

Any notice and supplementary notice of general meetings shall include the contents prescribed by Hong Kong Listing Rules and Articles of Association, and sufficiently and completely disclose all contents of all proposals. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice. The notice of the general meeting of shareholders shall provide a full and clear explanation of the proposals and, for the proposal to be voted on, shall provide the directors' advice on how the shareholders shall vote in the best interest of the shareholders as a whole. The notice should clearly state whether (and how) shareholders who participate in the general meeting by remote means can vote.

If the Company needs to provide additional material information on matters proposed at the general meeting, it shall provide such information no less than 10 working days in advance. The Company shall, if necessary, adjourn the shareholders' general meeting to ensure compliance with this provision.

Article 76 If the elections of directors and supervisors are intended to be discussed at the shareholder's general meeting, the notice of the shareholders' general meeting shall fully disclose the details of the candidates for the role of directors and supervisors, and shall at least include the following particulars:

- (1) personal particulars, such as education level, work experience and any part-time work undertaken;
- (2) whether there is any connected relationship with the Company or with the controlling shareholders and de facto controllers of the Company;
- (3) disclosure of their shareholding in the Company;

The election of each director and supervisor shall be voted upon on a separate basis.

Article 77 Unless otherwise required by relevant laws, regulations, listing rules of place(s) where the Company's shares are listed or the Articles of Association, the notice, information or written statement for the shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the general meeting) by special appointed person or prepaid mail. The recipient address in the register of shareholders shall prevail. For the holders of domestic shares, the notice of the shareholders' general meeting may be issued in the form of public notice.

The public notice in the preceding paragraph shall be published in one or more newspapers designated by the security regulatory authority of the State Council. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Provided that complying with the requirements of laws, administrative regulations, departmental regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association and fulfilling relevant procedures, the notice of the shareholders' general meeting to H shareholders shall be published on the websites stipulated by the Hong Kong Stock Exchange or our website, instead of serving by special appointed person or prepaid mail. After the publication of such notice, the holders of foreign shares listed overseas shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 78 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 the notice shall not invalidate the proceedings at that meeting.

Article 79 After the notice on convening the shareholders' general meeting sent out, the shareholders' general meeting shall not be postponed or cancelled and the proposal listed in the notice on the shareholders' general meeting shall not be cancelled without justifiable causes. In the case of any circumstance for postponement or cancellation of the meeting, the convener shall make an announcement and explain the reasons at least 2 working days before the date for the planned shareholders' general meeting. If the Company changes the venue or time of a general meeting, it shall give full prior notice to the shareholders.

Section 5 Holding of the General Meeting of Shareholders

Article 80 The Board of Directors and any other convener shall take necessary measures to guarantee the normal order of the shareholders' general meeting, and shall take measures to deter any act of disturbing the shareholders' general meeting, picking quarrels and provoking troubles or damaging the lawful rights and interests of any shareholder, and shall timely report it to the relevant department for investigation and punishment.

Article 81 At the time of the shareholders' general meeting, all shareholders registered on the register of shareholders on the date of equity registration or their proxies shall be entitled to attend the shareholders' general meeting and exercise their voting rights in accordance with the relevant laws, regulations and the Articles of Association.

Article 82 Any shareholder entitled to attend and vote at the shareholders' general meeting shall be entitled to attend the meeting in person, or appoint one or more other persons (who may not be shareholders) as his/her proxy to attend and vote on his/her behalf. A shareholder shall entrust the proxy in writing, which shall be signed by the entrusting party or by the proxy entrusted by the entrusting party in writing; if the shareholder is a legal entity, the written entrustment file shall be sealed by the legal entity's stamp or signed by its directors or the proxy officially appointed by the shareholder.

The shareholder proxy can exercise the following rights according to the entrustment of the shareholder:

- (1) have the same right as the shareholders to speak at the shareholders' general meeting;
- (2) have authority to demand a poll or join in such a demand;
- (3) have the right to vote by hand or on a poll, except that, where a shareholder has appointed more than one proxy, his/her proxies may only exercise the voting rights when a poll is taken.

Article 83 A shareholder shall attend the meeting upon the strength of his/her ID card or other valid certificates or proof that can prove his/her identity; a proxy who attends the meeting entrusted by a shareholder shall show his/her valid ID card and the letter of attorney issued by the shareholder.

Institutional shareholders should assign his/her legal representative (principal) or a proxy authorized by the legal representative (principal) to attend the meeting. Where a legal representative (principal) attends the meeting, he/she should show the ID card, and a valid certification to prove the qualification of the legal representative (principal); where an entrusted proxy attends the meeting, the proxy should show his/her ID card, a written letter of attorney issued by the legal representative (principal) of the institutional shareholder unit in accordance with the laws.

Article 84 The letter of attorney issued by a shareholder to entrust a proxy to attend the shareholders' general meeting shall be in writing and include the following contents:

- (1) the name of the proxy;
- (2) whether have the voting right or not;
- (3) the instructions which respectively vote consent, objection and abstention over each item to be examined by the shareholders' general meeting;
- (4) the issuance date and expiry date of the letter of attorney;
- (5) the signature (or seal) of entrusting party. Where the entrusting party is an institutional shareholder, the legal entity shall seal on the letter of attorney, or its director or duly authorized proxy or officer sign on its.

Article 85 The form of any blank letter of attorney issued by the Board of Directors of the Company to the shareholders for the appointment of the shareholder's proxy shall give the shareholder free choice to instruct the shareholder's proxy to vote for, against or abstain from voting, and to give separate directions as to the matter to be voted on each item of the meetings. The letter of attorney shall indicate that the shareholder proxy can vote according to his/her own opinions if the shareholder does not make specific instructions.

Article 86 The power of attorney shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or within 24 hours prior to the specified time of the vote. Where the power of attorney is signed by another person authorized by the entrusting party, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall, together with the letter of attorney for the voting proxy, 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 the meeting.

Where the entrusting party is an institutional shareholders, its legal representative (principal) or the person authorized by resolution of its Board of Directors or other decision-making body shall be entitled to attend the Company's shareholders' general meeting as the representative of such legal person.

Where the shareholder is a recognized clearing house (or its proxy) defined by the relevant ordinances stipulated in Hong Kong from time to time, the shareholder may authorize one or more persons it considers appropriate as its representative(s) at any shareholders' general meeting or any category shareholders meeting; However, if more than one person obtain authorization, the power of attorney shall contain the involved number and category of shares for which such persons are authorized, and could be signed by an authorized officer of the recognized clearing house. The authorized persons can represent the recognized clearing house (or its proxy) to attend the meeting and exercise its right (not need to show holding certificate, notarized authorization and/or further evidence to proof due authorization), as if the persons are the Company's individual shareholders.

Article 87 Where the entrusting party dies, loses its capacity for action, has revoked the authorization of signing instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the power of attorney shall remain valid as long as the Company has not received a written notice of the event prior to the relevant meeting.

Article 88 The attendance records of the meeting shall be prepared by the Company. The records shall include the names (or company names) of participants, the ID card numbers, resident addresses, numbers of voting shares held or represented, and names (or company names) of appointers.

Article 89 The convener and the lawyers engaged by the Company shall jointly verify the validity of the Shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Article 90 When a shareholders' general meeting is held, all the directors and supervisors and the secretary of the Board of Directors shall attend the meeting, and the general manager and other senior management officer shall attend the meeting as nonvoting delegates.

Article 91 The general meeting of shareholders shall be convened by the Board of Directors and held by the chairman of the Board of Directors. Where the chairman cannot perform his/her duties or fails to perform his/her duties, half of the directors or more shall jointly recommend one director to preside over the meeting. If no presider is appointed, a person may be elected at the Shareholders' general meeting to act as the presider. If for any reason, the shareholders fail to elect a presider, the shareholder (including proxy thereof other than HKSCC Nominees Limited) holding the most voting shares thereat shall preside over the meeting.

Where the Board of Supervisors convene the shareholders' general meeting by themselves, the chairman of the Board of Supervisors shall preside over the meeting. Where the chairman of the Board of Supervisors cannot perform his duties or fails to perform his duties, half of the supervisors or more shall jointly recommend one supervisor to preside over the meeting.

Where the shareholders convene the shareholders' general meeting by themselves, the convener shall recommend one representative to preside over the meeting.

When the shareholders' general meeting is held and the presider of the meeting violates the rules of procedure and makes it difficult for the shareholders' general meeting to continue its meeting, the shareholders' general meeting may recommend one person as the presider of the meeting upon consent of not less than half of the voting shareholders that are present at the meeting, and continue the meeting.

Article 92 The Company shall formulate the rules of procedures for the shareholders' general meeting, which shall provide detailed provisions for the convening and voting procedures, including notice, registration, examination of proposals, voting, vote counting, announcement of voting results, formation of meeting resolutions, minutes and signing, as well as the principle of authorization of the board of directors by the shareholders' meeting. The authorization content should be clear and specific. The rules of procedures for the shareholders' general meeting shall be made as an appendix to the Articles of Association, prepared by the Board of Directors and approved by the shareholders' general meeting.

Article 93 At an annual shareholders' general meeting, the Board of Directors and the Board of Supervisors shall report their respective work of the previous year to the general meeting of shareholders.

Article 94 The directors, supervisors and senior management officer shall explain the inquiries and suggestions of shareholders at the shareholders' general meeting.

Article 95 The presider of meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 96 Minutes of General Meetings shall be recorded by the secretary to the Board of Directors and contain the following items:

- (1) the date, place and agenda of the meeting, and the name of the convener;
- (2) the name of the presider of the meeting, and the names of directors, supervisors, general managers and other senior management members of the Company attending or present at the meeting;
- (3) the number of shares carrying voting rights held respectively by shareholders and their proxies attending the meeting, and the percentage of the total number of shares of the Company they represent;
- (4) the discussions in respect of each motion, highlights of the speeches and the voting results on each resolution;
- (5) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;

- (6) the names of vote counters and vote monitors;
- (7) such other matters which shall be recorded in the minutes of the meeting in accordance with the provisions of the Articles of Association.

Article 97 The convener shall ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, supervisors, the secretary to the Board of Directors, the convener or his or her representative, and the presider of the meeting attending the meeting shall sign the minutes of the meeting. The minutes of the meeting and the signed attendance record of the shareholders who attended in person, the proxy forms and the valid information relating to voting online and by other means shall be kept together for a term of not less than 10 years.

Article 98 The convener shall ensure that a General Meeting is held continuously until final resolutions have been reached. If the General Meeting is suspended or the shareholders fail to reach any resolution due to force majeure or other special reasons, measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly.

Section 6 Voting and Resolution of the Shareholders' General Meeting

Article 99 Resolutions of the shareholders' general meeting include ordinary and special resolutions.

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

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

Article 100 The following matters shall be passed by ordinary resolution by the shareholders' general meeting:

- (1) The work report of the Board of Directors and the Board of Supervisors;
- (2) The profit distribution plan and loss make-up plan proposed by the Board of Directors;
- (3) Appointment and removal and remuneration and payment methods of the members of the Board of Directors and the Board of Supervisors;
- (4) The Company's annual budget and final accounts report, balance sheet, profits statement and other financial statements;
- (5) The Company's annual report;
- (6) Other matters other than those stated to be passed by special resolutions by the laws, administrative regulations regulatory rules of the place where the Company's shares are listed or the Articles of Association.

