

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

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CHAPTER 1 GENERAL

Article 1 To safeguard the legitimate rights and interests of Wenhuo Kangning Hospital Co., Ltd. (the "Company") and its shareholders and creditors, and to regulate organization and affairs of the Company, these Articles of Association are formulated pursuant to the Company Law of PRC (the "Company Law"), the Securities Law of PRC (the "Securities Law"), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the "Special Provisions"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidelines on Articles of Association of Listed Companies, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Repl of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and other relevant provisions.

Article 2 The Company is a joint stock limited company duly incorporated in accordance with the Company Law and other relevant laws, administrative regulations or normative documents of the People's Republic of China (the "PRC").

With all shareholders of the original Wenhuo Kangning Hospital Co., Ltd. as the promoters, through the overall conversion of the audited book net assets of the original Wenhuo Kangning Hospital Co., Ltd. as at 31 July 2014, and conducting overall allocation, the Company has established and registered a Wenhuo Administration for Industry and Commerce on 15 October 2014, with the Business License (registration number 330300000044161) granted.

The promoters of the Company comprise 9 parties, 3 of which are natural person shareholders, namely Gan Weili, Wang Lianjie, Wang Hongjie; 6 of which are non-natural person shareholders, namely Guangzhou GL Capital Investment Fund L.P., Beijing CDH Weiren Venture Capital L.P., Beijing CDH Weisen Venture Capital L.P., Ningbo Xinshi Kangning Investment Management L.P., Ningbo Enci Kangning Investment Management L.P. and Ningbo Renai Kangning Investment Management L.P.

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

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

Article 4 Domicile of the Company: Shengjin Road, Hanglong Residential District, Wenling

Postal code: 325000

Telephone number: 0577-88789117

Fax number: 0577-88789117

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

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

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

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

Article 9

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

These Articles of Association shall be legally binding on the Company, its shareholders, directors, officers and senior management, with such personnel being entitled to claim for rights on matters relating to the Company, and undertaking corresponding obligations in accordance with these Articles of Association.

Without prejudice to the provisions of Article 244, and according to these Articles of Association, one shareholder may sue the other shareholders, and the shareholders may sue the Company's directors, officers and senior management. The shareholders may sue the Company. The Company may sue the shareholders, directors, officers and senior management.

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

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

Article 10 The Company may invest in other enterprises. However, it shall not become a capital contributor and shall not bear joint liabilities for the debts of the enterprises in which it invests, unless otherwise provided for by law. Based on its business development needs, the Company may, upon approval by relevant government authorities, establish its subsidiaries, branches, representative offices, offices, etc. outside of the PRC and in Hong Kong Special Administrative Region (Hong Kong), Macao Special Administrative Region (Macao) and Taiwan.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE

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

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

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

CHAPTER 3 SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

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

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

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

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

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

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

Article 16 The Company may issue shares to investors inside the PRC and in investors outside the PRC, upon approval of the securities regulatory authorities under the State Council.

For the purpose of the preceding paragraph, the term "investors outside the PRC" shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan who subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors inside the PRC, excluding the above-mentioned regions, who subscribe for the shares issued by the Company.

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

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

The overseas-listed foreign shares issued by the Company which are listed in Hong Kong are referred to as H shares, namely, the RMB-denominated shares approved by The Stock Exchange of Hong Kong Limited (hereinafter referred to as "HK Stock Exchange" or "Hong Kong Stock Exchange") for listing whose description and trading are in Hong Kong dollars.

Approved by securities regulatory authorities, under the SFC Rules, the Company's domestic shares may be listed and traded on an overseas stock exchange and converted into overseas-listed foreign shares. Upon conversion of such shares into overseas-listed foreign shares, listing and trading of such shares on overseas stock exchanges shall comply with the regulatory procedure, regulations and requirements of the foreign securities markets. The conversion of domestic shares into overseas-listed foreign shares and listing on an overseas stock exchange shall not require the convening of a general meeting or class meeting. The converted overseas-listed foreign shares shall belong to the same class of shares as the existing overseas-listed foreign shares.

Article 18

As approved by the approval authorities of the Company authorized by the Share Council, 50,000,000 ordinary shares were issued to the promoters of the Company upon establishment of the Company. Promoters and their respective shares subscribed are set out as follows:

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

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

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

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

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

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

Article 21 After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulator authorities, under the Share Council, the Company's Board may arrange for implementation of such plans by means of separate issuances.

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

Article 22 Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for either such single issuance to be fully subscribed, the shares may be issued in tranches, subject to the approval of the securities regulator authorities, under the Share Council.

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

Article 24 Unless otherwise stipulated in the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, or these Articles of Association, the shares of the Company may be freely transferred according to the law without any lien. The transfer of shares of the Company shall be registered with the registration agency appointed by the Company.

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

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

The directors, superisors and senior management of the Company shall report to the Company the shares held by them and the changes hereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

Article 27

If a director, superisor or senior management of the Company, or a shareholder holding more than 5% of the shares of the Company sells the shares of the Company within six months after buying those shares, or buys the shares within six months after selling those shares, all the gains arising hereof shall belong to the Company, and such gains shall be collected by the Board of the Company. But if a securities company, under rules, resold shares, hereby holding more than 5% of the shares, the sale of these shares shall not be subject to the said six-month restriction. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

If the Company's Board does not elect in compliance with the preceding paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigation in court in their own names for the interest of the Company.

If the Company's Board does not elect in compliance with the first paragraph, the director(s) liable shall assume joint and several responsibilities pursuant to laws.

CHAPTER 4 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 28

According to operational and development needs, the Company may, according to the laws and regulations and resolutions of general meetings, increase stock capital pursuant to relevant provisions of these Articles of Association.

The Company may increase stock capital by adopting the following means:

- (1) Issuing new shares to unspecified persons;
- (2) Placing new shares with existing shareholders;
- (3) Giving new shares to existing shareholders;

- (4) Consering the reser e fi nds in o share capi al;
- (5) O her means prescribed b he la s, adminis ra i e reg la ions or appro ed b he rele an reg la or a hori ies.

Increasing ock capi al b he Compan hro gh iss ance of ne shares shall be carried o in accordance i h he proced res specified in rele an S a e la s, adminis ra i e reg la ions as ell as he go erning n les hich pre ail in he place here he shares are lis ed, af er ha ing been appro ed in accordance i h hese Ar icles of Associa ion.

Article 29 The Compan ma red ce i s regis ered capi al. If he Compan red ces i s regis ered capi al, a ch red c ion shall be in accordance i h he req iremen s of he Compan La , o her rela ed reg la ions and hese Ar icles of Associa ion.

Article 30 If he Compan red ces i s regis ered capi al, a balance shee and an in en or of asse s shall be prepared.

Where he Compan red ces i s regis ered capi al, he Compan shall no if he credi ors, make an anno ncemen in accordance i h pro isions of he Compan La , repa i s deb s or pro ide corresponding g aran ees as req ired b he credi ors.

The red ced regis ered capi al of he Compan shall no be less han he s a , or minim m.

Article 31 The Compan ma , in he follo ing cira ms ances, rep rchase i s o n iss ed o s anding shares according o legal proced res and in accordance i h he proced res pro ided for in hese Ar icles of Associa ion, and s bmi he same o he rele an s a e a hori ies for appro al:

- (1) Red ce he Compan 's regis ered capi al;
- (2) Merger i h ano her compan holding shares in he Compan ;
- (3) U ilising i s shares in he emplo ee share o nership scheme or for share incen i e;
- (4) Acq isi ion of shares held b shareholders (pon heir req es.) ho dissen from an resol ion proposed in an general mee ing on he merger or di ision of he Compan ;
- (5) U ilising he shares for con ersion o corpora e bonds hich are con er ible in o shares iss ed b he lis ed compan ;
- (6) Where i is necessar o safeg ard he al e of he lis ed compan and he in eres s of i s shareholders.

