

HANGZHOU SF INTRA-CITY INDUSTRIAL CO., LTD.

ARTICLES OF ASSOCIATION

Amended by a special resolution passed at the Extraordinary General Meeting held on 28
September 2022

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Articles of Association of Hangzhou SF Intra-city Industrial Co., Ltd.

Chapter 1 General Provisions

Article 1 In order to standardize the organization and behaviors of Hangzhou SF Intra-city Industrial Co., Ltd. (hereinafter referred to as the “Company”), and protect the legitimate interests of the Company, shareholders and creditors, these Articles are formulated in accordance with the requirements of the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Provisions of the State Council Concerning Issuing and Listing of Shares Overseas by Joint Stock Limited Company (hereinafter referred to as the “Special Regulations”), the Mandatory Clauses of the Articles of Association of Companies Seeking Overseas Listing (hereinafter referred to as the “Mandatory Provisions”), the Letter of the Opinion on the Supplemental Amendments to Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the “Supplemental Opinion”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “SEHK Listing Rules”) and other relevant laws and regulations.

Article 2 The Company is incorporated by way of promotion as a joint stock limited company in accordance with the Company Law, the Special Regulations and other related laws and administrative regulation. It was registered at the Bureau of Market Supervision in Xiaoshan District, Hangzhou City on June 21, 2019 and obtained its business license.

The Company’s unified social credit code is: 91330100MA2GN7QH45.

Shenzhen S.F. Taisen Holding (Group) Co., Ltd. and Beijing SF Intra-city Technology Co., Ltd. are the promoters of the Company.

Article 3 The Company’s registered name is:

Full name in Chinese: 杭州順豐同城實業股份有限公司

Short name in Chinese: 順豐同城

Full name in English: Hangzhou SF Intra-city Industrial Co., Ltd.

Short name in English: SF City Rush

Article 4 The Company’s domicile is: Room 1626, 16/F, Chenchuang Building, No.198 Zhoushan East Road, Gongshu District, Hangzhou City, Zhejiang Province.

Postal code: 310015

Tel.: 0755-36390016

Article 5 The chairman of the Board of Directors or the general manager is the legal representative of the Company.

Article 6 The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The Company conducts independent auditing and operation, and be liable for its own profit and loss. The assets of the Company are divided into equal shares. The shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

Article 7 The Company resolutely abides by national laws, regulations and the requirements under these Articles, safeguards national and social public interests, and accepts the supervision of relevant government departments.

Article 8 These Articles, being the code of conduct for the Company, are passed at the shareholders' general meeting of the Company and shall become effective on the date when the overseas listed foreign shares, upon approval by the relevant departments of the PRC and the relevant regulatory authorities, are listed and traded on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange"), to replace these Articles of the Company originally filed to the State Administration for Market Regulation. From the date when these Articles take effect, these Articles constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se.

Article 9 These Articles are binding on the Company and its shareholders, Directors, Supervisors and senior management members; all of the aforesaid persons are entitled, according to these Articles, to make claims in respect of rights concerning the matters of the Company.

Pursuant to these Articles, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against Directors, Supervisors and senior management members of the Company.

Legal proceedings referred to in the preceding paragraph include any legal action brought before a court and any arbitration application submitted to an arbitration institution.

Article 10 The Company may invest in other limited liability companies, joint stock limited companies or other enterprises, and the Company's liabilities to an invested entity shall be limited to the amount of its capital contribution to such invested company.

The Company shall not become a capital contributor that shall bear the joint and several liabilities for the debts of the enterprises it invests in, unless it is otherwise provided for by laws.

Article 11 The senior management members referred to these Articles include general manager, deputy general managers, financial officer, secretary to the Board of Directors and other senior management members recognized by the Board.

Chapter 2 Business Objectives and Scope of the Company

Article 12 The business objective of the Company is striving to become a multi-scenario third-party on-demand delivery service platform with industry-leading quality and efficiency.