Article 101 The following matters shall be resolved by way of special resolutions of the shareholders' general meeting:

- (1) Increase or reduction of the Company's share capital and issuance of any category of shares, warrants or other similar securities;
- (2) Resolutions on issuance of the Company's bonds or other securities and listing plans;
- (3) Division, merger, dissolution and liquidation or form change of the Company;
- (4) Amendment of the Articles of Association;
- (5) The Company purchase or sale of material assets or guarantee amount that exceed 30% of the Company's total audited assets in the latest period within one year;
- (6) The formulation, modification and implementation of equity incentive plan;
- (7) repurchase the Company's shares;
- (8) Other matters prescribed in the laws and administrative regulations, departmental regulations, provisions of securities regulatory authority of the locality where the Company shares are listed or the Articles of Association, as well as other matters, as determined by way of an ordinary resolution of the shareholders' general meeting, which may have a significant impact on the Company and require adoption by way of a special resolution.

Article 102 Where voting at the shareholders' general meeting, the shareholders (including proxies) shall exercise their voting rights according to the number of voting shares that they hold at the shareholders' general meeting, each share shall carry one voting right.

For any issue which shareholders shall abstain from voting or can only vote either in favor of or against pursuant to Hong Kong Listing Rules, the shareholders shall abstain from voting according to such regulations. Any votes in violation of the relevant regulations or restrictions casted by the shareholders or their proxies will not be calculated into the voting results.

The Company has no voting right for the shares it holds, and such part of shares shall not be included in the total amount of voting shares of the shareholders that attend the shareholders' general meeting.

When any shareholder is not allowed to exercise any voting right or is restricted to cast either affirmative or negative vote in respect of certain proposal according to the laws, administrative regulations and regulatory rules of the place where the Company's shares are listed, then the vote of the shareholder or its proxy in violation of the aforesaid rules or restrictions shall not be included in the voting result.

Article 103 In case the shareholders' general meeting examines matters relating to connected transactions (as defined in Hong Kong Listing Rules), the associated shareholder and his/her close associate (as defined in Hong Kong Listing Rules) shall withdraw from the voting, its voting shares shall not be included in the total amount of valid voting shares. The resolution announcement of the shareholders' general meeting shall be given full disclosure of non-affiliated persons' vote.

Before the general meeting considers matters relating to connected transactions, the Company shall determine the scope of connected shareholders in accordance with relevant laws, regulations and normative documents. Connected persons or their authorized representatives may attend the general meeting, and may clarify their views to the shareholders in accordance with the procedures of the meeting, but they shall abstain from voting in a poll.

Where the general meeting considers matters relating to connected transactions, connected shareholders shall abstain from voting. If connected shareholders fail to abstain from voting, other shareholders attending the meeting shall have the right to request them to abstain from voting. After connected persons have abstained from voting, other shareholders shall vote according to their voting rights and pass the corresponding resolutions in accordance with the provisions of the Articles of Association. The presider of the meeting shall announce the number of shareholders and proxies except connected persons present at the general meeting and the total number of their voting shares.

In order to be valid, the resolutions made at the general meeting on matters relating to connected transactions shall be passed by more than half of the votes cast by the non-connected shareholders attending the general meeting. However, in order to be valid, in the event of such connected transaction involving matters that need to be passed by special resolution as stipulated in the Articles of Association, the resolutions of the general meeting must be passed by more than two thirds of the voting rights held by the non-connected persons attending the general meeting.

Where connected persons or their associates participate in voting in violation of the provisions under this article, their voting in respect of matters relating to connected transactions shall be invalid.

Article 104 The Company can provide convenience for shareholders to attend the shareholders' general meeting through all kinds of means and methods under the premise of guaranteeing the conformity to laws and effectiveness of the shareholders' general meeting.

Article 105 The list of directors and supervisors' candidates shall be submitted to the shareholders' general meeting for voting in the form of proposal.

Article 106 The shareholders' general meeting shall vote on all the proposals item by item, and shall vote on the proposals based on the time sequence of the proposals if there are various proposals for one matter. Unless the shareholders' general meeting is suspended or no resolution can be made due to special reasons such as force majeure, the shareholders' general meeting shall not shelve the proposals or suspend the voting of proposals.

Article 107 When the shareholders' general meeting examines a proposal, it shall not amend the proposal, otherwise, the relevant modification shall be regarded as a new proposal and shall not be voted on at the present shareholders' general meeting.

Article 108 Unless the resolutions on relevant procedures of a general meeting or administrative matters which can be decided by the chairman in the spirit of honesty and credibility and shall be voted on by show of hands, voting for a general meeting shall be made by ballot.

Above procedural or administrative matters are those that:

1. are not on the agenda of the shareholders' general meeting or in any supplementary circular to members; and
2. which relate to the presider's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing the Shareholders a reasonable opportunity to express their views.

Article 109 Where the matter requested to be voted upon by ballot is the election of the presider or the adjournment of the meeting, a ballot shall be taken immediately; where a ballot is requested for any other matter, such ballot shall be taken at the time decided upon by the presider and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution adopted at that meeting.

Article 110 When the shareholders' general meeting is voting on the proposals, the lawyers, representatives of shareholders and supervisors and other person appointed according to Hong Kong Listing Rules shall be jointly responsible for the calculation and monitoring of ballots as per Hong Kong Listing Rules, the voting results shall be announced on the site and shall be recorded in the minute of the meeting.

Article 111 The shareholders' general meeting shall be held in the form of live meeting or other forms permitted by laws and regulations.

The live meetings of the shareholders' general meeting shall not end any earlier than that held through network or by any other means. The presider of the meeting shall declare the voting and result of each proposal at the meeting, and announce whether the proposal has been adopted considering the voting result.

Before the voting result is formally announced, relevant parties including the Company, vote counters, vote monitors, main shareholders etc. involved in the shareholders' general meeting shall bear the obligation of keeping the confidentiality of the voting.

Article 112 The shareholders attending the shareholders' general meeting shall deliver one of the following kinds of opinion on the proposals put forward for voting: consent, objection or abstention, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between PRC and Hong Kong stock markets, based on the actual holders' intentions.

Voters, whose ballots are not filled in, wrongly filled in or unintelligible shall be regarded as having abandoned their voting rights and the voting results of their shares shall be regarded as "abstention".

At the time of voting, any shareholder who has two or more votes (including the proxies of such shareholders) needs not to use all votes for or against any resolution or to abstain from voting on such resolution.

The same voting right with duplicate voting will be subject to the outcome of the first voting.

Article 113 Where the presider of the meeting has any doubts over the results of a resolution put forward for voting, he/she may organize the counting of the number of vote cast; where the presider of the meeting does not count the votes, a shareholder or its proxy attending the meeting who challenges the result announced by the presider of the meeting shall have the right to request counting of votes to be conducted immediately after such announcement, and the presider of the meeting shall immediately organize the counting of the votes.

Where counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance records signed by the attending shareholders and proxies' power of attorneys shall be kept at the Company's domicile.

Article 114 The resolutions of the shareholders' general meeting shall be announced in a timely manner according to the laws, regulations, departmental regulations, normative documents, regulatory rules of the place where the Company's shares are listed and the Articles of Association, and the announcement of resolution shall indicate the number of shareholders and proxies that attended the meeting, the total amount of their voting shares and its proportion to the total voting shares of the Company, the total number of shares that are required to waive the consent vote and/or the total number of shares (if any) that are required to waive the right to vote in respect of individual proposal as required by the regulatory rules of the place where the shares of the Company are listed and whether the shareholders who should waive the right to vote are waiving their right to vote, the voting method, the voting result of each proposal and detailed contents of each resolution.

Article 115 Where the shareholders' general meeting adopts the proposal on the election of relevant directors or supervisors, the post-taking time of the newly appointed directors or supervisors shall be calculated from the date when the resolution of the shareholders' general meeting is adopted.

Article 116 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests from the Company a photocopy of relevant minutes of meetings, the Company shall send such photocopies within 7 days of receiving payment of reasonable charges.

Section 7 Special Procedures for Voting by Classified Shareholders

Article 117 Shareholders who hold different categories of shares shall be classified shareholders. Classified shareholders enjoy rights and assume obligations according to laws, administrative regulations, Hong Kong Listing Rules and the provisions of the Articles of Association. Shareholders of all categories shall entitle the equal rights in any distribution made in the form of dividends or otherwise.

Article 118 Where the Company proposes to change or abrogate the rights of classified shareholders, the proposal shall be implemented only after it has been approved by a special resolution of the shareholders' general meeting and by the shareholders' meetings convened separately by affected classified shareholders according to Article 120 to Article 124 of the Articles of Association.

Article 119 In the following conditions, the rights of a certain classified shareholders shall be deemed to be changed or abrogated:

- (1) an increase or decrease in the number of shares of such category, or an increase or decrease in the number of shares of a category which enjoys equal or more voting rights, distribution rights and other privileges to those of the shares of such category;
- (2) a conversion of all or part of the shares of such category to the shares of another category, or a conversion of all or part of the shares of another category to the shares of such category, or the grant of such conversion right;
- (3) a cancellation or reduction of the right of the shares of such category to gain accrued dividends or cumulative dividends;
- (4) a reduction or cancellation of the priority of the shares of such category to in obtaining dividends, or property distribution in the Company's liquidation;
- (5) an increase, cancellation or reduction in the share conversion rights, options, voting rights, transfer rights, pre-emptive rights, and rights to acquire the Company's securities attached to the shares of such category;

- (6) a cancellation or reduction of rights to receive amounts payable of the Company in a particular currency attached to shares of such class;
- (7) a creation of a new category of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such category;
- (8) an imposition of restrictions or increase of restrictions on the transfer or ownership of shares of such category;
- (9) a right to subscribe for such class or another category of shares, or convert into another category of shares;
- (10) an increase in the rights and privileges of shares of another category;
- (11) restructuring plan of the Company will cause shareholders of different categories to bear liability disproportionately during the restructuring;
- (12) an amendment or cancellation of the provisions in this chapter.

Article 120 Affected classified shareholders, regardless of whether they originally have voting rights in the shareholders' general meeting, have the voting rights on the classified shareholders' meeting for issues stated in (2) to (8) and (11) to (12) referred above, except for the interested.

The interested shareholders mentioned in the preceding paragraph are defined as follows:

- (1) when the Company issues a buy-back offer to all shareholders equally pro rata or buys back its own shares by open transaction at stock exchange according to the Articles of Association. The interested shareholders refer to the controlling shareholders defined in the Articles of Association;
- (2) when the Company buys back its own shares by agreement outside a stock exchange in accordance with this Articles of Association, the interested shareholders refer to the shareholders which are related to the agreement;
- (3) in the Company's restructuring plan, the interested shareholders refers to those shareholders who undertake liability in a lower proportion than other shareholders under this category or refers to the shareholders who own interests different from other shareholders under this category.