Article 32 With approval from relevant state authorities, the Company may proceed in any one of the following manners:

- (1) Making of a repurchase offer in the same proportion to all shareholders;
- (2) Repurchase through open transactions on a stock exchange;
- (3) Repurchase by agreement on a side of a stock exchange;
- (4) Other methods recognized by relevant regulatory authorities.

Article 33 In the event of a repurchase of shares by the Company by an agreement on a side of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures stipulated in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

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

The Company shall not assign contracts for the repurchase of its own shares or any of its rights hereunder.

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

Article 34 The acquisition of its shares by the Company for reasons set forth in Items (1) to (2) of Article 31 hereof shall be subject to the approval at the general meeting in accordance with the provisions hereunder. The acquisition of its shares by the Company for reasons set forth in Items (3), (5) and (6) of Article 31 hereof may be subject to the approval at the Board meeting attended by more than one-third of the directors in accordance with the provisions hereunder. Upon the acquisition of its shares by the Company

Article 36

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

- (1) Where the Company buys back shares at their par value, the amount hereof shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares;
- (2) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:
 1. Where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profits of the Company;
 2. Where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits and/or from the proceeds of a new shares issuance made to buy back the old shares; however, the amount deducted from the proceeds of the new shares issuance shall not exceed the total premium obtained at the time of issuance of the old shares, so repurchased nor exceed the amount (including the premiums from the new shares issuance) in the Company's premium account (or capital common reserve account) at the time of repurchase;
- (3) The amounts paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
 1. Acquisition of the right to buy back its own shares;
 2. Amendments to the contract for repurchase of its own shares;
 3. Release from an obligation under a repurchase contract.
- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, the portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company's premium account (or capital common reserve account).

CHAPTER 5 FINANCIAL ASSISTANCE FOR PURCHASE OF COMPANY SHARES

Article 37 The Company or its subsidiaries (including affiliates of the Company) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons who directly or indirectly undertake obligations as a result of purchasing shares in the Company.

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

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

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

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

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

Article 39

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

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

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

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

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state each other particulars as required to be specified by the Stock Exchange on which the Company's shares are listed.

The Company may make the form of overseas depositary receipt or other derivations of share certificate of issue of overseas-listed foreign shares in accordance with laws and securities registration and depositary practice of the listing venue.

During the listing of the Company's H shares on the main board of the Hong Kong Stock Exchange, the Company shall ensure that the following statements are included in all relevant documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange and shall instruct and procure its share registrar to reject the registration of the subscription, acquisition or transfer of shares in the name of an individual holder, unless and until the individual holder submits the appropriate signed form relating to such shares to the share registrar and the form shall include the following statements:

(1) the share purchaser and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law, Special Provisions and other relevant laws, administrative regulations and these Articles of Association.

(2) the purchaser of the shares agrees with the Company and each of the shareholders, directors, supervisors and senior management of the Company, and the Company, acting on behalf of itself and each of directors, supervisors and senior management of the Company, agrees with each of the shareholders that, he will refer to arbitration for settlement of all disputes and claims arising from these Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from an rights or obligations, under the Company Law or other relevant laws and administrative regulations in accordance with the provisions of these Articles of Association.

Article 41

The share certificates shall be signed by the chairman of the Board. Where the signatures of senior management of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such senior management. The share certificates shall become effective after the Company seal is affixed hereon or printed hereon. Under a resolution of the Board, the Company may stamp on share certificate. The signature of legal representative or of senior management on the share certificates may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by local securities regulatory authorities of the place(s) in which shares of the Company are listed shall prevail.

Article 42

The Company shall establish a register of shareholders in accordance with the evidence from the securities registration organization, and shall enter therein the following particulars:

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

The register of shareholders is the conclusive evidence of shareholders' holding of the Company's shares, unless otherwise provided in opposition.

Article 43

The Company may, pursuant to an understanding or agreement reached between the securities regulator authorities under the SFC and a securities regulator organization outside the PRC, keep outside the PRC its original register of holders of overseas-listed foreign shares, and entrust the administration hereof to an agent outside the PRC. The original register of public shareholders of the H shares shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of overseas-listed foreign shares. The appointed agent outside the PRC shall ensure that the register of holders of overseas-listed foreign shares and its duplicate are consistent at all times.

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

Article 44

The Company shall keep a complete register of shareholders. The register of shareholders shall include the following particulars:

- (1) A register kept at the Company's domicile or other place specified in Items (2) and (3) of this Article;
- (2) The register(s) of holders of overseas-listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (3) Registers of shareholders kept in other places as the Board may decide necessary for listing of the Company's shares.

Article 45

The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

Article 46

All paid H shares are freely transferable according to these Articles of Association. However, unless meeting the following conditions, the Board may decline to register an instrument in whole or in part for any of the following reasons:

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

If the Board refuses to register an instrument of transfer of shares, the Company shall indemnify and hold harmless from the date of formal application for the transfer the transferor and transferee in a notice of refusal to register such transfer.

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

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

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

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

Article 49 Any person who dissents from the register of shareholders and requests his name to be entered in or removed from the register may apply to a competent authority for correction of the register.

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

Applications for the replacement of domestic share certificates shall be dealt with in accordance with the relevant provisions of the Companies Act.

Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.

Where public shareholders of H shares apply for replacement of lost certificates, such replacement shall comply with the following requirements:

- (1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or affidavit or declaration. The notarial certificate or affidavit or declaration shall include the applicant's reasons for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other persons may require registration as a shareholder in respect of the Relevant Shares.
- (2) The Company has not received an declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate.
- (3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish an announcement of its intention in the newspapers designated by the Board; the period of the announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.
- (4) Before publishing the announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate is made in his consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the announcement in accordance with the provisions of the Charter.

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

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

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

Article 51

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

Article 52

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

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

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

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

Shareholders of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

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

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

- (1) The Company needs no register more than four persons as joint shareholders for a share;
- (2) All joint shareholders of a share shall bear the joint liabilities for all the payable amount of the relevant share.

In the circumstance of joint shareholders:

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

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

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

Article 54 Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) To receive dividends and profit distributions in other forms according to the number of shares held by them;
- (2) To request, convene, host, participate in or appoint proxy to attend general meeting and exercise corresponding voting rights in accordance with the law;
- (3) To monitor, make suggestions or question the Company's operation;
- (4) To transfer, donate or pledge shares in his/her possession in accordance with the law, administrative regulations, listing rules of the stock exchange of the place(s) in which the shares of the Company are listed, as well as provisions of these Articles of Association;

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

1. Obtaining these Articles of Association of the Company after payment of a charge to cover the costs;

2. Having the right to access and make a copy, after payment of reasonable charges, of:

(1) all parts of the register of shareholders;

(2) personal information of the directors, superintendents and senior management of the Company, including:

a. current and previous names and aliases;

b. main address (domicile);

c. nationality;

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

e. identification credentials and their numbers.

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

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

(5) bonds, trusts, minutes of general meetings, special resolutions of the Company, resolutions of board meetings, resolutions of the meetings of Superintendent Committee and financial reports;

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

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

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

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

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

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

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

Article 55

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

Article 56

If a resolution of the Company's general meeting or Board meeting contravenes the law or administrative regulations, the shareholders are entitled to request the court to annul the decision.

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders are entitled to request the court to revoke the resolutions within 60 days of the resolutions.

Article 57

If a director or senior management contravenes the law, administrative regulations or these Articles of Association when carrying out his duties resulting in losses of the Company, shareholders individually or collectively holding 1% or more of the shares for 180 days consecutively are entitled to request the Supervisor Committee in writing to commence litigation in the court. If a board of supervisors contravenes the law, administrative regulations or these Articles of Association when carrying out its duties resulting in losses of the Company, the shareholders are entitled to request the Board in writing to commence litigation in the court.