Article 13 The business scope of the Company covers supply chain management, enterprise management, commercial information consultation and marketing planning. (Except for the items subject to the administrative approval, the Company carries out operating activities listed in its business license freely according to the law).

The business scope referred to in the preceding paragraph shall be such items as approved by the relevant company registration authority.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its business scope, make amendments to these Articles according to the relevant procedures and complete relevant formalities of industry and commerce administration registration for such adjustment according to relevant provisions.

Chapter 3 Shares and Registered Capital

Article 14 There shall, at all times, be ordinary shares in the Company. Ordinary shares issued by the Company include domestic shares and foreign shares. With the approval of the company approval authority authorized by the State Council, the Company may create different classes of shares when needed.

If the Company creates any other class of shares, it shall specify the priority of rights concerning each class of shares in distribution of dividends or any other forms of distributions. If the share capital of the Company includes shares without voting rights, then the said shares shall be marked with “without voting right”. If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be marked with “restricted voting right” or “limited voting right”.

Article 15 The stock of the Company shall take the form of shares. All shares issued by the Company shall have nominal values denominated in RMB, with each share having a nominal value of RMB1.00.

Renminbi referred to in the preceding paragraph refers to the statutory currency of the PRC.

Article 16 The Company shall issue shares in a fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for all shares of the same class issued at the same time.

Domestic shares and overseas listed foreign shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

Article 17 The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.

Foreign investors as referred to in the preceding paragraph shall mean those investors in foreign countries and Hong Kong, Macau or Taiwan Region who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 18 Shares that the Company issues to domestic investors for subscription in Renminbi shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. The Board of the Company may make arrangements for separate issuance of overseas listed foreign shares and domestic shares in accordance with the issuance scheme approved by the securities regulatory authorities under the State Council. The Company issues separate schemes for overseas listed foreign shares and domestic shares, it may issue the shares within 15 months after approval by the securities regulatory authorities under the State Council or within the validity period of the documents approved thereby.

Foreign currency aforementioned refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of domestic shares and holders of foreign shares are common shareholders and shall have the same rights and obligations.

Article 19 Overseas listed foreign shares issued by the Company to list in the Hong Kong Stock Exchange shall be called H Shares.

Article 20 The Company was established on June 21, 2019 as a joint stock company with limited liability and formed by the following 2 promoters:

Promoter 1: Shenzhen S.F. Taisen Holding (Group) Co., Ltd.

Name of legal representative: Wang Wei

Legal address: Room 201, Building A, No.1 Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Cooperation Zone, Shenzhen (Shenzhen Qianhai Commerce Secretariat Co., Ltd.)

Place of business: No.19A Wan Ji Commercial Building, No.138 Xinzhou 11th Road, Futian District, Shenzhen

It subscribed and paid in monetary value for 100,000,000 shares, representing 62.50% of registered capital

Promoter 2: Beijing SF Intra-city Technology Co., Ltd.

Name of legal representative: Geng Yankun

Legal address: Room 1501, 15/F, Block A, Building 1, Court 10, Xueqing Road, Haidian District, Beijing

It subscribed and paid in monetary value for 60,000,000 shares, representing 37.50% of registered capital

Article 21 With the approval of the securities regulatory body under the State Council, the Company shall issue overseas listed foreign shares not more than 230,654,609 shares. The par value of each share is RMB1. All shares are ordinary shares.

The number of the overseas listed foreign shares listed and initially issued by the Company on the Hong Kong Stock Exchange was 131,180,800, accounting for 14.05% of the total share capital after issuance (before exercise of over-allotment option), thereby the share capital structure of the Company is 933,457,707 ordinary shares, including 562,615,431 domestic shares, 139,500,934 unlisted foreign shares and 231,341,342 overseas listed foreign shares. If 15% of the over-allotment option is fully exercised, the number of the overseas listed foreign shares listed and initially issued by the Company on the Hong Kong Stock Exchange will be 150,857,800, accounting for approximately 15.83% of the total share capital after issuance, thereby the share capital structure of the Company will be 953,134,707 ordinary shares, including 562,615,431 domestic shares, 139,500,934 unlisted foreign shares and 251,018,342 overseas listed foreign shares.