Article 121 The resolutions of classified shareholders' meeting shall be passed by more than two thirds of voting shares of shareholders who attend classified shareholders' meeting and have the voting rights according to previous Article.

Article 122 If the Company intends to convene a meeting of classified shareholders, it should issue a written notice as per Article 74 of the Articles of Association to inform all registered shareholders under this category about the issues to be reviewed at the meeting, meeting date and meeting place.

Unless otherwise required by the Articles of Association, the notice of the shareholders' general meeting shall be served on the shareholders (whether entitled to vote at the general meeting) by special appointed person or prepaid mail. The recipient address in the register of shareholders shall prevail. For the holders of domestic shares, the notice of the shareholders' general meeting may be issued in the form of public notice.

The public notice in the preceding paragraph shall be published in one or more newspapers designated by the security regulatory authority of the State Council between 20 to 25 business days before the date of the general meeting. After the publication of such notice, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

The notice of the shareholders' general meeting to holders of foreign shares listed overseas shall be published on the websites stipulated by the Hong Kong Stock Exchange and our website. After the publication of such notice, the holders of foreign shares listed overseas shall be deemed to have received the notice of the relevant shareholders' general meeting.

If the regulatory rules of the place where shares of the Company are listed provide otherwise, such provisions shall prevail.

Article 123 The notice on meeting of classified shareholders only needs to be sent to shareholders entitled to vote at the meeting.

Except as otherwise provided herein, meetings of classified shareholders should be held in the procedure, to the extent possible, same as that of the shareholders' general meeting. The provisions on procedures of shareholders' general meeting as stated in the Articles of Association apply to the meeting of classified shareholders.

Article 124 In addition to other classified shareholders, shareholders of domestic shares and shareholders of foreign shares listed overseas are regarded as shareholders under different categories. The following circumstances shall not apply to special procedures for voting by classified shareholders:

- (1) upon approval of the general meeting of shareholders by special resolution, the Company issues domestic listed shares and overseas listed shares every other twelve (12) months, either separately or simultaneously, and the domestic listed shares and overseas listed shares to be issued do not exceed 20% of the total number of such category of shares already issued to the public;
- (2) the plan on issuing domestic listed shares and overseas listed shares at the incorporation of the Company is accomplished within 15 months from the date of obtaining approval from the securities regulatory authority of the State Council;
- (3) unlisted shares that have been issued (including domestic shares and foreign shares) of the Company are converted into foreign shares listed overseas upon approval by the securities regulatory authority of the State Council or the securities approval authority authorized by the State Council.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 125 Directors are elected or replaced by the shareholders' general meeting for a term of 3 years. A director may, if re-elected upon expiration of the term of office, serve consecutive terms. The directors need not hold shares of the Company.

The written notice regarding the intent of nominating the director candidates and the candidates' acceptance of the nomination shall be sent to the Company 7 days before the shareholders' general meeting (the period will commence from the day after the dispatch of the notice of the general meeting, and end no later than 7 days prior to the date of such general meeting). The term of office of directors is from the date of taking office until the expiration of the term of office of the current Board of Directors. Where no election is conducted in time before the expiration of the term of office of a director, the existing director shall, before the director-elected takes office, continue to perform his/her duty as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Any director appointed by the Board of Directors to fill a casual vacancy or as an addition to the Board of Directors shall hold office only until the next shareholder's general meeting of the Company, and shall then be eligible for re-election.

Unless otherwise required by laws, regulations, or regulatory rules in the place where the Company's shares are listed, the Company may remove any director (including the general manager concurrently serving as a director and other executive directors) before the expiration of his/her term of office by way of an ordinary resolution at the shareholders' general meeting, without prejudice to claims for damages made by the director pursuant to any contract.

Under the prerequisite to abide by relevant laws and administrative regulations, the shareholders' general meeting may remove any director before the expiration of his/her term of office by way of an ordinary resolution, without prejudice to claims made by the director pursuant to any contract.

The general manager or other senior management officers may concurrently serve as a director, but the total number of directors concurrently serving as the general manager or other senior management officer positions shall be not more than half of the directors of the Company.

Article 126 The directors shall comply with laws, administrative regulations and the Articles of Association, and bear the following faithful obligations to the Company:

- (1) shall not take bribes or other illegal income by making use of the position, and not expropriate the properties of the Company;
- (2) shall not misappropriate the funds of the Company;
- (3) shall not save the assets or funds of the Company into the accounts opened in his own name or other personal name;
- (4) shall not violate the provisions of the Articles of Association, or without the consent of the shareholders' general meeting or the Board of Directors, loan funds of the Company to others or provide the properties of the Company to others for guarantee;
- (5) shall not violate the provisions of the Articles of Association, or without the consent of the shareholders' general meeting, enter into a contract or transaction with the Company;
- (6) without the consent of the shareholders' general meeting, shall not take advantage of the position, to seek business opportunities that shall belong to the Company for themselves or others, and engage in business similar to that of the Company by themselves or with others;
- (7) shall not accept and embezzle commissions from transactions with the Company;

- (8) shall not disclose the secrets of the Company without authorization;
- (9) shall not impair the interests of the Company by making use of their associated relationship;
- (10) other faithful obligations stipulated by laws, administrative regulations, and departmental rules and the Articles of Association.

The revenues obtained by the director in violation of this Article shall belong to the Company; in the event of causing losses to the Company, the director shall be liable for compensation.

Article 127 The directors shall comply with the laws, administrative regulations and the Articles of Association, and bear the following diligence obligations to the Company:

- (1) shall prudently, earnestly and diligently exercise the rights conferred by the Company, in order to ensure that the Company's business practices comply with the requirements of national laws, administrative regulations and economic policies; business activities shall not go beyond the business scope stipulated on the business license;
- (2) shall be fair to all shareholders;
- (3) shall timely understand the business operations and management of the Company;
- (4) shall sign a written confirmation to the Company's periodic reports, to ensure that the information disclosed by the Company is true, accurate and complete;
- (5) shall truthfully provide relevant information and data to the Board of Supervisors, and shall not prevent the exercise of functions and powers of the Board of Supervisors or the supervisors;
- (6) Other diligence obligations stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 128 A director shall be deemed incapable of carrying out his/her duties if he/she fails to attend two consecutive meetings of the Board of Directors either personally (attending or voting at the meeting of Board of Directors by means of communication or by written circulation is deemed to attend in person) or by appointing other directors to attend on his/her behalf. The Board of Directors shall make a proposal to the shareholders' general meeting to remove such director.

Article 129 The director may resign before the expiration of his/her term. The director shall submit a written resignation to the Board of Directors to resign. The Board of Directors shall disclose information regarding such resignation within 2 days.

Where the membership of the Board of Directors of the Company is less than the statutory number due to the resignation of a director within his/her term of office, such director shall, until a new director is elected, continue to perform his/her duty as a director in accordance with laws, administrative regulations, departmental rules and the Articles of Association.

Except as provided in the preceding paragraph, the resignation of directors shall come into force upon the delivery of the resignation report to the Board of Directors.

Article 130 After his/her resignation becomes effective or upon the expiration of his/her term of office, the director shall complete all transfer procedures to the Board of Directors, and the faithful obligations borne to the Company and shareholders are not accordingly be released; his/her confidentiality obligation to conserve trade secrets of the Company is still effective after the end of his term of office, until such secrets become public information. The duration of other faithful obligations shall be decided based on the principle of fairness, depending on the nature of the event, its importance to the Company, the duration of its impact on the Company, and its relation with the director.

Article 131 Without the provisions of the Articles of Association and the lawful authority of the Board of Directors, any director shall not act on behalf of the Company or the Board of Directors in his/her own name. When a director acts in his/her own name, under the circumstances that a third party may reasonably believe that the director acts on behalf of the Company or the Board of Directors, the director shall declare his/her position and identity in advance.

Article 132 A director that violates laws, administrative regulations, departmental rules or the Articles of Association and causes losses to the Company in performing duties of the Company shall be liable for compensation.

Article 133 The Company shall have independent directors (equivalent to the independent non-executive directors referred to in the Hong Kong Listing Rules), whose qualification requirements, nomination and selection procedures, term of office, resignation, and function and power shall be implemented in accordance with the relevant provisions of laws, administrative regulations, departmental rules and regulatory rules of the place where the Company's shares are listed. Unless otherwise stipulated in this Chapter, the provisions of the Articles of Association concerning the qualifications and duties of directors shall apply to independent directors.

Article 134 Independent directors shall faithfully perform their duties and safeguard the interests of the Company; in particular, they shall see to it that the legitimate rights and interests of public shareholders are not harmed, so as to ensure that the interests of all shareholders are fully represented. The duties and related matters of independent directors shall be carried out in accordance with laws, administrative laws and regulations, departmental rules and the regulatory rules of the place where the Company's shares are listed.

Section 2 Board of Directors

Article 135 The Company shall have a Board of Directors, which is accountable to the shareholders' general meeting.

Article 136 The Board of Directors consists of nine directors, including one chairman of the Board of Directors, and the number of independent directors shall be not less than one third of all the directors at any time. The total number of independent directors shall be not less than 3, and at least one of them shall be equipped with appropriate professional qualifications meeting regulatory requirements or appropriate accounting or relevant financial management expertise.

Article 137 The Board of Directors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (1) convene the shareholders' general meeting and report to the shareholders' general meeting;
- (2) implement the resolutions of the shareholders' general meeting;
- (3) decide the operation plan and investment plan of the Company;

- (4) formulate the annual financial budget plan and final account plan of the Company;
- (5) formulate the profit distribution plan and loss make-up plan of the Company;
- (6) formulate the plans for the increase or decrease of registered capital, the issuance of bonds or other securities and the listing of the Company;
- (7) make the plans for major acquisitions of the Company, the acquisitions of the stock of the Company or merger, division, dissolution and form change of the Company;
- (8) within the authorized range of the shareholders' general meeting, decide the Company's external investment, acquisition and selling of assets, pledged assets, external guarantee matters, entrusted financial management, associated/connected transactions, external financing and other matters;
- (9) investment, acquisition or sale of assets, financing, connected transactions and other matters to be decided by the Board of Directors under the listing rules of the stock exchange where the Company's shares are listed;
- (10) decide the establishment of the Company's internal management departments;
- (11) engage or dismiss the general manager and secretary of the Board of Directors of the Company; according to the nomination of the general manager, engage or dismiss the finance director, technology director, operation director, and other senior management officer; decide the remuneration matters and disciplinary matters of senior management officers;
- (12) formulate the basic management system;
- (13) formulate the amendment plan for the Articles of Association;
- (14) propose on the engagement or replacement of the accounting firm that audits the Company to the shareholders' general meeting;
- (15) listen to the work report of the general manager of the Company and check the work of the general manager;
- (16) manage the information disclosure matters of the Company;
- (17) other functions and powers conferred by laws, administrative regulations, departmental rules, regulatory rules of the place where the Company's shares are listed, or the Articles of Association.

A majority of at least two thirds or more of the directors shall be required for passing of any resolution in respect of Items (6), (7) and (13) above. A majority of over half of the directors shall be required for the passing of any resolutions in respect of the other matters specified above.