If the Supervisor Committee or the Board refuses to commence litigation upon receipt of the shareholder's written request stipulated under the preceding paragraph, or does not commence litigation within 30 days upon receipt of the request, or the situation is so urgent that it will cause irreparable losses of the Company if an immediate litigation is not commenced, the shareholders stipulated under the preceding paragraph are entitled to commence litigation directly at the court under their own names for the interests of the Company.

If an person intervenes in the liquidation of the Company resulting in losses of the Company, a shareholder stipulated under the first paragraph is entitled to commence litigation at the court in accordance with the preceding paragraphs.

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

Article 60 Shareholders who hold shares with voting rights of the Company or over 5% and pledge their shares shall submit a written report to the Company on the date when the pledge occurs.

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

The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and public shareholders. The controlling shareholder shall strictly exercise his rights as a capital contributor in compliance with the law. The controlling shareholder shall not make, in respect of his position, damage the lawfully established interests of the Company and public shareholders in the distribution of profits, retention of assets, foreign investments, misappropriation of assets, borrowing or loan guarantee, and shall not make, in respect of his controlling position, damage the interests of the Company and public shareholders.

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

- (1) Discharging the responsibilities of a director or supervisor honestly in the best interests of the Company;
- (2) Approving a director or supervisor (for his own or others' benefit) to deprive the Company of its property in form, including (but not limited to) an opportunity, which is favorable to the Company;

- (3) Approving a director or supervisor (for his own or others' benefit) or depriving other shareholders of their personal interests, including (but not limited to) the rights of distributions and voting rights, but not including rescinding of the Company's bylaws and passed at the shareholders' general meeting in accordance with these Articles of Association.

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

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

CHAPTER 8 GENERAL MEETING

Section 1 General Provisions on General Meeting

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

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

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

(11) Amend these Articles of Association;

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

Article 64

The following external guarantees of the Company shall be reviewed and passed at the general meeting:

- (1) An guarantee in addition to the aggregate of external guarantees provided by the Company and its holding subsidiary in a total amount equal to or more than 50% of the Company's last audited net assets;
- (2) An guarantee in addition to the aggregate of external guarantees provided by the Company in a total amount equal to or more than 30% of the Company's last audited total assets;
- (3) To provide guarantee on entities in which more than 70% debt asset ratio;
- (4) A single guarantee whose amount exceeds 10% of the last audited net assets;
- (5) To provide guarantee for shareholders, de facto controller and their connected parties;
- (6) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and these Articles of Association.

The term "external guarantee" refers to the guarantee provided by the Company to others, including guarantee provided to an off-influencing subsidiary. The term "total amount of external guarantee of the Company and its holding subsidiary" refers to the sum of total amount of the Company's external guarantee (including the Company's guarantee to its holding subsidiary) and the external guarantee provided by the Company's holding subsidiary.

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

Article 65 Except when the Company is, under a special circumstance such as a crisis, the Company shall not, in its own approval by a special resolution at a general meeting, enter into a contract to hand over all or material business management of the Company to a person other than a director, a supervisor or other senior management.

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

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

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

- (2) The ~~losses~~ of the Company ~~has~~ ~~have~~ not been made to reach one-third of the total share capital;
- (3) Shareholders who individually or collectively hold more than 10% of the shares of the Company require to convene an extraordinary general meeting in written form;
- (4) Whenever the Board considers ~~it~~ ~~necessary~~ ;
- (5) When the Supervisor Committee proposes to convene a meeting;
- (6) Other circumstances prescribed by the laws, administrative regulations, departmental regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed or these Articles of Association.

Article 68

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

A general meeting shall, ~~it~~ ~~shall~~ be in the form of physical meeting to be held on-site. However, so far as permitted by the securities regulation or authority, such meeting may also be held in such other manners as shall be recognized or required by the securities regulation or authority. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Section 2 Proposing and Convening of General Meeting

Article 69

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

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

Article 70

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

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

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

Article 71

Shareholders holding more than 10% of shares (individually or collectively) shall be entitled to request to convene an extraordinary general meeting or class meeting according to the following procedures:

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

(5) If the board of ~~s~~ ~~per~~ ~~isors~~ does not ~~iss~~ ~~e~~ the notice of general meeting within the prescribed period, it shall be deemed as the board of ~~s~~ ~~per~~ ~~isors~~ not convening and not holding the general meeting. Then the ~~shareholders~~ who individually or collectively hold more than 10% of the ~~shares~~ for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

Before making an announcement on the resolution(s) of the general meeting, the convening ~~shareholders~~ shall hold not less than 10% of the ~~shares~~. When the convening ~~shareholder~~ ~~iss~~ ~~es~~ the notice of general meeting and the announcement on the resolution(s) of the general meeting, he shall ~~s~~ ~~ub~~ ~~mi~~ ~~t~~ the relevant proof materials to the ~~sec~~ ~~ri~~ ~~es~~ ~~reg~~ ~~u~~ ~~l~~ ~~a~~ ~~t~~ ~~o~~ ~~r~~ ~~a~~ ~~u~~ ~~t~~ ~~h~~ ~~o~~ ~~r~~ ~~i~~ ~~g~~ ~~n~~ ~~t~~ ~~e~~ ~~ch~~ ~~an~~ ~~g~~ ~~e~~ where the Company is located.

Article 72

Where the ~~S~~ ~~per~~ ~~isor~~ Committee or ~~shareholders~~ convene a meeting by themselves in accordance with the provisions of this section, a written notice shall be ~~s~~ ~~ub~~ ~~mi~~ ~~t~~ ~~t~~ ~~e~~ ~~d~~ to the Board and filed with the ~~sec~~ ~~ri~~ ~~es~~ ~~reg~~ ~~u~~ ~~l~~ ~~a~~ ~~t~~ ~~o~~ ~~r~~ ~~a~~ ~~u~~ ~~t~~ ~~h~~ ~~o~~ ~~r~~ ~~i~~ ~~g~~ ~~n~~ ~~t~~ ~~e~~ ~~ch~~ ~~an~~ ~~g~~ ~~e~~ where the Company is located. The Board and the ~~sec~~ ~~re~~ ~~t~~ ~~a~~ ~~r~~ ~~y~~ of the Board shall cooperate in terms of ~~s~~ ~~u~~ ~~ch~~ ~~m~~ ~~e~~ ~~e~~ ~~t~~ ~~i~~ ~~n~~ ~~g~~s. The Board shall provide the register of ~~shareholders~~ on the shareholding record date. The expenses reasonably accrued herefrom shall be borne by the Company and be deducted from the amount due for payment to the directors as a result of their negligent manners.

Section 3 Proposals and Notices of General Meeting

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

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

Shareholders who individually or collectively hold more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposals and announce the contents of the ad hoc proposals.

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

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

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

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

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

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

- (1) Time, place and duration of the meeting;
- (2) Specified matters and resolutions to be proposed at the meeting;
- (3) Provision to the shareholders of the detailed information and explanations necessary for the shareholders to make sound decisions about the matters to be discussed. This principle includes (but not limited to) the provision of the specific terms and conditions, if any, of the proposed transaction(s) and serious explanations about the causes and effects when the Company proposes mergers, repurchase of shares, raising of share capital or other raising;
- (4) In the event that any of the directors, supervisors, managers or other senior management has a material interest in a matter to be discussed, the nature and extent of the interest shall be disclosed. If the matters to be discussed affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how they affect the same type of other shareholders, the difference shall be explained;

- (5) Inclusion of the fill e of an special resol ion o be proposed for appro al a he mee ing;
- (6) A clear e plana ion in ords, indica ing ha he en ire shareholders are en i led o a end and o e a he general mee ing, or o appoin pro ies, o a end and o e a he mee ing on his or her behalf and ha a ch pro ies are no necessaril shareholders;
- (7) Record da e for shareholders en i led o a end he mee ing;
- (8) Name and elephone n mber of he con ac person;
- (9) Specified deli er ime and place of he po er of a orne for pro o ing a he mee ing.