Article 22 If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the scheme for issuance, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued by several times upon approval by the securities regulatory authorities under the State Council.

Article 23 The existing registered capital of the Company is RMB802,276,907. If 14.05% of the total share capital after issuance is used for issuance of overseas listed foreign shares (the over-allotment option is not exercised), the Company's registered capital will be RMB933,457,707. If 15.83% of the total share capital after issuance is used for issuance of overseas listed foreign shares (the over-allotment option is exercised in full), the Company's registered capital will be RMB953,134,707.

Article 24 Unless otherwise specified by the laws and administrative regulations and related regulatory authorities like the securities regulatory authorities, stock exchange of the place where the Company's shares are listed and these Articles, shares of the Company may be transferred freely according to law without any lien attached.

The Company shall not accept its own shares as pledge object.

Chapter 4 Increase, Decrease and Repurchase of Shares

Article 25 The Company may increase registered capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, the listing rules of the place where the shares of the Company are listed and these Articles and by resolutions made at shareholders' general meetings:

- (I) offering new shares to non-given investors;
- (II) placing new shares to existing shareholders;
- (III) distributing new shares to existing shareholders;
- (IV) issuing new shares to specific investors;
- (V) transferring reserve funds to increase share capital;
- (VI) any other ways stipulated by laws and administrative regulations and approved by the competent department of the State.

Issue of new shares by the Company for capital increase shall be subject to approval as specified in these Articles and follow the procedures specified in the relevant State laws and administrative regulations.

Article 26 The Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles.

Article 27 The Company shall prepare a balance sheet and an inventory of assets when it decreases its registered capital.

The Company shall notify its creditors within 10 days after adoption of the resolution to decrease the registered capital and shall make announcements in newspapers within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, be less than the statutory minimum limit.

Article 28 The Company may, upon approval by the relevant competent authorities of the State, repurchase its shares under the following circumstances in accordance with laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed, and these Articles:

- (I) cancelling the shares for decrease of the registered capital of the Company;
- (II) merging with other companies holding shares of the Company;
- (III) using the shares for employee shareholding schemes or as share incentives;
- (IV) requesting the Company to repurchase its shares from shareholders who object to resolutions of the shareholders' general meeting concerning merger or division of the Company;
- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for the listed company to maintain its value and the shareholders' equity;
- (VII) any other circumstances approved by the laws and administrative regulations and the regulatory authorities.

Save for the abovementioned circumstances, the Company may not engage in trading of its own shares.

Article 29 The Company may, for reasons specified in (I), (II) or (IV) of Article 28 of these Articles and subject to laws, administrative regulations, departmental rules, the listing rules of the stock exchange where the shares of the Company are listed, and these Articles, repurchase its shares in any of the following ways with approval from the relevant competent authority of the State:

- (I) making a pro rata general offer of repurchase to all its shareholders;
- (II) repurchasing shares through public trading on a stock exchange;
- (III) repurchasing shares by an off-market agreement;
- (IV) any other circumstances approved by the laws and administrative regulations and the regulatory authorities.

Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 28 of these Articles shall be conducted by way of open and centralized transaction.

Article 30 Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 28 of these Articles shall be subject to resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons specified in (III), (V) or (VI) of Article 28 of these Articles shall be subject to resolution at a Board meeting at which more than two thirds of the Directors are present.

In repurchasing shares by an off-market agreement, the Company shall obtain prior approval at a shareholders' general meeting in accordance with these Articles. With prior approval at a shareholders' general meeting in the same way, the Company may cancel or change the contract already concluded in the aforesaid manner or waive any right under the contract.

The contract for repurchasing shares as referred to in the preceding paragraph includes, but is not limited to, an agreement to undertake share repurchase obligations and obtain share repurchase rights.

The Company shall not transfer the contract for repurchasing its shares or any of its rights thereunder.