Article 138 For the disposal of any fixed assets by the Board of Directors, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' general meeting, the Board of Directors shall not dispose of or approve of the disposal of such fixed assets without the approval of the shareholders.

The disposal of fixed assets referred to in this Article includes the transfer of interests of certain assets, but excludes the provision of fixed assets as pledges to any guarantees.

The validity of transactions conducted by the Company in relation to the disposal of fixed assets shall not be affected notwithstanding any violation of the requirements set out in the 1st paragraph of this Article.

Article 139 The Board of Directors shall formulate the rules of procedure for the Board of Directors, so as to ensure that the Board of Directors implements the resolutions of the shareholders' general meeting, and works more efficiently to make reasonable decisions. The rules of procedure shall be prepared by the Board of Directors, approved at the shareholders' general meeting, and attached to the Articles of Association as an appendix.

Article 140 The Board of Directors shall define its authority in relation to external investment, acquisition and disposal of assets, acquisition and selling of assets, pledged assets, external guarantee matters, entrusted financial management, and associated/connected transactions, and establish strict examination and policy-making procedures; it shall arrange for the assessment and examination by relevant experts and professionals of substantial investment projects, and submit a report of the same to the shareholders' general meeting for approval.

Article 141 The chairman of the Board of Directors shall be elected by more than half of the members of the Board of Directors, has a term of office for 3 years and may be re-elected.

Article 142 The chairman of the Board of Directors shall exercise the following functions and powers:

- (1) preside over the shareholders' general meeting and convene and preside over meetings of the Board of Directors;
- (2) supervise and inspect the implementation of resolutions of meetings of the Board of Directors;
- (3) sign off on the Company's shares, bonds and other negotiable securities;
- (4) sign important documents of the Board of Directors;
- (5) in emergency situations such as natural disasters and other force majeure, exercise the special handling right on the affairs of the Company in compliance with the law and the interests of the Company, and report to the Board of Directors or shareholders' general meeting afterwards;
- (6) other functions and powers conferred by the Board of Directors, or laws, administrative regulations, and regulatory rules of the place where the Company's shares are listed.

The authorization granted to the chairman by the Board of Directors shall be made clearly by way of a resolution of the Board of Directors, with clear and specific matters authorized, contents and authority. All matters concerning the major interests of the Company shall be decided collectively by the Board of Directors, and the chairman of the Board of Directors or an individual director shall not be authorized to decide such matters on their own.

Article 143 Where the chairman of the Board of Directors is unable to perform duties or fails to perform duties, more than half of the directors shall elect one director to perform duties.

Article 144 The Board of Directors discusses official business by way of the meetings of Board of Directors, which consist of regular meetings and extraordinary meetings. The Board of Directors shall hold at least 4 regular meetings every year, convened by the chairman of Board of Directors, with a notice in writing given to all directors and supervisors 14 days' before the meeting. The chairman of Board of Directors shall hold a meeting with independent directors at least once a year without other directors attending.

Article 145 The chairman of the Board of Directors shall convene and preside over an extraordinary board meeting within 10 days after being proposed by shareholders representing more than one tenth of the voting rights; by more than one third of the directors; by more than half of the independent directors; or by the Board of Supervisors, the chairman of the Board of Directors, or the general manager.

Article 146 The notice for an extraordinary meeting of the Board of Directors shall be delivered to all directors and supervisors 3 days before the meeting. Where the extraordinary board meeting is needed to be held as soon as possible under an emergency situation, the delivery of the notice regarding the forthcoming meeting shall not be subject to the time-limit specified above.

Article 147 The meeting notice of the board meeting shall include at least the following:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the subject and issues to be discussed;
- (4) the date of the notice.

Article 148 The meeting of the Board of Directors shall be held upon the attendance of more than half of the directors. The resolutions of the Board of Directors shall be adopted by more than half of all the directors, and resolutions on external guarantee shall be adopted by more than two thirds of the directors attending the meeting of the Board of Directors.

“One person, one vote” is performed for the vote on resolutions of the Board of Directors. When the numbers of votes against and for a certain proposal are equal, the chairman of the Board of Directors shall have a casting vote.

Article 149 Where a director or any of his/her close associates (as defined in the Hong Kong Listing Rules) has material interest in or associated relationship with the matter to be discussed by the Board of Directors, such director shall not, when such matter is being discussed by the Board of Directors, exercise the right to vote on the resolution, nor exercise voting rights on behalf of other directors, nor be counted in the quorum of the meeting. The meeting of the Board of Directors maybe held upon the attendance of more than half of the directors without associated relationship, and the resolution of the board meeting shall be passed by more than half of the directors without associated relationship. Where the board meeting is attended by less than 3 directors without associated relationship, the matter shall be submitted to the shareholders' general meeting for deliberation.

Article 150 A vote at the meeting of the Board of Directors shall be taken by poll or by show of hands.

The meeting of the Board of Directors may be convened on site or by written circulation.

Where a meeting of the Board of Directors is convened on site, under the prerequisite to sufficiently ensure directors to express opinions, telephone, video or other means of real-time communication maybe used to facilitate directors' attendance of such meeting. A director attending such meeting by the aforementioned means shall be deemed to attend the meeting in person.

If a meeting of the Board of Directors is convened by telephone, video or other means of real-time communication, it shall be ensured that the directors can hear the speeches of other directors and communicate with each other. A meeting of Board of Directors held in this way shall be audio or video taped. Where the directors cannot sign on a resolution at the meeting in a real-time manner, they shall cast an voice vote, and shall sign the vote as soon as possible. An voice vote of the directors shall have the same effect as a signed vote, provided that the signed vote afterwards shall be consistent with the voice vote. If there is an inconsistency between the two votes, the voice vote shall prevail.

If a meeting of the Board of Directors is convened by written circulation, i.e. to make a resolution on a proposal delivered separately or by circulation for deliberation, the directors or other directors appointed by them shall write, on a copy of the resolution or the vote, their opinions of voting for or against or abstaining from voting on the resolution, and once the number of directors signing their vote for such resolution reaches the quorum required for making a resolution as stipulated in the Articles of Association of the Company, the resolution shall take effect. When the meeting of the Board of Directors is held by written circulation, an explanation shall be given, and the details and relevant background information of the matter(s) to be voted on shall be sent to all directors at least within 3 days before the meeting.

Article 151 The meeting of the Board of Directors shall be attended by directors personally. The director unable to attend for certain reason may appoint another director to attend the meeting in a written form, the power of attorney shall clearly state the agent's name, the agency matters, and the scope and validity of authorization, and shall be signed and sealed by the principal. The director who attends the meeting on behalf of another director shall exercise the rights of directors within the authority. The director not attending the board meeting and not entrusting a representative to attend the meeting shall be deemed to have waived the right to vote at the meeting.

Article 152 The Board of Directors shall make meeting minutes for all decisions on matters discussed at the meeting, and the attending directors shall sign the meeting minutes.

The directors shall be responsible for resolutions of the Board of Directors. Where the board resolutions violate laws, administrative regulations or the Articles of Association, resulting in serious losses to the Company, the directors involved in the resolution shall be liable for compensations to the Company. But the director whose vote is proved to express dissent and is recorded in the minutes may be exempted from liability.

The minutes of the board meeting shall be kept as corporate files for a period of not less than ten (10) years.

Article 153 The minutes of the board meeting shall include the following information:

- (1) the date and venue of the meeting and the name of the convener;

- (2) the name of the director present and the name of the director (agent) appointed by others to attend the board meeting;
- (3) the agenda of the meeting;
- (4) the main points made by the directors;
- (5) the table method and results of each item (the results of the table should indicate the number of votes approved, opposed or abstained).

Section 3 Special Committees of the Board of Directors

Article 154 The Board of Directors shall establish the Audit Committee and may establish the Nomination Committee, the Remuneration and Appraisal Committee, and other relevant special committees as needed. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and authorization by the Board of Directors. Their proposals shall be submitted to the Board of Directors for deliberation and decision. The membership of the special committees shall all be composed of directors: independent directors shall account for more than half of the members of the Audit Committee, the Nomination Committee, and the Remuneration and Appraisal Committee; the convener of the Audit Committee shall be an independent director who is an accounting professional, the convener of the Remuneration and Appraisal Committee shall be an independent director, and the convener of the Nominating Committee shall be chairman of the Board of Directors or an independent director; the members of the Audit Committee shall be a non-executive director or an independent director, at least one of whom shall be an independent director with appropriate professional qualifications as stipulated in the Hong Kong Listing Rules, or with appropriate accounting or relevant financial management expertise. The members of the special committees shall be appointed and removed by the Board of Directors.

Article 155 The Board of Directors shall formulate the rules of procedure and working rules for each special committee, stipulating the composition, functions and powers, and procedures of the committee, so as to regulate its operation.

Article 156 The special committees of the Board of Directors are special bodies under the Board of Directors designed to provide suggestions or advice to the Board of Directors on major decisions. The special committees shall not make any resolution in the name of the Board of Directors, but may, under special authorization by the Board of Directors, exercise its decision-making power on authorized matters.

Article 157 The special committees may engage intermediary agencies to provide professional advice according to actual needs, and the relevant expenses shall be borne by the Company.

The special committees are accountable to and report to the Board of Directors.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS

Article 158 The Company shall have 1 general manager, 1 finance director, 1 secretary of the Board of Directors, 1 technology director, 1 operation director, all of whom shall be appointed or dismissed by the Board of Directors.

Article 159 In exercising his/her functions and powers, the general manager of the Company shall perform the faithful and diligence obligations in accordance with the provisions of laws, administrative regulations and the Articles of Association of the Company.

Article 160 A person who holds an office other than director in the entity of the controlling shareholder or the actual controller of the Company shall not serve as a senior management officer of the Company.

Article 161 The term of office of the general manager is 3 years. The general manager may, if reappointed upon expiration of the term of office, serve consecutive terms.

Article 162 The general manager is accountable to the Board of Directors, and shall exercise the following functions and powers:

- (1) presiding over the Company's daily operation management, organizing and implementing the board resolutions, and report to the Board of Directors;
- (2) organizing and implementing the annual operation plan and investment plan;
- (3) preparing the establishment of the internal management departments of the Company;
- (4) formulating the basic management system of the Company;
- (5) developing specific regulations and procedures;
- (6) proposing the engagement or dismissal of the finance director, technology director, and operation director of the Company to the Board of Directors;
- (7) engaging or dismissing the management personnel other than those who shall be engaged or dismissed by the Board of Directors;
- (8) other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager may attend the meetings of Board of Directors, but has no voting right at the board meetings if he/she is not a director of the Company.

Article 163 The general manager shall establish working rules that shall be implemented upon approval by the Board of Directors.

Article 164 The working rules of the general manager include the following:

- (1) the conditions, procedures and participating personnel of the general manager meeting;
- (2) the specific responsibilities and work division of the general manager and other senior management officers;
- (3) the authority of funds and asset utilization, and signing material contracts, and the reporting system to the Board of Directors and the Board of Supervisors;

- (4) other matters that the Board of Directors considers necessary.