Article 78

For ma er of disc ssion in ol ing he elec ion of direc ors and a per isors, he no ice of general mee ing shall adeq a el disclose he de ailed informa ion of he candida es for a ch direc ors and a per isors, hich shall a leas incl de he follo ing:

- (1) Personal par ic lars incl ding ed ca ion backgro nd, orking e perience and an par - ime job;
- (2) Whe her here is an connec ed rela ionship be een he Compan and he con rolling shareholders and de fac o con roller of he Compan ;
- (3) Disclos re of he shareholdings in he Compan ;
- (4) Whe her or no he ha e been penalized b CSRC or o her rela ed se a ri es, reg la or a hori es, and he a ock e change.

Apar from direc ors and a per isors elec ed hro gh he a m la i e o ing a a em, each candida e of direc or or a per isor shall be indi id all proposed.

Article 79

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

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulator or a hori- under the S a e Council within the period of 20 Hong Kong business days before an annual general meeting is held, or 10 Hong Kong business days or 15 days (whichever is earlier) before an extraordinary general meeting is held. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice in relation to the general meeting.

Article 80

After issuance of the notice for the general meeting, the general meeting shall not be postponed or cancelled without proper reasons and the proposals specified in the notice shall not be withdrawn. In case of delay or cancellation, the convenor shall make an announcement giving reasons at least 2 working days before the date when the meeting is convened, unless otherwise prescribed in listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed (if so, the latter shall prevail).

Article 81

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

Section 4 Convening General Meeting

Article 82 All ~~shareholders~~ on the register of ~~shareholders~~ on the shareholding record date shall be entitled to attend the general meeting, and to vote in accordance with the provisions of the relevant laws, regulations and these Articles of Association.

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

Such proxies may exercise the following rights as exercised by the ~~shareholder~~:

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

If a ~~shareholder~~ is a recognized clearing house or its agent in the meaning of the relevant regulations imposed in Hong Kong from time to time, he may authorize one or more proxies as he thinks fit to act as his proxies at a general meeting or class meeting of ~~shareholders~~. However, if more than one proxy are appointed, the proxy form shall specify the number and class of shares represented by each of such proxies, under the authorization, and signed by authorized proxies of recognized clearing house. Such authorized proxies are entitled to attend the meeting on behalf of the recognized clearing house or their agent (in the presence of evidence of their shareholding, no authorized authorization and/or further proof demonstrating the delegation of the same) and exercise the right of the recognized clearing house or their agent, as if they were the individual ~~shareholders~~ of the Company.

Article 83

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

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

Article 84

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

The instruments issued by the shareholder or authorized another person to attend the general meeting shall state the following contents:

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

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

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

Article 85

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

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

Article 86

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

The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her/its own discretion.

Article 87 Where the attending party is deceased or incapacitated or whose signed proxy is withdrawn or the relevant shares have been transferred prior to the meeting, a proxy given in accordance with the terms of the proxy form shall remain valid as long as the Company has not received a written notice of such matters before the commencement of the relevant meeting.

Article 88 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identification numbers, residential addresses, the number of shares held or voting rights represented and names of the proxies (or name of organizations).

Article 89 The company shall verify the shareholders' qualifications according to the register of members provided by the securities registration and clearing institutions. The names of shareholders and the total number of shares with voting rights held by them shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.

Article 90 The directors, supervisors and senior management of the Company shall, upon request of the general meeting, be present at such meeting for answering queries raised by the shareholders.

Article 91

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

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

If a general meeting is convened by the shareholders themselves, they may convene and nominate a representative to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (including his/her/its proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting convenes the rules of procedure of general meetings, rendering the meeting impossible to proceed, with the consent of more than one half of the attending shareholders with voting rights, one person may be nominated as the general meeting officer as the chairman and the meeting may proceed. If for any reason the shareholders are unable to elect a chairman of the meeting, the attending shareholder holding the largest number of voting shares (including his/her/its proxy) shall preside over the meeting.

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

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

Article 94 Directors, supervisors and senior management shall provide explanations regarding and answer the enquiries and suggestions from shareholders at the general meeting.

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

Article 96 Minutes shall be prepared for general meetings by the secretary of the Board. The minutes shall state the following contents:

- (1) Time, venue and agenda of the meeting and name of the convener;
- (2) The name of the chairman of the meeting and the names of the directors, supervisors and senior management attending or presenting at the meeting;

- (3) The numbers of shareholders (including holders of domestic shares and overseas-listed foreign shares (if any)) and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (4) The process of review and discussion, summary of an speech and voting results of each proposal;
- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of the conveners and secretary of the meeting;
- (7) Other contents to be included as specified in these Articles of Association.

Article 97

The convener shall ensure that the minutes of the meetings are true, accurate and complete. Directors, supervisors, secretaries of the Board, convener or his/her representative and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, protocols and valid records on internet and other means of voting, for a period of no less than 10 years.

Article 98

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

Section 5 Voting and Resolutions at General Meetings

Article 99 Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than one half of the voting shares held by shareholders (including their proxies) attending the general meeting.

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

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

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

Subject to and conditional upon compliance with applicable laws, regulations or requirements of the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, the Board, independent non-executive directors and other shareholders who qualify with relevant specified conditions may solicit for the voting shares from shareholders.

When the general meeting considers related party transactions, the related party shareholders shall not participate in the voting if so specified in the applicable laws, regulations or listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed. His shares held with voting rights will not be counted within the total number of valid votes. The public announcement on the voting results of the general meeting shall fully disclose the voting results of the non-related party shareholders.

In accordance with the applicable laws, regulations and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, where an shareholder shall abstain from voting for an particular resolution, or is restricted to vote only for or against such resolution, an vote in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted in the voting results.

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

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

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

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

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

(7) Matters other than those requiring the approval of special resolutions in accordance with the laws, administrative regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed or these Articles of Association.

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

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

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

Article 107 If the chairman of the meeting has announced by a resolution of a resolution, he may arrange the recording of the resolutions. If the chairman of the meeting does not arrange the recording of the resolutions, a shareholder or proposing the meeting who dissents from the resolution announced by the chairman of the meeting shall be entitled to request the recording of resolutions immediately after such announcement, in which case the chairman of the meeting shall immediately arrange the recording of the resolutions.

Article 108 If the recording of resolutions is conducted at a general meeting, the resolution of the recording shall be recorded in the minutes of the meeting. The minutes of the meeting, the attendance register and proposed forms shall be kept at the Company's domicile for a period of no less than 10 years.

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

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING AT CLASS MEETINGS

Article 110 Shareholders who hold different classes of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and these Articles of Association.

Where the share capital of the Company includes shares which do not carry voting rights, the words "no voting rights" may appear in the designation of such shares.

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

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

For the change or abrogation of rights of class shareholders as a result of the changes in domestic and foreign laws, regulations and the listing rules of the stock exchange(s) of the place(s) where the shares of the Company are listed as well as the decisions made pursuant to the local domestic and foreign regulatory authorities, no approval at a general meeting or class meeting shall be required.

Article 112 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

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

- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire the securities of the Company attached to the shares of such class;
- (6) a removal or reduction of rights to receive amounts payable by the Company in a particular order attached to the shares of such class;
- (7) creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer of or ownership of the shares of such class;
- (9) an issuance of rights to subscribe for, or convert into, the shares of such class or another class;
- (10) an increase in the rights and privileges of the shares of another class;
- (11) a restructuring plan of the Company that causes shareholders of different classes to bear liability to different extent during the restructuring; and
- (12) an amendment to or repeal of the provisions of this section.