Article 31 Shares repurchased by the Company under (I) of Article 28 herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under (II) and (IV) of Article 28 herein shall be transferred or cancelled within 6 months thereafter; and shares of the Company acquired in accordance with (III), (V) and (VI) of Article 28 herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

After cancelling the repurchased shares according to laws, the Company shall apply to the original company registration authority for registration of the change of its registered capital and issue an announcement accordingly.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 32 Unless the Company is under liquidation, the Company shall observe the following provisions when repurchasing its outstanding shares:

- (I) If the Company repurchases its shares at par value, the payment shall be deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for repurchasing old shares;
- (II) If the Company repurchases its shares above par value, the part equivalent to the par value shall be deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for repurchasing old shares; the part above the par value shall be processed as follows:
 - (1) deducted from the book balance of distributable profit of the Company if the shares repurchased were issued at par value;

- (2) deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for repurchasing old shares if the shares repurchased were issued above par value; but the amount deducted from the proceeds from issue of new shares shall not exceed the total premium obtained at the time of the issuance for repurchasing the old shares repurchased and shall not exceed the amount (including premium from issue of new shares) in the premium account (or capital reserve account) of the Company at the time of repurchase;
- (III) The monies paid by the Company for the following purposes shall be deducted from the distributable profit of the Company:
- (1) acquisition of the rights to repurchase its shares;
 - (2) variation of any contracts for the repurchase of its shares;
 - (3) release from its obligations under any repurchase contracts.
- (IV) After the aggregate par value of the cancelled shares is deducted from the registered capital of the Company pursuant to relevant provisions, the amount deducted from the distributable profit for paying the par value of the shares repurchased shall be stated in the premium account (or capital reserve account) of the Company.

Article 33 In respect of redeemable shares that the issuer is entitled to repurchase:

- (1) the price shall not exceed a specific price limit if such shares are not repurchased through the market or by tender; and
- (2) if the repurchase is made by tender, tender shall be available to all shareholders on equal conditions.

Chapter 5 Financial Assistance for Purchasing the Company's Shares

Article 34 The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations because of the purchase of the Company's shares.

The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions herein do not apply to the circumstances set out in Article 36 of these Articles.

Article 35 Financial assistance referred to in this chapter includes (but is not limited to):

- (I) gift;
- (II) guarantee (including the case where the guarantor undertakes liability or provides property to ensure fulfillment of obligations by the obligor), compensation (excluding compensation arising from the Company's own error), termination or waiver of rights;
- (III) provision of loan or execution of contract under which the Company fulfils obligations prior to other parties, change of the said loan and the parties to the contract, and transfer of the said loan and rights under the contract; and
- (IV) provision of any other form of financial assistance when the Company is insolvent or has no net assets or its net assets are likely to decrease significantly.

Obligations as referred to herein include the obligations undertaken by the obligor for concluding a contract or making an arrangement (regardless whether the said contract or arrangement is enforceable or whether it is undertaken by the obligor alone or jointly with others) or for changing his/her financial position in any other form.

Article 36 The following acts are not deemed as prohibited under Article 34 of these Articles:

- (I) the Company provides the relevant financial assistance for the interest of the Company and the said financial assistance is not mainly intended for the repurchase of the Company's shares or the said financial assistance is part of a general plan of the Company;
- (II) the Company distributes its properties as dividends in accordance with the law;
- (III) the Company distributes shares as dividends;
- (IV) the Company decreases its registered capital, repurchases its shares and adjusts its equity structure in accordance with these Articles;
- (V) the Company provides a loan for its normal business operations within its business scope (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is deducted from the distributable profit of the Company); and
- (VI) the Company provides funds for employee stock ownership plan (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is deducted from the distributable profit of the Company).

Chapter 6 Shares and Register of Shareholders

Article 37 The Company's shares are all registered shares.

Matters specified in the shares of the Company shall also include other matters required by the stock exchange on which the Company's shares are listed, apart from those specified in the Company Law.