Article 165 The general manager and other senior management officers may resign before the expiration of the term of office. The specific procedures and measures about the resignation of senior management officers are stipulated by the labour contracts between the senior management officers and the Company.

Article 166 The finance director, technology director and operation director shall be nominated by the general manager, and engaged or dismissed by the Board of Directors.

Article 167 The Board of Directors shall have a board secretary. The board secretary shall be a natural person that has the necessary professional expertise and experience, appointed by the Board of Directors. The primary duties of the board secretary are:

- (1) ensuring that the Company has complete organizational documents and records;
- (2) ensuring that the Company prepares and submits reports and documents required by competent authorities in accordance with laws;
- (3) ensuring that the register of shareholders of the Company is properly set up, and the register of shareholders and register of directors and senior management officers of the Company as well as the meeting documents and minutes of the shareholder's general meeting, the Board of Directors, and the special committees of the Board of Directors are properly maintained to ensure that the person(s) entitled to obtaining the relevant records and documents of the Company can get the relevant records and documents in a timely manner;
- (4) responsible for information disclosure of the Company, and taking effective measures to ensure that the information disclosure is timely, accurate, legitimate, true and complete;
- (5) other duties that shall be performed as required by the Stock Exchange in the place where the Company's shares are listed.

Article 168 The directors or other senior management officers may concurrently serve as the board secretary, but the independent directors of the Company and the accountants of the accounting firm engaged by the Company shall not concurrently serve as the board secretary.

When a director concurrently serves as the board secretary, if an act should be done by a director and the board secretary separately, the person acting as the director and board secretary shall not act in double identities.

Article 169 The senior management officers that violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company in performing duties of the Company shall be liable for compensation.

CHAPTER 7 BOARD OF SUPERVISORS

Section 1 Supervisor

Article 170 The directors, general manager, and senior management officers shall not concurrently serve as a supervisor.

Article 171 The supervisors shall comply with laws, administrative regulations and the Articles of Association, and bear the faithful obligations and diligence obligations to the Company, shall faithfully perform supervision duties, and shall not take bribes or other illegitimate benefits by making use of the position, and not seize the properties of the Company.

Article 172 The term of office of supervisors is 3 years. A supervisor may, if reelected upon expiration of the term of office, serve consecutive terms.

Article 173 Where no election is conducted in time before the expiration of the term of office of a supervisor, or the number of the supervisors in the Board of Supervisors of the Company is less than the statutory number due to the resignation of a supervisor within his/her term of office, the existing supervisor shall, before the supervisor elected takes office, continue to perform his/her duty as a supervisor in accordance with laws, administrative regulations, and the Articles of Association.

Article 174 The supervisors may attend the meetings of Board of Directors, and may inquire about or put forth proposals on matters covered by resolutions of the Board of Directors.

Article 175 The supervisors shall not use their connected relationships to impair the interests of the Company; in the event of causing losses to the Company, the supervisor shall be liable for compensation.

Article 176 The supervisors that violate laws, administrative regulations, departmental rules or the Articles of Association and cause losses to the Company in performing duties of the Company shall be liable for compensation.

Section 2 Board of Supervisors

Article 177 The Company shall have a Board of Supervisors. The Board of Supervisors consists of three supervisors. The Board of Supervisors has one chairman, the appointment and removal of whom shall be approved by more than two thirds of all the supervisors by vote. The chairman of the Board of Supervisors convenes and presides over the meetings of the Board of Supervisors. Where the chairman of Board of Supervisors is unable to or fails to perform duties, more than half of the supervisors shall elect a supervisor to convene and preside over the meetings of the Board of Supervisors.

The Board of Supervisors shall include shareholder representatives and a certain proportion of staff representatives of the Company, and the proportion of staff representatives shall not be less than one third of the total number of supervisors. The staff representatives are elected by the staff of the Company through the staff representatives assembly, the general staff meeting or other democratic forms.

Article 178 The Board of Supervisors shall exercise the following functions and powers:

- (1) examining the finance of the Company, and reviewing the regular reports formulated by the Board of Directors of the Company and putting forth written review opinions;
- (2) supervising the performance of directors and senior management officers of the Company on their duties, proposing to dismiss the directors and senior management officers that violate laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meeting;
- (3) when the acts of directors and senior management officers impair the interests of the Company, requiring the directors and senior management officers to rectify;
- (4) proposing to hold extraordinary general meetings of shareholders; convening and presiding over the shareholders' general meeting when the Board of Directors doesn't perform its duties to convene and preside over the shareholders' general meeting in accordance with the Company Law and the Articles of Association;
- (5) putting forth proposals to the shareholders' general meeting;
- (6) taking legal proceedings against directors and senior management officers in accordance with the law;
- (7) investigating any discovered irregularities in the operations of the Company; when necessary, may engage accounting firms, law firms and other professional firms to assist the work at the expense of the Company;
- (8) checking the financial information, such as the financial reports, business reports and profit distribution plans to be submitted by the Board of Directors to the shareholders' general meetings, and engaging, in the Company's name, public certified accountants and practicing auditors to assist in the review of such information in case of any doubt;
- (9) other functions and powers conferred by the Articles of Association.

Article 179 All reasonable expenses incurred for the engagement of lawyers, certified accountants, auditors and other professionals when the Board of Supervisors exercises functions and powers shall be borne by the Company.

Article 180 The Board of Supervisors shall discuss official business through the meetings of the Board of Supervisors. "One person, one vote" is performed for the vote by the Board of Supervisors, which may be taken by poll or in written form. Meetings of the Board of Supervisors consist of regular meetings and extraordinary meetings. The Board of Supervisors shall hold regular meetings every 6 months and at least twice a year, which shall be convened by the chairman of the Board of Supervisors. Supervisors may propose to hold extraordinary meetings of the Board of Supervisors.

Where a supervisor neither personally attends (a director attending or voting at the meeting of Board of Supervisors by means of communication or by written circulation is deemed to attend in person) the meeting of the Board of Supervisor for 2 consecutive times, nor appoints another supervisor to attend such meeting, he/she shall be deemed not to perform the duties, and the shareholders' general meeting or the staff representatives assembly shall replace him/her.

Article 181 The notice regarding the forthcoming regular or extraordinary meeting of the Board of Supervisors shall be given to all supervisors 10 days or 5 days respectively before the meeting date.

Article 182 The notice regarding the forthcoming meeting of the Board of Supervisors shall include the following information:

- (1) the date, venue and duration of the meeting;
- (2) the subject and issues to be discussed;
- (3) the date of issuing the notice.

Article 183 The meeting of the Board of Supervisors may be convened on site or by written circulation and, under the prerequisite to sufficiently ensure directors to express opinions, may also be convened by means of communication.

Where a meeting of Board of Supervisors is convened on site, telephone, video or other means of real-time communication may be used to facilitate supervisors' attendance of such meeting. A supervisor attending such meeting by the aforementioned means shall be deemed to attend the meeting in person.

If a meeting of the Board of Supervisors is convened by telephone, video or other means of real-time communication, it shall be ensured that the supervisors can hear the speeches of other supervisors and communicate with each other. A meeting of the Board of Supervisors held in this way shall be audio or video taped. Where the supervisors cannot sign on a resolution at the meeting in a real-time manner, they shall take a voice vote, and shall sign the vote as soon as possible. The voice vote of the supervisor shall have the same effect as a signed vote, provided that the signed vote afterwards shall be consistent with the voice vote. If there is an inconsistency between the two votes, the voice vote shall prevail.

If a meeting of the Board of Supervisor is convened by written circulation, i.e. to make a resolution on a proposal delivered separately or by circulation for deliberation, the supervisors or other supervisors appointed by them shall write, on a copy of the resolution or the vote, their opinions of voting for or against or abstaining from voting on the resolution, and once the number of supervisor signing their vote for such resolution meets the quorum required for making a resolution as stipulated in the Articles of Association of the Company, the resolution shall take effect. When the meeting of Board of Supervisors is held by written circulation, an explanation shall be given, and the details and relevant background information of the matter(s) to be voted on shall be sent to all directors at least within 3 days before the meeting.

The meeting of the Board of Supervisors shall be held upon the attendance of more than half of the supervisors. The vote at such meeting is taken by poll, and each supervisor shall have one vote. The meeting shall be attended by supervisors personally. The supervisor unable to attend for certain reason may appoint another director to attend the meeting in a written form, the power of attorney shall clearly state the agent's name, the agency matters, and the scope and validity of authorization, and shall be signed and sealed by the principal. The supervisor who attends the meeting on behalf of another director shall exercise the rights of directors within the authority.

The resolutions of the Board of Supervisors shall be adopted by more than two thirds of all the supervisors.

Article 184 The Board of Supervisors shall formulate the rules of procedure for the Board of Supervisors, stipulating its methods of discussing official business and voting procedures, so as to ensure its efficient operation and reasonable decision-making.

Article 185 The Board of Supervisors shall make meeting minutes for all decisions on matters discussed at the meeting, and the attending supervisors shall sign the meeting minutes.

The supervisors have the right to demand that a certain explanatory record be made on their speeches at the meeting. The meeting minutes of the Board of Supervisors shall be kept as corporate files for a period of not less than 10 years.

When a vote is taken by means of communication, the supervisors shall fax their written opinions and voting intentions on the matter deliberated to the office of the Board of Supervisors upon confirmation by signing. The supervisors voting by means of communication shall send the original copy of their signed votes to the Board of Supervisors within the time limit specified in the meeting notice.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OFFICERS

Article 186 None of the following persons shall serve as a director, supervisor, general manager or other senior management officer of the Company:

- (1) a person who has no or limited capacity for civil conduct;
- (2) a person has been sentenced to any criminal penalty due to an offence of corruption, bribery, expropriation of property, misappropriation of property or disrupting the economic order of the socialist market economy and 5 years have not passed since the completion date of the execution of the penalty; or a person has ever been deprived of his political rights due to any crime and 5 years have not passed since the completion date of the execution of the penalty;
- (3) a person who, being a director or the head or general manager of a company or an enterprise that went into bankruptcy and liquidation due to poor operation and management, was personally liable for the bankruptcy of the said company or enterprise, where less than 3 years have passed since the completion date of liquidation of the company or enterprise;
- (4) a person who, being the legal representative of a company or an enterprise, the business license of which was revoked for violation of laws and which was ordered to close down, was personally liable for the above, where less than 3 years have passed from the date on which the business license of the company or enterprise was revoked;
- (5) a person who fails to liquidate a relatively large amount of personal debts due;
- (6) a person who is subject to investigation by judicial body for violation of criminal law where the said investigation has not yet been concluded;
- (7) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;
- (8) a person who is not a natural person;

- (9) a person who is subject to a penalty of prohibition from engaging in stock market activities imposed by the China Securities Regulatory Commission, where the term of the penalty has not yet expired;
- (10) a person who has been convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than 5 years have passed since the date of the conviction;
- (11) any other circumstances as prescribed by the laws, administrative regulations, departmental rules, normative documents, or a relevant regulatory authority.