Article 113

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

The term interested shareholders in the preceding paragraph shall have the following meanings:

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

(2) if the Company has bought back its own shares by an agreement on the side of a stock exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement shall be the z interested shareholders ;

(3) under a rescinding proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest different from that in interest of other shareholders of the same class shall be the z interested shareholders .

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

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

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

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

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

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

Article 117 In addition to the holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

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

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval in the form of a special resolution by its shareholders at a general meeting, either separately or concurrently, once every 12 months and the number of each of the domestic shares and overseas-listed foreign shares to be issued is no more than 20% of the same type of shares in issue;
- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares, upon its incorporation is implemented within 15 months from the date of approval by the securities regulator authorities under the Sae Council;
- (3) Where within the approval by the securities regulator authorities under the Sae Council, the shareholders confer their unlisted domestic shares in overseas-listed foreign shares for overseas listing and trading.

CHAPTER 10 BOARD OF DIRECTORS

Section 1 Directors

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

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

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

A director's position may be assumed by the general manager or other senior management, but the sum of the total number of directors who also assume the duties of the general manager or other senior management and the number of staff representatives directors shall not exceed one half of the total number of directors of the Company.

A director need not hold the shares of the Company.

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

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

Article 120 The notice concerning proposed nomination of a director candidate and the relevant notice regarding the indication of the candidate's intention to accept the nomination shall be sent to the Company with a short-term of at least 7 days. The date of fulfilment of the aforementioned term shall not be earlier than the first day upon the issue of the notice for convening the shareholder's meeting for his purpose, and the date of expiry shall not be later than 7 days prior to the date of convening the shareholder's meeting.

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

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

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

If the members of the directors fall below the minimum statutory or requirements of a director's resignation, the original directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and these Articles of Association before the appointment of the re-elected directors; the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy.

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

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

Article 124 In the absence of specification in these Articles of Association or legislative authority by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, by a third party, a reasonable belief has the director is representing the Company or the Board, the director shall declare his source and capacity in advance.

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

Section 2 Independent Non-executive Directors

Article 126 The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company who serve as non-duties other than the directors' duties, has no relationship with the Company and its subsidiaries shareholders (referring to such shareholders who individually or collectively hold more than 5% of the total number of voting shares) who may hinder their independent objective judgments, and satisfies the requirements on independence by the listing rules of the stock exchange of the place where the Company's shares are listed.

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

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

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

Article 127

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

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

Article 128

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

Prior to the expiry of the term of his/her office, an independent non-executive director may not be dismissed in the absence of proper reasons. Dismissal of an independent non-executive director prior to such expiry of the term of office shall be disclosed as a special matter by the Company.

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

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

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

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

Article 129 The Company shall form a working panel of independent non-executive directors, which will specify the qualification, nomination, election and replacement, rights and obligations, and liabilities of independent non-executive directors.

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

Section 3 Board of Directors

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

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

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

Article 133 The Board exercises the following functions and powers:

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

- (4) to formulate the annual financial budgets and final accounts of the Company ;
- (5) to formulate the Company's profit distribution plans and plans on making, or losses;
- (6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and prepare an listing hereof;
- (7) to formulate plans for mergers, division, dissolution and alteration of corporate form of the Company ;
- (8) to formulate plans for the Company's substantial acquisitions and purchase of the shares of the Company ;
- (9) within the scope authorized by the general meeting, to decide, among others, the Company's external investments, purchase and sale of assets, provision of securities on the Company's assets, matters on external guarantees, entrusted real estate management, connected transactions and others;
- (10) to decide on the establishment of internal management organizations of the Company ;
- (11) to determine the establishment of the special committees under the Board, appoint or dismiss the chairman (convenor) of such committees;
- (12) to appoint or dismiss the general manager, the secretary of the Board and the company secretary ; to appoint or dismiss the senior management including the standing deputy general managers, the deputy general managers and the chief financial officer of the Company in accordance with the nominations made by the general manager, and to decide on their remunerations;

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

(24) other powers and duties stipulated by laws, administrative regulations, and departmental rules and regulations, listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, and these Articles of Association, and conferred upon by the general meetings.

Should the foregoing exercise of such functions and powers by the Board, or an transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, such shall be submitted to the general meeting for consideration and review.

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

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

Article 134

The Board shall formulate the rules of procedures for meetings of the Board to ensure implementation of the resolutions of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rules of procedures for the Board stipulate the procedures for holding the Board meetings and convening a Board meeting, and shall be appended to these Articles of Association, being formulated by the Board and approved by the general meeting.

Article 135

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

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

Article 136

When the Board is disposing of fixed assets and should the sum of the expected value of the fixed assets proposed for disposal by the Board and the value derived for the fixed assets have been disposed of within 4 months prior to such proposed disposal exceed 33% of the fixed assets value set out in the latest balance sheet recently considered by the general meetings, the Board may not dispose of or agree to dispose of such fixed assets without such prior approval by the general meeting.

The term "fixed assets disposal" referred to in this Article shall refer to, among other things, the act of transferring certain interests in assets, but not including the act of providing such guarantee by a fixed asset.

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

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

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

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

Article 138

The Board meetings shall include regular meetings and extraordinary meetings.

Regular meetings of the Board of directors shall be held at least 4 times a year. Such meetings shall be convened by the chairman of the Board. Notices of and documents for meetings shall be delivered to all directors and supervisors 14 days before the meeting is held. Regular meetings of the Board shall not include the obtaining of such approval from the Board by means of circulation of written resolutions.

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

In case of urgency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not being subject to the requirements of meeting notice as set out in this Article, provided that reasonable notice shall be given to directors, supervisors and the general manager.

Board meetings may be conducted by means of telephone conference, video conference, circulation of documents, facsimile etc. provided that directors can fill the process their duties, and all directors who participate in Board meetings held in such forms shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall set out the details of the resolutions of the meeting, and shall state the deadline date for voting. The directors who participate in such meeting shall express their votes to the Company via facsimile by the deadline date for such voting as stated in the notice of meeting, and the original copy of such voting decision, which shall be signed by such directors themselves, shall be sent to the Board of the Company.

If there is a conflict of interest, deemed to be material by the Board found in the matters to be considered by substantial shareholders or directors at the Board, the relevant matters shall be handled by means of holding a Board meeting (but not written resolutions). Independent non-executive directors themselves and their associates, have no material interest in the transaction should be present at such Board meeting.

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

For the directors who have attended the meeting, a notice of the Board meeting will be deemed to have been issued if such directors failed to raise an issue of non-binding received such notice before or, (e)0.5 ()0.5 (o)0.5 (f)0.5

Article 141 For an major ma ers o be de ermined b he Board of he Compan , s fficien informa ion shall be pro ided o he direc ors and he direc ors are en i led o req es s pplemen ar ma erials. When more han one-fo r h of he direc ors or o or more e ernal direc ors (referring o s ch direc ors ho ha e no e ea i e posi ions in he Compan) consider ha he ma erials pro ided is ins fficien or he reasoning is unclear, he ma joinl propose o defer he Board mee ing or defer he Board's considera ion on he rele an ma ers, and he Board shall accep s ch s gges ions accordngl .

Article 142 The Board mee ing shall no be held, nless more han one half of he direc ors (incl ding pro ies) are presen .

Unless o her ise pro ided in o her ar icles herein, resol ions of he Board shall be req ired o be passed b more han one half of all he direc ors.

As for he o ing on a Board resol ion, each direc or shall ha e one o e. When he n mber of o es cas for and agans a resol ion is he same, he chairman of he Board shall ha e a casing o e.

Article 143 The direc ors shall a end a Board mee ing in person. If a direc or is, nable o a end s ch mee ing for an reasons, he ma appoin ano her direc or in rring o a end s ch mee ing on his behalf. The a hori a ion le er shall contain he name of he represen a i e, he ma ers represen ed, scope of a hori a ion and alidi period. S ch le er shall be signed or sealed b he principal.