During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall, at all times, ensure that all entitlement documents (including share certificates for H shares) for all its securities listed on the Hong Kong Stock Exchange include the statements stipulated below:

- (I) The purchaser of shares together with the Company and each of its shareholders, and the Company together with each shareholder shall observe and comply with the Company Law and other relevant laws, administrative regulations, Special Regulations and these Articles;
- (II) The purchaser of shares agrees with the Company and each shareholder, Director, Supervisor and senior management member of the Company, and the Company acting on its behalf and for each Director, Supervisor and senior management member also agrees with each shareholder, to refer all disputes or claims arising from these Articles or from any right and obligation specified by the Company Law or other relevant laws or administrative regulations and with respect to the affairs of the Company, to arbitration, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its ruling, and the arbitration awards shall be final and conclusive;
- (III) The purchaser of shares agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders;
- (IV) The purchaser of shares authorizes the Company to conclude a contract on his/her behalf with each Director and senior management member, who shall undertake to observe and fulfill their due duties for shareholders as specified in these Articles.

The Company shall instruct and promote its share transfer registry to reject registration of share subscription, purchase or transfer under the name of any individual holder, unless and until the said individual holder has submitted to the said share transfer registry a signed form relating to the said shares, which form shall contain the above statements.

Article 38 Shares of the Company may be transferred, presented, inherited and pledged pursuant to relevant laws, administrative regulations and these Articles. Transfer instruments and other documents in relation to the ownership of shares shall be registered with the share registry entrusted by the Company.

Article 39 Shares shall be signed by the chairman of the Board. Other relevant senior management members of the Company shall also sign the shares if required by the stock exchange on which the Company's shares are listed. The shares shall come into effect after affixing or printing of the Company's seal on the shares. After the Company's seal is affixed to or printed on the shares, authorization of the Board is required. The signature of the chairman or other relevant senior management members of the Company may also be printed on the shares.

Issue or trading of the shares of the Company in a non-paper form shall comply with other provisions of the securities regulatory authorities and the stock exchange of the place where the Company's shares are listed.

Article 40 The Company shall establish a register of shareholders recording the following matters:

- (I) names, addresses (domiciles), occupations or nature of each shareholder;
- (II) type and number of shares held by each shareholder;
- (III) monies paid or payable for the shares held by each shareholder;
- (IV) serial numbers of the shares held by each shareholder;
- (V) date on which each shareholder is registered as a shareholder;
- (VI) date on which each shareholder cease to be a shareholder.

The register of shareholders is a sufficient evidence of the shareholding by shareholders in the Company unless there is evidence to the contrary.

Article 41 Subject to these Articles and all the other applicable provisions, once the shares of the Company are transferred, the name of the transferee shall be listed in the register of shareholders as the holder of the said shares.

All transfer instruments and other documents relating to or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Hong Kong Stock Exchange from time to time in the SEHK Listing Rules.

Where 2 or more persons are registered as joint holders of any shares, they shall be deemed as joint holders of the said shares subject to the following restrictions:

- (I) the restricted number of holders jointly registered shall not exceed four if the Company is entitled to restrict the number of shareholders of joint holder account;
- (II) all joint holders of any shares shall jointly and severally assume obligations for all amounts payable for relevant shares;
- (III) if one of the joint holders dies, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of the relevant shareholder where it deems appropriate to do so; and

(IV) among the joint holders of any shares, only the joint holder that is listed first in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the shareholders' general meetings of the Company or exercise the full voting right of the relevant shares. Any notice served to the aforesaid person shall be deemed as having been served to all the joint holders of the relevant shares. Any one of the joint holders may sign a proxy authorization form, but if more than 1 joint holder attends the shareholders' general meeting in person or by proxy, the resolution made by the joint holder with priority shall be accepted as the sole resolution made on behalf of other joint holders (regardless of whether it is made in person or by proxy). In this respect, the priority of shareholders shall be determined according to the order of ranking of the joint holders of relevant shares in the register of shareholders.