Where a director, supervisor, general manager or other senior management officer is elected, appointed or engaged in violation of the provisions of this Article, such election, appointment or engagement shall be invalid. Where, during his/her term of office, a director, supervisor, general manager or other senior management officer is found to be a person as specified in this Article, the Company shall remove him/her from office.

Article 187 The validity of an act of the director, general manager, and any other senior management officer on behalf of the Company to any bona fide third party is not affected by any irregularity in his/her term of office, election or qualification.

Article 188 In addition to obligations imposed by laws, administrative regulations or listing rules of the stock exchanges on which the Company's shares are listed, the Company's directors, supervisors, general manager and other senior management officers shall bear the following obligations to each shareholder, in the exercise of the functions and powers of the Company granted to him/her:

- (1) shall cause the Company to carry out any business outside the scope of business stipulated in its business license;
- (2) shall act honestly in the best interests of the Company;
- (3) shall not expropriate the Company's property in any way, including (but not limited to) opportunities advantageous to the Company;
- (4) shall not expropriate the individual rights of shareholders, including (but not limited to) rights of distribution and voting rights, but not including a restructuring of the Company submitted to shareholders' general meeting for approval in accordance with the Articles of Association.

Article 189 The Company's director, supervisor, general manager and other senior management officer shall have a duty, in the exercise of his/her powers and discharge of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 190 The Company's director, supervisor, general manager and other senior management officer shall exercise his/her powers or carry out his/her duties in accordance with the principle of honesty and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. Such principle includes (but not limited to) fulfilling the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise rights within the scope of his/her functions and powers and not to exceed;

- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of others and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders given in a shareholders' general meeting, not to delegate his/her power of discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) Except in accordance with the Articles of Association or with the informed consent of shareholders given in the shareholders' general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) Without the informed consent of shareholders given in the shareholders' general meeting, not to use the Company's property for his/her own benefit by any means;
- (7) Not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (8) Without the informed consent of shareholders given in the shareholders' general meeting, not to accept commissions in connection with the Company's transactions;
- (9) to abide by the Articles of Association, faithfully perform his/her duties and protect the Company's interests, and not to exploit his/her position and power in the Company to advance his/her own private interests;
- (10) not to compete with the Company in any form without the consent of shareholders given in shareholders' general meeting;
- (11) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his/her own name or other names for the deposit of the Company's assets, and, unless otherwise required by laws, regulations or the Articles of Association, not to use the Company's assets to guarantee the shareholders of the Company and other personal debts;
- (12) Unless otherwise permitted by informed shareholders in the shareholders' general meeting, to keep information relating to the Company acquired by him/her in the course of and during his/her tenure in confidence and not to use such information for purposes even in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 1. the disclosure is made pursuant to the law;
 2. public interests require the disclosure;
 3. the interests of the relevant director, supervisor, general manager and other senior management officer require disclosure.

Article 191 The director, supervisor, general manager and other senior management officer of the Company shall not cause the following persons or entities (“**associates**”) to do what he/she is prohibited from doing:

- (1) The spouse or minor child of that director, supervisor, general manager and other senior management officer of the Company;
- (2) The director, supervisor, general manager and other senior management officer of the Company and a trustee of any persons referred to in Item (1) of this article;
- (3) The director, supervisor, general manager and other senior management officer of the Company or any person has partnership with those referred to in Item (1) and (2) of this article;
- (4) A company controlled by the director, supervisor, general manager and other senior management officer of the Company solely or jointly with those persons referred to in Item (1), (2), and (3) above or any other director, supervisor, general manager and senior management officer of the Company in fact;
- (5) The director, supervisor, general manager and other senior management officer of the controlled Company referred to in Item (4) of this Article.

Article 192 The fiduciary duties of the director, supervisor, general manager, and other senior management officer of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to business of the Company survives after the termination of their tenure. Other duties may continue for such period as fairness depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances and conditions of the termination of the relationship with the Company.

Except for circumstances prescribed in Article 57 of the Articles of Association, a director, supervisor, general manager and other senior management officer of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of shareholders given at a shareholders' general meeting.

Article 193 Where a director, supervisor, general manager and other senior management officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement made or proposed to be made with the Company (other than the employment contracts of the director, supervisor, general manager and other senior management officer with the Company), he/she shall declare the nature and extent of his/her interests to the Board of Directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board of Directors.

Unless there is any exceptional circumstance contained in Note 1 of Appendix 3 to the Hong Kong Listing Rules or permitted by the Stock Exchange of Hong Kong, a director shall not vote for the contract or arrangement or any other resolution in which he/she or any of his or her close associate (as defined in the Hong Kong Listing Rules) has material interest. When determining the quorum of the board meeting, such director shall not be accounted for the purpose of meeting the quorum, unless otherwise required by laws, regulations, normative documents or the securities regulation and administration authority in the place where the Company's shares are listed.

Unless the interested directors, supervisors, general manager or other senior management officers of the Company have made such disclosure to the Board of Directors as required by the preceding paragraph of this Article, and the relevant matter has been approved by the Board of Directors at the board's meeting where such directors, supervisors, general manager or other senior officers have not been counted as part of the quorum and voted thereat, the Company shall be entitled to cancel such contracts, transactions, or arrangements, except as to any other party which is a bona fide party without knowledge of the violation of duties on the part of such directors, supervisors, general manager or other senior officers.

A director, supervisor, general manager and other senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of the director, supervisor, general manager and other senior management officer is interested.

Article 194 Before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, a director, supervisor, general manager and other senior management officer of the Company gives to the Board of Directors a general notice in writing stating that, due to the contents specified in the notice, he/she is interested in such contract, transaction or arrangement of the Company, the director, supervisor, general manager and other senior management officer shall be deemed as the completion of disclosures specified in the preceding article of this Chapter within the scope of the declarations of such notice.

Article 195 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, general manager, and other senior management officer.

Article 196 The Company shall not directly or indirectly make a loan or a loan guarantee to a director, supervisor, general manager and other senior management officer of the Company or its parent company, or any of the respective associates of the aforementioned persons.

However, the preceding stipulations shall not apply to the following:

- (1) A loan or a loan guarantee offered by the Company to its subsidiary;
- (2) In accordance with the terms of an employment contract approved by the shareholders' general meeting, a loan or a loan guarantee or any other funds provided to a director, supervisor, general manager and other senior management officer of the Company, to meet expenditure incurred for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties;
- (3) If the ordinary course of business of the Company includes the lending of money or the giving of guarantees, the Company may make a loan to or provide a guarantee for a loan to the relevant directors, supervisors, general manager and other senior management officers or their respective associates, provided that the terms of the loan or guarantee for a loan are on normal commercial terms.

Article 197 If a loan made by the Company in breach of the above provisions, the receiver of the loan shall repay it immediately regardless of the terms of the loan.

Article 198 The security provided by the Company which is not in compliance with the provisions in Item (1) of Article 196 of the Articles of Association, such security shall not be enforced, except for the following circumstances:

- (1) the lender does not know such circumstance when it provides relevant loans to the directors, supervisors, manager and other senior management of the Company or its parent company;
- (2) the subject of the security has been legally sold to a bona fide third party by the lender of such loan.

Article 199 For the purposes of the foregoing provisions of this Chapter, a security includes undertaking the liability or property provided to secure the performance of obligations by the obligor.

Article 200 In addition to any rights and remedies provided by laws and administrative regulations, where a director, supervisor, general manager and other senior management officer of the Company is in breach of his/her duties to the Company, the Company has the right to:

- (1) Claim damages from the directors, supervisors, general manager, and other senior management officer for losses caused to the Company as a result of such breach;
- (2) Rescind any contract or transaction entered into by the Company with the director, supervisor, general manager and other senior management officer or with a third party (where such third party knows or should know that there is such a breach of duties by such director, supervisor, general manager and other senior management officer);
- (3) Demand the director, supervisor, general manager and other senior management officer to surrender the profits made by him/her in breach of his/her duties;
- (4) Recover any fund received by the director, supervisor, general manager and other senior management officer which should have been otherwise received by the Company, including (but not limiting to) commissions;
- (5) Demand repayment of the interest earned or which may have been earned by the director, supervisor, general manager and other senior management officer on the funds that should have been paid to the Company.

Article 201 The Company shall enter into a contract in writing with the directors, supervisors and senior management officers, which shall include at least the following provisions:

- (1) The directors, supervisors and senior management officer undertake to the company that they shall comply with the Company Law, Special Regulations, the Articles of Association, the Codes on Takeovers and Mergers and Share Repurchases, the Hong Kong Listing Rules and other regulations made by the Stock Exchange of Hong Kong, and agree that the Company shall enjoy the remedial measures provided for in the Articles of Association, and that the contract and their offices shall not be transferred;

- (2) The directors, supervisors and senior management officers undertake to the Company representing every shareholder that they shall observe and perform their obligations to the shareholders as stipulated in the Articles of Association;
- (3) The arbitration provisions in the Articles of Association and the Hong Kong Listing Rules.

Article 202 The Company shall, with the prior approval of shareholders in the shareholders' general meeting, enter into a contract in writing with a director or supervisor wherein his/her remunerations are stipulated, including:

- (1) remunerations in respect of his/her service as director, supervisor or other senior management officer of the Company;
- (2) remunerations in respect of his/her service as director, supervisor or other senior management officer of any subsidiary of the Company;
- (3) remunerations in respect of the provision of other services in connection with the management of the Company or any of its subsidiaries;
- (4) compensation for loss of the position or retirement from office.

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

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

Article 203 The contract for remunerations entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the directors and supervisors shall, subject to the prior approval of the shareholders in the shareholders' general meeting, have the right to receive compensation or other payment for loss of the position or retirement.

A takeover of the Company as referred to above means:

- (1) A takeover offer made by any person to all shareholders;
- (2) An offer made by any person with a view to rendering the offeror a "controlling shareholder". "controlling shareholder" shall have the same meaning as defined in Article 58 of the Articles of Association.

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

CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting System

Article 204 The Company shall establish a financial and accounting system in accordance with laws, administrative regulations and related rules made by regulatory authority, subject to the requirements of the securities regulatory authority in the place where the Company's shares are listed.

Article 205 The Company shall prepare a financial report upon expiration of each fiscal year and submit it for examination and verification in accordance with the law.

Article 206 The Board of Directors of the Company shall submit financial reports prepared by the Company, as are required by relevant laws, regulations, rules or normative documents, to the shareholders at every annual shareholders' general meeting.

The financial report mentioned in the preceding paragraph shall include: reports of the Board of Directors of the Company together with the balance sheet (together with all the documents required to be attached therein by laws and administrative regulations in China or beyond), profit and loss statements and cash flow statements; or summary of financial statements approved by the Stock Exchange of Hong Kong, subject to the relevant laws of China.)

The financial report of the Company shall be deposited at the Company for inspection by the shareholders at least 20 days before the convening of the annual shareholders' general meeting. Each shareholder of the Company is entitled to obtain financial reports mentioned in this chapter.