The appoin ed direc or ho a ends he mee ing shall e ercise a direc or's d ies i hin he a hori ed scope. If a direc or fails o a end a Board mee ing in person and fails o appoin a represen a i e o a end he mee ing, he/she shall be deemed o ha e ai ed his/her o ing righ s a he mee ing.

The Company shall bear the reasonable expenses incurred by directors attending the Board meetings. Such expenses may include costs for transportation from the place(s) where the directors reside to the site of the meeting (if such site is not located at the place where directors are stationed), meal and accommodation expenses and local transportation costs during the duration of the meeting.

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

Article 145 The Board meeting shall vote for resolutions by a majority of disclosed ballots.

Article 146 The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors and secretary of the Board who attend the meeting shall sign on the minutes of such meeting.

The directors shall be responsible for the resolutions of the Board. Where a resolution of the Board is in violation of laws, administrative regulations or these Articles of Association, hereby causing serious losses to the Company, the directors who vote in the resolution shall be liable to the Company for damages. However, where a director can prove that he/she expressed his/her opposition to such resolution when such resolution was proposed, and his such opposition was recorded in the minutes of the meeting, the director shall be relieved from such liability.

The minutes of Board meeting shall be kept as a company file for a period of no less than ten years.

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

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

CHAPTER 11 SECRETARY TO THE BOARD

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

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

The principal duties of the secretary to the Board are:

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

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

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

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

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

CHAPTER 12 COMPANY SECRETARY

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

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

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

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

CHAPTER 13 GENERAL MANAGER

Article 156 The Company shall have a team of managers who, under the steering of the Board, implement the decisions of the Board and superintend the Company's daily business operation. A general-manager responsibility system shall be maintained within the team of managers.

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

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

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

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

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

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

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

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

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

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

- (1) conditions, procedures and the number of participants for convening meetings of the managers/officers;
- (2) respective duties and division of work among the general manager and other senior management;
- (3) limits of authority in using company funds and assets as well as the signing of significant contracts, together with the system of reporting to the Board and the Supervisor Committee;
- (4) other matters deemed to be necessary by the Board.

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

CHAPTER 14 SUPERVISORY COMMITTEE

Section 1 Supervisors

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

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

Article 164 When a supervisor's term of office expires while a new supervisor is not appointed, or when a supervisor resigns during his term of office, leading to the number of members in the Supervisory Committee falling below the quorum, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the provisions of laws, administrative regulations and these Articles of Association.

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

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

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

Article 168 A supervisor shall faithfully perform his or her supervisor duties in accordance with the provisions of laws, administrative regulations and these Articles of Association.

If a supervisor violates the provisions of laws, administrative regulations, departmental rules and regulations or these Articles of Association while performing his duties for the Company and causing losses to the Company, he shall be liable to make indemnification.

Section 2 Supervisory Committee

Article 169 The Company shall establish a Supervisory Committee.

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

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

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

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

- (1) to examine the Company's financial standing;
- (2) to supervise the directors and senior management officers to ensure that they perform their duties of the Company in violation of any laws, administrative regulations or these Articles of Association, and to propose and suggest for dismissing any directors or senior management officers who are in violation of laws, administrative regulations, these Articles of Association or resolutions of the general meetings;
- (3) to demand rectification made by a director and any other senior management officers when the act of the foregoing persons damages the Company's interests;

- (4) to verify the financial information such as the financial reports, business reports and profit distribution plans and others to be submitted by the Board or the general meetings and, should any queries arise, to enquire, in the name of the Company, certified public accountants and practicing auditors to conduct a review hereof;
- (5) to propose to convene an extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties of convening and presiding over general meetings;
- (6) to submit proposals to the general meetings;
- (7) to propose to convene an extraordinary meeting of the Board;
- (8) to represent the Company in negotiating with or in bringing legal action against the directors and senior management officers in accordance with the provisions of the Company Law;
- (9) to conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The costs shall be borne by the Company;
- (10) and other functions and powers as stipulated by these Articles of Association.

Article 173

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

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

Article 174 The Superisor Commi ee shall form la e he orking n les for he board of s per isors in order o ens re he efficienc of ork and scien ific decision-making. The con ening and o ing proced res s ip la ed in he orking n les of he Superisor Commi ee (appended o hese Ar icles) shall be draf ed b he board of s per isors and appro ed b he general mee ing.

Article 175 A mee ing of he Superisor Commi ee shall no be cond c ed, nless i is a ended b more han half of he s per isors. Vo ing a he mee ing of Superisor Commi ee shall be carried a b disclosed ballo and each s per isor shall ha e one o e. A s per isor shall a end mee ings of he board of s per isors in person, or appoin in ri ing ano her s per isor o a end he mee ing on his behalf d ring his absence i h ca se. The pro form shall specif he e en of a hori a ion.

Resol ions a he mee ing of he board of s per isors shall be passed b more han o- hirds of he s per isors' o es.

Article 176 The disc ssed iss es shall be recorded in he min es of he mee ing of he Superisor Commi ee. Superisors a ending he mee ing shall sign on he min es of mee ings.

Superisors are en i led o req es ha an e plana ion of heir commen s made a he mee ings be no ed in he min es. Min es of mee ing of he board of s per isors shall be main ained as compan files for a leas en ears.

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

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

- (1) date, time, and duration of the meeting;
- (2) cases and issues of discussion;
- (3) date of issuance of notice.

Article 178 The Company shall bear the reasonable expenses incurred by shareholders in attending meetings of the Shareholder Committee. Such expenses may include costs for transportation to the venue of the meeting (if not in the region where shareholders are stationed), meal and accommodation expenses, rental for the meeting venue and local transportation costs during the duration of the meeting.

The reasonable expenses incurred by the board of shareholders in the engagement of professionals such as lawyers, certified public accountants,

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

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

- (1) A person who has capacity or restricted capacity for civil acts;
- (2) A person who has committed an offence of corruption, bribery, embezzlement of property, misappropriation of property or sabotaging the social economic order shall be penalized because of committing such offence; or who has been deprived of his political rights, in each case here less than 5 years have elapsed, upon the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factor manager or general manager of a company or enterprise which has undergone bankruptcy and he is personally liable for the bankruptcy of such company or enterprise, here less than 3 years have elapsed, upon the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which is business license revoked due to a violation of the law and who incurred personal liability, here less than 3 years have elapsed, upon the revocation of the business license;
- (5) A person who bears a relatively large amount of debt due and outstanding;
- (6) A person who is under criminal investigation or prosecution by a judicial organization for the violation of the criminal law here said in investigation or prosecution is not concluded;
- (7) A person who is prohibited from entering the securities market by the competent securities authority under the State Council and the aforesaid prohibition period has not expired;

(8) An one who may not serve as a head of the company pursuant to the provisions of the laws and administrative regulations, or rules and regulations of the competent authorities;

(9) An one judged by the competent authorities to be in violation of the provisions of the relevant securities laws, has been involved in fraud or dishonest acts where less than 5 years has elapsed since the date on which the judgment was made;

(10) An one who is not a natural person;

(11) Other circumstances stipulated by laws, administrative regulations or departmental rules and regulations or rules of securities regulators and stock exchange(s) in the place(s) where the shares of the Company are listed.

The breach of the foregoing provisions regarding the election of directors and supervisors, or the appointment of the senior management shall render such election or appointment null and void. Should the occasion(s) set forth in the foregoing provisions occur during a tenure of a director, supervisor or member of the senior management, the Company shall relieve such person from his/her duties.

Article 180 The validity of the acts of the directors, supervisors or senior management for representing the Company to bona fide third parties shall not be affected by an act not in compliance, with respect to their appointment, election or qualifications.