Article 42 The Company may keep overseas the original of the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authorities under the State Council and the overseas securities regulatory authorities. The original of the register of holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

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

Article 43 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) register of shareholders kept at the domicile of the Company, save as specified in (II) and (III) herein;
- (II) register of holders of overseas listed foreign shares of the Company kept at the overseas stock exchange;
- (III) register of shareholders that the Board decides to keep at other places for the purpose of listing the shares of the Company.

Article 44 The respective parts of the register of shareholders shall not overlap each other. In the event of transfer of shares registered in a specific part of the register of shareholders, the said shares shall not be registered in any other part of the register of shareholders in the duration of registration of the said shares.

Any change or correction of any part of the register of shareholders shall comply with the relevant laws of the location where the said part is kept.

Article 45 All transfers of overseas listed foreign shares shall be executed with a written transfer instrument in a general or common format or any other format acceptable to the Board (including the standard transfer format or transfer form specified by the Hong Kong Stock Exchange from time to time); the written transfer instrument may be signed under hand, or (if the transferor or the transferee is a company) by the corporate seal. Where the transferor or transferee of the Company's shares is a recognized clearing house (hereinafter referred to as the "Recognized Clearing House") as defined under the laws of Hong Kong or its agents, the written transfer instrument may be signed in a machine-printed form.

All overseas listed foreign shares listed in Hong Kong for which full payment has been made may be transferred freely in accordance with these Articles. However, the Board may refuse to recognize any transfer instrument without providing any reason, unless:

- (I) the transfer instrument and other documents relating to or likely affecting the ownership of any shares shall be registered, and the payment therefore shall not exceed the maximum payment specified in the SEHK Listing Rules from time to time;
- (II) the transfer instrument only involves overseas listed foreign shares listed in Hong Kong;
- (III) the stamp tax payable on the transfer instrument has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (V) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (VI) the Company does not have any lien over the relevant shares; and
- (VII) no transfer shall be made to minors or persons of unsound mind or others under legal incapacity.

Where the Board refuses to register any transfer of shares, the Company shall provide the transferor and the transferee with a notification of refusal in relation to registration of transfer of shares within 2 months from the date on which the application for the transfer is officially filed. All transfer instruments shall be maintained at the statutory address of the Company or such places as the Board may designate from time to time.

Article 46 Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares previously issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on a stock exchange.

The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total number of the shares of the Company held by them per annum during their terms of office; the aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Such restrictions shall comply with the relevant provisions of the SEHK Listing Rules if H shares are involved.

Article 47 Subject to approval of the securities regulatory authorities under the State Council, holders of domestic shares of the Company may transfer their shares to foreign investors and have their shares listed and traded on an overseas stock exchange and may convert all or part of the domestic shares into foreign shares, and these transferred foreign shares can be listed traded on an overseas stock exchange. The converted shares shall also comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded on an overseas stock exchange. The Company does not need to hold a class shareholders' meeting to vote for the listing and trading of the converted shares on an overseas stock exchange or the conversion of domestic shares into foreign shares for listing and trading on an overseas stock exchange. The foreign shares converted from domestic shares shall be of the same class with as original overseas listed shares foreign shares.

Article 48 No changes resulting from share transfers may be made to the register of shareholders within 4 business days prior to a shareholders' general meeting or 5 days prior to the record date set by the Company for the purpose of distribution of dividends.

Article 49 If the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholdings, the Board shall fix a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who remain on the register shall be deemed as the shareholders of the Company.

Article 50 Any person who objects to the register of shareholders and asks to have his/her name entered in or removed from the register of shareholders may apply to the court of competent jurisdiction for rectification of the register of shareholders.

Article 51 Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may, if his/her share certificates (hereinafter referred to as the "Original Certificates") are lost, apply to the Company for replacement share certificates in respect of such shares (hereinafter referred to as the "Relevant Shares").