Unless otherwise required by the Articles of Association, the Company shall deliver, or send by prepaid mail, the aforementioned report or reports of the Board of Directors together with the balance sheet (together with all documents required to be attached therein by laws) and profit and loss statements or cash flow statements to each holder of overseas listed shares of the Company at least 21 days before the convening of the annual shareholders' general meeting, and the addresses of the recipients shall be the registered addresses as shown on the register of shareholders. Alternatively, insofar as the requirements of laws, administrative regulations, and the securities regulatory authority in the place where the Company's shares are listed are met, such report may be served to holders of overseas listed shares of the Company by way of being published on the website of the Company or the Stock Exchange of Hong Kong, or any other website as specified from time to time in the Hong Kong Listing Rules.

Article 207 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits for that financial year, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 208 The interim result or financial information announced or disclosed by the Company shall follow up with the PRC general accounting standards and laws as long as following up with the international general accounting standards or other accounting standards in the place where the Company's shares are listed.

Article 209 The Company shall announce the financial report for 2 times in each fiscal year, i.e.: to prepare an interim financial report within 60 days from the end of the first 6 months of each fiscal year and to prepare a financial report within 120 days upon expiration of each fiscal year.

Article 210 The Company shall not keep accounting books other than those required by law. Any account shall not be opened for the Company's assets under an individual's name.

Article 211 The Company shall allocate 10% of its profits after tax to the statutory common reserve provided that no allocation is required if the accumulated statutory common reserve exceed 50% of the registered capital.

When the statutory common reserve is insufficient to make up the loss of the Company in prior year, the profit for the year shall be used to make up the loss for that year before making contributions to statutory common reserve in accordance with the above provision.

After making allocation to statutory common reserve from the profits after tax, the Company may make allocation to discretionary common reserve as approved by a resolution of the shareholders' general meeting.

Profits after making up the accrued loss and making allocation to common reserve(s) shall be distributed to shareholders in proportion to their shareholdings, unless otherwise required by the Articles of Associations.

If the shareholder' general meeting distributes the profits by violating the provisions of the preceding paragraph before making up losses and setting aside statutory reserve funds, the profits so distributed must be refunded to the Company.

No profit may be distributed for the Company's shares held by the Company.

Article 212 The common reserve of the Company may be used for making up losses, expanding the Company's operation or increasing the capital of the Company, provided that capital reserve shall not be used for making up the losses sustained by the Company. The capital reserve includes the following items:

- (1) Premium proceeded from the shares issued over their par value;
- (2) Any other income required to be included in the capital reserve by the competent finance authority of the State Council.

When the statutory common reserve is converted into capital, the balance of the statutory common reserve shall not fall below 25% of the Company's registered capital before being converted to increase.

Article 213 After the shareholders' general meeting of the Company make a resolution on the profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within 2 months after the meeting.

Article 214 The Company may distribute profits in cash or by shares.

Article 215 The Company shall engage a receiving agent on behalf of the holders of overseas listed foreign shares, to receive dividends of overseas listed foreign shares and all other monies owing by the Company in respect of such shares on behalf of such shareholders.

The receiving agent engaged by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agent on behalf of holders of H-shares engaged by the Company shall be a trust company registered under the Trustee Ordinance of Hong Kong. The Company has the right to terminate delivering dividend certificate to holders of the overseas listed foreign shares by post. If the dividend certificates are unclaimed, the Company shall exercise such power only after the dividend certificates sent to the shareholder are unclaimed for two consecutive times. Nevertheless, the Company may exercise power if the dividend certificate cannot be delivered to the recipient and is returned in the first time

With regard to the exercise of rights to issue share warrants to non-registered holders, no new share warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

The Company has the right to sell the overseas listed foreign shares for which the shareholders cannot be contacted in a manner that is considered to be appropriate by the Board of Directors, but shall follow the following conditions:

- (1) Dividends were payable to the relevant shares at least three times within twelve (12) years and the dividends were unclaimed during that period; and
- (2) Upon the expiry of the twelve (12) year period, an announcement stating the Company's intention to sell the relevant shares is published on one or more newspapers in the place where the Company is listed and the Stock Exchange of Hong Kong is informed.

The Company may forfeit unclaimed dividend subject to the PRC laws and administrative regulations; however, such power shall not be exercised after the expiration of the applicable period.

The payment made for any shares prior to the making of calls for payment for the subscribed shares are entitled to receive interest but shareholders shall not be entitled to claim dividends in respect of their advance payments for shares.

Section 2 Engagement of Accounting Firm

Article 216 The Company shall engage an independent accounting firm compliant meeting the relevant requirements of the state to audit the Company's annual financial statements and review the Company's other financial reports.

Article 217 The first accounting firm of the Company may be engaged at the inaugural meeting before the first annual shareholders' general meeting of the Company. The accounting firm so engaged shall hold office until the conclusion of the first annual shareholders' general meeting. In case the inaugural meeting fails to exercise the aforesaid function and power, the Board of Directors may exercise such function and power. The Company's engagement of an accounting firm shall be decided by the shareholders' general meeting. The Board of Directors shall not engage the accounting firm until the shareholders' general meeting makes a decision. The accounting firm engaged by the Company shall hold the term of office from the conclusion of this annual shareholders' general meeting to the conclusion of the next annual shareholders' general meeting.

Article 218 The accounting firm engaged by the Company shall have the following rights:

- (1) to inspect at any time the accounting books, records and vouchers of the Company, and to require the directors, general manager and other senior management officer of the Company to provide any relevant information and explanation thereof;
- (2) to require the Company to take all reasonable steps to obtain all necessary information and explanation for the performing the duties from its subsidiaries;
- (3) to attend shareholders' general meeting and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

Article 219 Before the convening of the shareholders' general meeting, the Board of Directors may fill the vacancy in the office of the accounting firm by engaging other accounting firm, subject to confirmation by the next shareholders' general meeting; but while there is still any such vacancy, the surviving or continuing accounting firm, if any, may continue to act.

Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the engagement of an accounting firm, which is not an incumbent firm, to fill a casual vacancy in the office of the accountants' firm, or to reengage an accounting firm which was engaged by the Board of Directors to fill a casual vacancy, or to remove the accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the proposal about the engagement or the removal shall be sent to the firm proposed to be engaged or proposing to cease to act or the firm which has ceased to act in the relevant accounting year before notice of meeting is given to the shareholders. Ceasing to act includes leaving by removal, resignation and retirement.
- (2) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, unless the representations are received too late, the Company shall:
 1. In any notice given to shareholders about a resolution to be made, state the representations that have been made by such accounting firm;
 2. Attach a copy of the representations to the notice and deliver it to the shareholders who are entitled to receive the notice of the shareholders' general meeting in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with Item (2) above, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.

- (4) An accounting firm which is about to cease to act shall be entitled to attend:
 1. the shareholders' general meeting relating to the expiry of its term of office;
 2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. any shareholders' general meeting convened on its resignation.

The accounting firm ceasing to act has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting in relation to matters concerning its role as the former accountants' firm of the Company.

Article 220 The shareholders' general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, notwithstanding any terms of contract between the Company and the accounting firm, but without prejudice to the accounting firm's claim, if any, against the Company arising from the termination of its office.

Article 221 The company shall undertake to provide the engaged accounting firm with true and complete accounting vouchers, books, financial and accounting reports and other accounting materials and shall not refuse to provide or conceal such documents, or report deceitfully.

Article 222 The remuneration and the method of determining remuneration of an accounting firm shall be decided by the shareholders' general meeting. The remuneration of an accounting firm engaged by the Board of Directors shall be determined by the Board of Directors.

Article 223 The Company's appointment, removal or non-reappointment of an accounting firm shall be decided by the shareholders' general meeting and shall report to the securities authority of the State Council.

Article 224 Thirty (30) days' notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment of the accounting firm. The accounting firm is entitled to make representations at the shareholders' general meeting before its vote on the removal of the accounting firm.

An accountancy firm resigning from office shall explain at the shareholders' general meeting whether there is any misfeasance by the Company.

An accountancy firm may resign from office by a notice in writing deposited at the Company's legal address. Any such notice shall be effective on the date on which it is deposited at the legal address of the Company or on such later date as may be specified therein. Such notice shall contain the following statements:

- (1) a statement to the effect that there are no circumstance connected with its resignation which it considers should be brought to the attention of the shareholders or creditors of the Company; or
- (2) a statement of any such circumstance which shall be accounted for.

After receipt of the written notice referred to in the preceding paragraphs, the Company shall within 14 send a copy of the notice to the competent authority. If the notice contains a statement referred to in Item (2) above, a copy of such notice shall be deposited at the Company for inspection by shareholders. The Company shall also send a copy of such statement to every shareholder entitled to receive financial reports of the Company.

Unless otherwise required by the Articles of Association, the Company shall also send a copy of the aforementioned notice to every holder of the overseas-listed shares by prepaid mail to his/her address as recorded in the register of shareholders, or within the aforementioned period, subject to the applicable laws, regulations and the Hong Kong Listing Rules, send out such notice through the website of the stock change in the place where the Company's shares are listed or publish such notice on one or more newspapers designated by the stock exchange and/or specified in the Articles of Association.

Where the accounting firm's notice of resignation contains a statement referred to in Item (2) of the third paragraph in this Article, it may require the Board of Directors to convene an extraordinary shareholders' general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

CHAPTER 10 NOTICE AND ANNOUNCEMENT

Article 225 The Company's notices (including, but limited to, notices on convening the shareholders' general meeting and meetings of the Board of Directors or Board of Supervisors) shall be given in the following ways:

- (1) by hand;
- (2) by fax;
- (3) by mail;
- (4) By e-mail;
- (5) by way of a public announcement;
- (6) by way of an announcement made in the press or other designated media;
- (7) subject to compliance with laws, administrative regulations, departmental rules, normative documents, and the provisions under the Articles of Association, by way of posting on the website of the Company and the website(s) designated by the Stock Exchange in the place where the Company's shares are listed;
- (8) other ways which are recognized by the securities regulatory authorities of the place where the Company's shares are listed, or stipulated in the Articles of Association.

The Articles of Association of the Company does not prohibit sending notices to shareholders whose registered addresses are outside Hong Kong.

If a notice issued by a company is made by way of a public announcement, it shall be deemed that all relevant persons have received the notice after the announcement is made, unless otherwise required by the securities regulatory and administration authority of the place where the Company's shares are listed.

Even where the Articles have otherwise provided for the methods of announcement or notification for any documents, notices, or other corporate communication, subject to the relevant provisions of the securities regulatory authorities of the jurisdiction in which the Company's shares are listed, the Company may choose to publish its communication by the means specified in Item (7) of the first paragraph in the Articles, to replace the means of sending written documents to each shareholder of overseas-listed foreign shares by hand or by prepaid mail. The said communication above refer to any documents sent or to be sent by the Company to the shareholders for reference or for taking action, include but are not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), reports of the Board of Directors (together with balance sheets and income statements), notice of shareholders' general meetings, circulars and other communication.

If a notice is sent out in the form of an advertisement as authorized, such advertisement may be published in the newspaper and it is not prohibited to send such notice to shareholders whose registered addresses are outside Hong Kong.