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

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

- (2) to act honestly in the best interests of the Company;
- (3) not to exercise the Company's proper powers in any form, including (but not limited to) such opportunities and advantages of the Company;
- (4) not to deprive the shareholders of their individual rights or interests, including (but not limited to) rights of distribution and voting rights, save pursuant to a resolution of the Company submitted to general meeting for approval in accordance with these Articles of Association.

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

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

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

- (5) no to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association or with the informed consent of the general meeting;
- (6) not use the Company property for his own benefit in any way without the informed consent of the general meeting;
- (7) not employ his position to accept bribes or other illegal income, nor misappropriate the Company's funds or appropriate the Company's property by any means, including (but not limited to) opportunities and advantages of the Company;
- (8) not accept commissions in connection with the Company's transactions without the informed consent of the general meeting;
- (9) to abide by the Articles of Association, perform his duties faithfully, and protect the interests of the Company and not to employ his position and power in the Company to advance his own private interests;
- (10) not to make use of the convenience brought by his duties, nor seek for himself or others the business opportunities originally belonged to the Company, operate for himself or others business similar to the Company's and compete with the Company in any way without the informed consent of the general meeting;
- (11) not to misappropriate Company funds or deposit the Company funds or assets in an account under his own or other's name;
- (12) not to, violate the provisions of these Articles of Association, by lending funds to any other person or providing security for the Company's shareholders or other person with any properties of the Company, without the consent of the general meeting or the Board;
- (13) not to damage the interests of the Company by using his associated relationship;

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

1. there is a mandatory requirement;
2. it is subject to the requirement of the public interest; or
3. it is subject to the requirement of the interest of such directors, supervisors or senior management of the Company.

Gains generated by such personnel set forth in this Article in violation hereof shall belong to the Company, and for any loss suffered by the Company as a result hereof, the personnel in violation hereof shall be liable for making indemnification.

Article 184

Directors, supervisors and the senior management of the Company may not cause the following persons or institutions (hereinafter referred to as the Connected Persons) to do that such directors, supervisors and the senior management are prohibited from doing in their capacity:

- (1) the spouse or minor child of such directors, supervisors and the senior management of the Company;
- (2) the trustee of a director, supervisor or the senior management of the Company or of a person referred to in Item (1) of this Article;
- (3) the partner of a director, supervisor or the senior management of the Company or of a person referred to in Items (1) and (2) of this Article;

- (4) the company or either a director, supervisor or the senior management of the Company individually, jointly or jointly with any person referred to in Items (1), (2) and (3) of this Article or any other director, supervisor or the senior management of the Company, has actual common control; and
- (5) the director, supervisor or the senior management of such company being controlled as referred to in Item (4) of this Article.

Article 185 The fiduciary duties of the directors, supervisors and the senior management of the Company do not necessarily cease with the termination of their tenure while their obligation to reveal such trade secrets of the Company confidential series. The termination of their tenure, in itself, such secrets become publicly available. Other duties may continue for such period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.

Article 186 Except for such circumstances provided in Article 60 of the Articles of Association, a director, supervisor and the senior management of the Company may be relieved from such liability for the violation of his/her specific duty with the informed consent of shareholders given at a general meeting.

Article 187 Where a director, supervisor and the senior management of the Company has significant relationship in any way, direct or indirect, in an established or proposed contract, transaction or arrangement entered into by and with the Company, (other than the service contract entered into by and between a director, supervisor and the senior management of the Company and the Company), he/his shall disclose the nature and extent of his interest to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

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

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

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

Article 188 In the event that a director, officer or senior management of the Company gives a notice to the Board before the Company considers to establish the contractor, transaction or arrangement for the first time, stating that he is of the notice, such director, officer or senior management of the Company has an interest in the contractor, transaction or arrangement that subsequently be made by the Company, such director, officer or senior management shall be deemed, for the purposes of the preceding Articles of this Chapter, to have declared his/her interest, insofar as attributable to the scope stated in the notice.

Article 189 The Company may, in any manner, pay a fee for or on behalf of its directors, officers or senior management.

Article 190 The Company may directly or indirectly provide a loan or loan security for a director, officer or senior management of the Company and of the Company's parent company, or Connected Persons of the foregoing persons.

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

- (1) the Company provides a loan to its subsidiary or the Company provides a loan secured for its subsidiary;
- (2) the Company provides a loan, loan secured or other funds to a director, officer or senior management of the Company pursuant to an appointment contract approved by the general meeting, so as to enable such director, officer or senior management of the Company to pay the expenses incurred for the purposes of the Company or for performing his/her duties of the Company; and
- (3) In the event that the normal business scope of the Company includes provision of loans and loan secured, the Company can provide loans and loan secured to a related director, officer or senior management of the Company or to a Connected Person hereof, and provided that the conditions for the provision of loans and loan secured shall be normal business conditions.

Article 191 As for such loan provided by the Company in violation of the preceding Article, the recipient of such loan shall immediately repay such loan regardless of the terms of the loan.

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

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

Article 193 For the purposes of the preceding Articles of this Chapter, the term **security** shall include an agreement hereinafter defined and a guarantee or assurance in liability or provides proper guarantee in order to secure the performance of obligations by an obligor.

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

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

Article 195

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

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

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

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

- (1) The directors, superintendents or senior management of the Company shall undertake that he/she shall observe and comply with the Company Law, the Special Provisions, these Articles of Association, the Codes on Takeovers and Mergers in Hong Kong, the Codes on Share Repurchase in Hong Kong, and other regulations formulated by the Hong Kong Stock Exchange, and shall agree that the Company shall be entitled to the remedies provided in these Articles of Association and that neither the contract nor his office may be transferred;
- (2) The directors, superintendents or senior management of the Company shall undertake that he/she shall observe and perform his/her duties to the shareholders as stipulated in these Articles of Association; and
- (3) The arbitration clause shall be provided for in Article 244 hereof.

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

- (1) anyone makes a tender offer to all the shareholders;
- (2) anyone making a tender offer aims at having the offeror become a controlling shareholder which has the same definition as has provided herein.

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

Article 197 The Company may establish a liability insurance system as required for directors, officers and senior management in order to reduce the risks which may arise from the performance of duties by such personnel in normal manner.

CHAPTER 16 FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

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

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

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

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

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

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

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

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

Article 202

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

Article 203

The Company shall publish its financial results twice for each fiscal year, having an announcement regarding interim results within two months, upon the completion of the first six months of the fiscal year and an announcement regarding annual results within three months, upon the completion of the fiscal year.

Article 205 The Company may not maintain any accounts other than subsidiary or accounts. Assets of the Company shall not be held in any accounts opened under the names of any individuals.

Article 206 The common capital reserve shall include the following funds:

- (1) the premiums obtained from the issue of shares in excess of the par;
- (2) such other reserve required to be included in the capital common reserve by the Share Council's competent department in charge of finance.

Article 207 Where a company distributes its after-tax profits of the current year, it shall allocate 10% of the profits as the Company's subsidiary or common reserve. The Company may make no more allocation should the accumulated balance of the Company's subsidiary or common reserve account for more than 50% of the Company's registered capital.

Should the accumulated balance of the Company's subsidiary or common reserve be insufficient to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up such losses before the subsidiary or common reserve is allocated according to the provisions of the preceding paragraph.

After the Company has allocated the subsidiary or common reserve from the after-tax profits, it may allocate a discretionary common reserve from the after-tax profits, upon a resolution being made by the general meeting.

After the Company has made a provision for the losses and has allocated a surplus or common reserve, it shall distribute the remaining profits to the shareholders based on their shareholding ratios, except for distribution made not based on the shareholding ratios as provided herein these Articles of Association.

Should the general meeting distribute the profits to the shareholders before the losses have been made a provision and the surplus or common reserves have been allocated, in violation of the provisions of the preceding paragraph, the profits have been distributed in violation of such provisions must be returned to the Company.