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

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

If a holder of H shares loses his/her share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:

- (I) the applicant shall submit an application in the standard format designated by the Company accompanied by a notarial document or statutory declaration, containing the grounds on which the application is made, the circumstances and evidence of the loss of the share certificates and the declaration that no other person may request to be registered as a shareholder in respect of the Relevant Shares.
- (II) no statement has been received by the Company from a person other than the applicant for having his/her name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.

- (III) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board. The announcement shall be made at least once every 30 days in a period of 90 days. The newspapers and periodicals designated by the Board shall be at least one Chinese and one English newspaper recognized by the Hong Kong Stock Exchange.
- (IV) the Company shall, prior to the publication of its announcement of intention to issue a replacement certificate, deliver to the Hong Kong Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the Hong Kong Stock Exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of the Hong Kong Stock Exchange for a period of 90 days. In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.
- (V) if, upon expiration of the 90-day period referred to in (III) and (IV) of this Article, the Company has not received from any person any objection to the issue of replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his/her application.
- (VI) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of shareholders accordingly.
- (VII) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 52 Where the Company issues a replacement certificate pursuant to these Articles, the name of a bona fide purchaser who obtains the aforesaid new share certificate or a shareholder who is thereafter registered as the owner of such shares (in the case where he/she is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 53 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Certificate or the issue of the replacement certificate, unless the claimant proves that the Company has acted fraudulently.

Chapter 7 Rights and Obligations of Shareholders

Article 54 Shareholders of the Company are persons lawfully holding shares of the Company, with names recorded in the register of shareholders.

Article 55 A shareholder shall enjoy rights and bear obligations according to the class and quantity of the shares held by him/her. Holders of the same class shall enjoy the same rights and bear the same obligations.

All classes of shareholders of the Company shall rank *pari passu* over any distribution by way of dividend or any other forms of distribution.

If a shareholder of the Company is a legal person, its rights shall be exercised by its legal representative or proxy of its legal representative on his behalf.

Article 56 Holders of ordinary shares of the Company shall have the following rights:

- (I) to receive distributable profits and other distributions in proportion to the number of shares they hold;
- (II) to lawfully require, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to vote thereat as per their shareholdings;
- (III) to supervise, present suggestions on or make inquiries about the business activities of the Company;
- (IV) to transfer, gift, pledge or otherwise dispose their shares in accordance with laws, administrative regulations and these Articles;
- (V) to obtain relevant information in accordance with the provisions of these Articles, including:
 - 1. a copy of these Articles upon payment of a charge at cost;
 - 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (1) all parts of the register of shareholders;
 - (2) personal particulars of each of our Directors, Supervisors and senior management members, including:
 - (a) present and former names and aliases;
 - (b) principal address (place of residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and numbers;
 - (3) a report on the state of the issued share capital of the Company;
 - (4) the latest audited financial statements of the Company, and the reports of Directors, auditors and Supervisors;
 - (5) special resolutions of the Company;

- (6) reports showing the quantity and par value in respect of each class of shares repurchased by the Company since the end of the last financial year, the aggregate amount paid by the Company for this purpose, and the maximum and minimum prices paid in respect of each class of securities repurchased (with a breakdown between domestic shares and foreign shares);
- (7) minutes of shareholders' general meetings (for shareholders' review only);
- (8) corporate bond counterfoils, minutes of shareholders' general meeting (for shareholders' review only), special resolutions of shareholders' general meeting, resolutions of the Board meetings and resolutions of the Board of Supervisors meeting;
- (9) the latest annual return submitted to the administration for market regulation or other competent authorities.

The Company shall deposit the documents in clauses (1) to (9) above (other than clause (2)) and other applicable documents at its Hong Kong address as required by the SEHK Listing Rules available for free inspection of the public and the holders of overseas listed foreign shares.

The Company may refuse any inspecting or copying request which involves commercial secrets and insider information on the Company and privacy of relevant personnel.