Article 226 Delivery date of notices of the Company:

- (1) where a notice is delivered by hand, the recipient or its agent shall acknowledge receipt by signing (or sealing) the delivery receipt, and the date on which the recipient or its agent signs the delivery receipt shall be the delivery date;
- (2) where a notice is sent by fax, the date of faxing such notice shall be the delivery date;
- (3) where a notice is sent by mail, the delivery date shall be the second business day from the date on which the mail is posted;
- (4) where a notice is sent by telegram, the delivery date shall be the second business day from the date on which the telegram is sent out;
- (5) where a notice is given by way of public announcement, the date on which the announcement is first made shall be the delivery date.

Article 227 Where, as a result of accidental omission, a notice of meeting is not given to a person who is entitled to receive such notice or where such person has not received the notice, the meeting or any resolution adopted at the meeting shall not be invalidated as a result.

Article 228 Where the listing rules of the securities regulatory authorities in the place where the Company's shares are listed require that the Company send, mail, distribute, release or announce, or provide by other means the Company's relevant documents in both English and Chinese versions, if the Company has made appropriate arrangements to determine whether its shareholders expect to receive the English or the Chinese version only, the Company may (based on the preference expressed by shareholders) send the English or Chinese version only to relevant shareholders within the scope permitted by the applicable laws and regulations and in accordance with applicable laws and regulations.

Article 229 The Company shall send announcements and disclose information to the shareholders of domestic shares in the newspapers and websites for information disclosure specified by the laws, administrative regulations or relevant domestic regulatory authorities. Where announcements are to be sent to the shareholders of H-shares in accordance with the Articles of Association, then relevant announcements shall, at the same time, be published in the designated paper(s), website(s) and/or the Company's website in the methods specified by the Hong Kong Listing Rules. All notices or other documents that the company is required to send to the Stock Exchange of Hong Kong in accordance with Chapter 13 of the Hong Kong Listing Rules shall be drafted in English or accompanied by a signed and certified English translation.

CHAPTER 11 MERGER, DIVISION, INCREASE OR DECREASE OF REGISTERED CAPITAL, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, and Increase or Decrease of Registered Capital

Article 230 The Company to merger may proceed by either merger by absorption or merger by the establishment of a new company.

Merger by absorption means the absorption by one company of other company or companies in which case the absorbed company or companies shall be dissolved. Merger by new establishment means the merger of two or more companies to form a new company, in which case all parties to the merger shall be dissolved.

Article 231 In the event of a merger or division of the Company, a proposal of merger or division shall be made by the Board of Directors and after the proposal is approved in accordance with the procedures stipulated in the Articles of Association, such proposal shall be examined and approved in accordance with the law. If a shareholder objects to a proposal of merger or division, such shareholder shall have the right to demand the Company or those shareholders who approved the proposal of merger or division to purchase his/her shares at a fair price. The content of a resolution on the merger or division of the Company shall be made into a special document to be available for inspection by the shareholders.

Article 232 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall make a public notice on newspapers within 30 days from the date of the Company's resolution on merger. Creditors may, within 30 days after receipt of such notice from the Company, or within 45 days from the date of the notice on newspapers for those who do not receive such notice, to demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 233 After the merger, claims and liabilities of the parties to the merger shall be taken over by the continuing company or the newly established company.

Article 234 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, the parties to the division shall enter into a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall make announcement for at least three times on newspapers within 30 days from the date of the Company's resolution on division.

Article 235 Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, the ancillary obligation with respect to debts incurred by the Company before its division shall be borne by the companies after the division.

Article 236 When the Company needs to decrease its registered capital, a balance sheet and an inventory of assets shall be prepared.

The Company shall notify creditors within 10 days from the date of the Company's resolution on the decrease of registered capital and make a public notice on newspapers within 30 days from such date. Creditors have the right to, within 30 days after receipt of the notice, or within 45 days from the date of the public notice for those who do not receive the notice, demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 237 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the Company registration authority in accordance with the law; when the Company dissolves, the Company shall finish its deregistration in accordance with the law; when a new company is established, its establishment shall be registered in accordance with the law.

In the event of the Company increasing or decreasing its registered capital, the corresponding change shall be registered with the company registration authority in accordance with the law.

Section 2 Dissolution and Liquidation

Article 238 The Company shall be dissolved upon the occurrence of any of the following:

- (1) The expiry of the term of operation as specified in the Articles of Association;
- (2) A resolution on dissolution is passed by shareholders' general meeting;
- (3) Dissolution is necessary due to a merger or division of the Company;
- (4) The Company is declared insolvent in accordance with the law due to its failure to liquidate its debts due;
- (5) The Company's business license is revoked or canceled or it is ordered to close down according to the law;
- (6) Where the Company meets any serious difficulty during its operation and/or management so that the interests of the shareholders will be subject to heavy loss if it continues and it cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may plead the people's court to dissolve the Company;
- (7) Any other cause for dissolution as stipulated in the Articles of Association occurs.

Article 239 In the circumstances set forth in Item (1) of the preceding article, the Company may continue to exist upon the revisions to the Articles of Association.

Revisions to the Articles of Association according to the preceding paragraph shall be approved by shareholders who hold two thirds or more of the voting rights of all the shareholders present at the shareholders' general meeting.

Article 240 When the Company is dissolved under Item(1), (2), (5), (6) and (7) of Article 238 of the Articles of Association, a liquidation committee shall be set up within 15 from the cause for dissolution occurs and commence liquidation afterwards, and its members shall be determined by the Board of Directors or the shareholders' general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People's Court for engagement of relevant persons to form a liquidation committee so as to proceed with the liquidation.

Where the Company is dissolved under Item (4) of Article 238 of the Articles of Association, the People's Court shall organize the shareholders, relevant organizations and relevant professionals to establish a liquidation committee to proceed with the liquidation in accordance with the provisions of relevant laws.

Article 241 Where the Board of Directors proposes to liquidate the Company due to causes other than that the Company has been declared insolvent, the Board of Directors shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board of Directors is in the opinion of that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in shareholders' general meeting for the liquidation of the Company, all functions and powers of the Board of Directors shall cease.

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

Article 242 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making a public notice;
- (3) to deal with and settle the Company's outstanding business deals relating to the liquidation;
- (4) to settle outstanding taxes or the taxes incurred in the liquidation process;
- (5) to ascertain all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

Article 243 The liquidation committee shall notify creditors within 10 days from the date of its establishment and make a public notice for at least three times on newspapers within 60 days from such date. Creditors should, within 30 days after receipt of the notice, or within 45 days from the date of the public notice for those who do not receive the notice, submit their claims to the liquidation committee.

When submitting their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall record the claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 244 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or the People's Court for confirmation.

After paying the liquidation cost, staff salary, labour insurance, statutory compensation and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Company shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment in accordance with provisions of the preceding paragraph.

Article 245 In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the court for declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

Article 246 Following the completion of liquidation, the liquidation committee shall prepare a liquidation report and cash flow statements and accounting books for the liquidation period and, after they are verified by a Chinese certified public account, submit them to the shareholders' general meeting or the People's Court for confirmation. Within 30 days from the date of confirmation by the shareholders' general meeting or the relevant regulatory authority, the liquidation committee shall submit the aforementioned documents to the company registration authority for deregistration of the Company and announce that the Company ceases to exist.

Article 247 Members of the liquidation committee shall perform their duties faithfully and carry out the liquidation in accordance with the laws.

Members of the liquidation committee shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Company.

If members of the liquidation committee cause any loss to the Company or its creditors, either willfully or due to gross negligence, they shall be liable for compensation.

Article 248 Where the Company is declared bankrupt in accordance with the laws, a bankruptcy liquidation shall be implemented in accordance with the corporate bankruptcy laws.

CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 249 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

Article 250 The Company shall amend the Articles of Association under any of the following circumstances:

- (1) There is a discrepancy between the provisions of the Articles of Association and those of the laws and administrative regulations after amendments to the Company Law or relevant laws and administrative regulations;
- (2) There are changes in the situation of the Company resulting in inconsistency in relation to that mentioned in the Articles of Association;
- (3) The shareholders' general meeting resolves to amend the Articles of Association.

If the amendments to the Articles of Association may have an effect on the application of the Mandatory Provisions for Articles of Association of Companies Listing Overseas, such amendments are subject to approval by a company registration authority authorized by the State Council and the securities regulatory authority of the State Council (if applicable); if registration is necessary for the amendments, such registration shall be carried out in compliance with the law.

The shareholders' general meeting may by an ordinary resolution authorized the Board of Directors of the Company:

- (1) in case the Company increases registered capital, the Board of Directors has the right to amend the content in relation to the increase of registered capital in the Articles of Association according to the actual situation;
- (2) when the Articles of Association approved by the shareholders' general meeting is submitted to the competent authority for registration, review, and approval, it is required to change the sequence of words or articles, the Board of Directors may make the corresponding change(s) as required by the competent authority.

Article 251 If the amendments upon the resolutions of shareholders' general meeting are subject to approval by the competent authorities, such amendments shall be submitted to such competent authority for approval; if registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

CHAPTER 13 SETTLEMENT OF DISPUTE

Article 252 The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the overseas-listed foreign shares and the Company, holders of the foreign shares (including holders of the overseas-listed foreign shares and holders of the non-listed foreign shares) and the Company's directors, supervisors, general manager, and other senior management officers, or holders of the overseas-listed foreign shares and holders of domestic shares, based on any rights or obligations conferred or imposed by the Articles of Association, the Company Law, Special Regulations or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where such dispute or claim of rights is referred to arbitration, the entire claim or dispute shall be referred to arbitration and any person (being the Company or a shareholder, director, supervisor, general manager and other senior management officer of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration.

- (2) Where such dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, director, supervisor, general manager and other senior management officer of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply the arbitration to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

- (3) If any disputes or claims of rights prescribed in Item (1) are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.

- (4) The award of an arbitration agency shall be final and conclusive and binding on all parties.

CHAPTER 14 SUPPLEMENTARY PROVISIONS

Article 253 Definitions

- (1) The “actual controller” shall refer to the persons who, not being a shareholder of the Company, is able to exercise control over the acts of the Company through an investment relationship, any agreement or other arrangement.
- (2) The “connected transaction” shall have the meaning defined by the Hong Kong Listing Rules.
- (3) The “accounting firm” shall have the same meaning of “auditor”.

Article 254 The Articles of Association are drafted in Chinese. In case of any discrepancy between versions in other languages or different versions of the Articles of Association, the Chinese version shall prevail.

Article 255 All “over”, “within”, “below” in the Articles of Association include the relevant figure itself; “less than”, “exceed”, and “lower than” does not include the relevant figure itself.

Article 256 The right of interpretation shall belong to the Board of Directors of the Company.

Article 257 The appendices to the Articles of Association shall include the Rules of Procedure for the shareholders’ general meeting, the Rules of Procedure for the Board of Directors, and the Rules of Procedure for the Board of Supervisors.

Article 258 The Articles of Association have been adopted by the shareholders’ general meeting of the Company by way of a special resolution, and shall enter into force as of the date on which the H-shares publicly issued by the Company are traded on the main board of the Stock Exchange of Hong Kong. The former Articles of Association of the Company shall become invalid automatically from the date of entry into force of the Articles of Association.