No profits shall be distributed in respect of the shares of the Company being held by the Company.

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

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

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

The Company shall pay cash dividends and other payments in RMB to domestic shareholders. Such payments made by the Company to holders of foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. Such Hong Kong dollars required for the Company's payments of cash dividends and other payments to the holders of foreign shares shall be handled pursuant to the relevant provisions of the State Administration of Foreign Exchange.

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

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

Article 211 The Company shall appoint a receiving agent for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of overseas-listed foreign shares.

The receiving agent appointed by the Company shall meet the requirements of the laws of the place(s) of such listing, or the relevant provisions of the stock exchange(s) of such listing.

The receiving agent appointed by the Company for holders of overseas-listed foreign shares listed on the HK Stock Exchange shall be a natural person registered pursuant to the Trade Ordinance of Hong Kong.

Subject to complying with the relevant PRC laws and regulations 7 (r)0.5 (i)0.5 (.)

The Company has the right to cease delivering such dividend arrangements to holders of overseas-listed foreign shares, provided that such power shall not be exercised, until and such dividend arrangements have been so left unclaimed on two consecutive occasions. However, such power may also be exercised by the Company should such arrangements be undelivered and returned for the first attempt of delivery.

In the event of exercising the right to issue arrangements to holders, no new arrangements shall be issued to replace the lost ones, unless the Company confirms, in writing on reasonable grounds, that the original arrangements have been destroyed.

The Company has the right to sell the shares of a holder of overseas-listed foreign shares where such holder cannot be contacted in such manner deemed to be appropriate by the Board but the Company must observe the following conditions:

- (1) during a period of twelve months, there have been at least three distributions of such dividends in respect of the shares in question and no dividend during that period has been claimed;
- (2) upon the expiry of the twelve-month period, the Company shall give a notice stating its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company is listed and shall notify the stock exchange(s) of such listing of such shares of such intention.

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

Article 213 The Company will give full consideration to the interests of shareholders and shall implement reasonable profit distribution policies according to the business situation and market conditions. The Company's (c)0.6 (o)0.5(1)0.5 p

CHAPTER 17 APPOINTMENT OF AN ACCOUNTING FIRM

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

The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. The appointment period of such accounting firm shall end upon the conclusion of the first annual general meeting.

Should the Company's inaugural meeting fail to exercise its functions and powers under the preceding paragraph, the Board shall exercise such functions and powers.

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

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

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

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

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

Notwithstanding anything in the contract between the accounting firm and the Company, the general meeting may, by means of an ordinary resolution, dismiss an accounting firm prior to the expiration of its term of appointment. Such accounting firm's right to claim damages from the Company in respect of such dismissal shall not be affected hereby.

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

Article 220 The appointment, dismissal or non-re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the securities regulatory authorities under the Securities and Futures Commission for the filing and record.

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

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

- (1) The accounting firm may resign from its position through by placing the resignation notice in writing at the legal address of the Company. Such notice shall take effect since the date on which it is placed at the legal address of the Company or a later date as specified in the notice. The notice shall include the following statements:
1. in its opinions, that its resignation does not involve any statement that should be made to shareholders or creditors of the Company; or
 2. on other such occasions, that shall be presented.
- (2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains such statements as above mentioned in paragraph (1) 2. of this Article, the Company shall prepare and place copies of such statements at the company for inspection by shareholders. The Company shall also deliver duplicates of such foregoing statements by postage prepaid mail to each holder of overseas-listed foreign shares at the recipient's address registered in the shareholders register, or, subject to observing the applicable laws, regulations and listing rules, the Company shall post such information at the company website or such site specified by the stock exchange(s) of the place(s) where the Company's shares are listed.
- (3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1) 2. of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

CHAPTER 18 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Section 1 Merger and Division

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

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

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

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

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

Article 224 As for the division of a company, the properties hereof shall be divided accordingly.

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

Debts owed by the Company prior to the division shall be jointly assumed by the existing companies. Upon the division, save as otherwise agreed by written agreement with the Company and the creditors prior to the division.

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

Section 2 Dissolution and Liquidation

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

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

- (5) If a business license is revoked or it is ordered to close down or to be dissolved according to laws; or
- (6) In the event that the Company has encountered serious difficulties in operation and management and that the interests of the shareholders of the Company are caused to suffer from substantial loss due to the continuing existence of the Company while such issue cannot be solved by other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may file an application with the people's court to dissolve the Company pursuant to laws.

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

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

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

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

The liquidation team shall take instructions from the general meeting and shall report to the general meeting on the liquidation team's income and expenditure, the business of the Company and the progress of the liquidation at least once per year. It shall make a final report to the general meeting upon the completion of such liquidation.

Article 229

The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on one newspaper recognized by the stock exchange(s) where the shares of the Company is/are listed. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidencing materials. 7aThe 7aThe shall, shall, (o)0.5 (m)0.(e)0.5 ()]TJ0.025 T 3 (provide)12025

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

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

- (2) The changes that the Company has undergone are not in consistency with the records made in the Articles of Association; or
- (3) The general meeting decides that the Article of Association should be amended.

Article 237 Amendments to the Articles of Association passed by resolutions at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. Should the registration of the Company be in order, the change of such registration shall be handled according to laws.

Article 238 The Board shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Notwithstanding the foregoing paragraph, in the following circumstances, the general meeting may pass a resolution to authorize the Board to amend these Articles of Association in line with the following principles:

- (1) Where as a result of the implementation of the general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the general meeting which include amendments to, among others, the registered capital amount, the number of shares and the name and address of the Company in the Articles of Association), the Board shall have the right to modify these Articles of Association according to specific circumstances;
- (2) In the event that changes in the content or order of the articles are necessary for filing the Articles of Association approved by the general meeting with the competent authority, the Board is entitled to amend these Articles of Association in accordance with the requirements of the competent authority.

Article 239 An amendment to these Articles of Association containing information to be disclosed as required by the law, regulations or the listing rules of the place(s) in which the shares of the Company are listed, shall be publicly announced as required.

CHAPTER 20 NOTICE

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

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the law, regulations and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by the relevant stock exchange;
- (5) by public announcement;
- (6) other means as prescribed between the Company and the recipient or as confirmed means upon notice; or
- (7) other means approved by the relevant regulator of the place(s) in which the shares of the Company are listed or as set out in these Articles of Association.

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

Unless otherwise required by these Articles of Association, if the notices of the holders of overseas-listed foreign shares are issued by a company of announcement, and read-to-publish electronic copy of such notices shall be submitted through HKEX-ESOP of the HK Stock Exchange for publication on its website on the same date in accordance with the Listing Rules. The announcement shall meanwhile be published on the Company's website. In addition, it shall be served on each of the holders of the overseas-listed

Article 241 Unless otherwise provided in these Articles of Association, all means of service of notice as set out in the preceding Article may also be applicable to notices for general meeting, meetings of Board or the Supervisor Committee.

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

Article 243 Where relevant corporate documents may be in English accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirements of the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in respect of shareholders, the Company, under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders as the sole copy.

CHAPTER 21 SETTLEMENT OF DISPUTES

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

- (1) Whenever any disputes or claims arise from any rights or obligations as provided in these Articles of Association, the Company, the Company's directors and other relevant laws and administrative regulations, been a holder of overseas-listed foreign shares and the Company, been a holder of overseas-listed foreign shares and a director or supervisor or the general manager or other senior management of the Company, and been a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes and claims through arbitration.

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

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

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

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

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

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

CHAPTER 22 SUPPLEMENTARY ARTICLES

Article 245 Definition

(1) In these Articles of Association, ~~acting in concert~~ means the act of

Article 247 The term "accounting firm" as used in these Articles of Association shall have the same meaning as "auditor".

Article 248 These Articles of Association are in Chinese. If it conflicts with a version