- (VI) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (VII) with respect to shareholders who vote against any resolution adopted at the shareholders' general meeting on the merger or demerger of the Company, the right to demand the Company to acquire the shares held by them;
- (VIII) except as otherwise provided in the Company Law and these Articles, shareholders individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the Board 10 days before the date of shareholders' general meeting;
- (IX) any other rights conferred by laws, administrative regulations, departmental rules or these Articles.

Article 57 Shareholders shall provide written document that can prove the class and number of shares held by them if they request to inspect relevant information mentioned in Article 56 or collect information, the Company should provide the information according to the shareholder's request after verifying the identity of the shareholder.

In addition, shareholders may request to inspect the accounting books of the Company. In such case, such request shall be made to the Company in writing and state its purposes. If the Company, on reasonable grounds, considers that the Shareholders are inspecting the accounting books for improper purposes and may result in damage to the Company's legitimate interests, the Company may refuse the inspection and make written response to the Shareholders stating its reasons within 15 days upon delivery of the written request by the Shareholders. If the Company refuses the inspection, the Shareholders may make proposal to the People's Court to request the Company to provide inspection of the accounting books of the Company.

Article 58 If any resolution of the shareholders' general meeting or the Board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit to the People's Court to nullify such resolution.

If the convening procedures or voting methods for the shareholders' general meeting or the Board meeting violate the laws, administrative regulations or these Articles, or any content of the resolution thereof violates these Articles, the shareholders shall have the right to submit to the People's Court within 60 days after such a resolution is made to revoke it.

Article 59 Shareholders individually or jointly holding 1% or more of the Company's shares for 180 consecutive days or more shall have the right to request the Board of Supervisors in writing to bring a legal action in the People's Court against any Director or senior management member for loss of Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing their duties; shareholders may request the Board in writing to bring a legal action against the Board of Supervisors for the loss of the Company resulting from their violation of any laws, administrative regulations or provisions of these Articles in the course of performing the duties.

The shareholders described in the preceding paragraph may bring legal action in the People's Court directly in their own names in the interest of the Company in the event that the Board of Supervisors or the Board refuses to initiate legal proceedings after receiving the aforesaid written request of shareholders, or fails to initiate such legal proceedings within 30 days on which such request is received, or in case of emergency where failure to initiate such legal proceedings immediately will result in irreparable damage to the Company's interest.

If any person infringes the lawful rights and interests of the Company, thus causing any losses to the Company, the shareholders as mentioned in the first paragraph of this Article may initiate legal proceedings in the People's Court in accordance with the provisions of the preceding paragraphs.

Where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding 10% or more of votes of all shareholders of the Company may file an application to the People's Court to dissolve the Company.

Article 60 If any Director or senior management member is in violation of laws, administrative regulations or these Articles, thus causing any losses to the shareholders, the shareholders may initiate legal proceedings against such Director or senior management member in the People's Court.

Article 61 Holders of ordinary shares of the Company shall assume the following obligations:

- (I) to observe laws, administrative regulations and these Articles;
- (II) to pay fund contribution as per the number of shares subscribed and the method of subscription;
- (III) to bear liability for the Company to the limit of the shares they hold;
- (IV) not to withdraw their fund contribution after approval and registration by the Company, unless required by laws and regulations;

- (V) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to jeopardize the interests of any creditors of the Company; Where any shareholder of the Company abuses the shareholders' rights and incur losses to the Company or other shareholders, such shareholder shall be liable for the damages; Where shareholders of the Company abuse the Company's status as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;
- (VI) other obligations imposed by laws, administrative regulations and these Articles.

Unless otherwise specified, shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.

Article 62 The controlling shareholders, de facto controller, Directors, Supervisors and senior management members of the Company shall not use their affiliation to jeopardize the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company.

Article 63 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in a manner prejudicial to the interests of all or some of the shareholders of the Company in respect of the following matters:

- (I) relieving a Director or Supervisor of his duty to act honestly in the best interests of the Company;
- (II) approving a Director or Supervisor (for his/her own or other person's benefit) to deprive the Company of its property in any form, including (but not limited to) any opportunities that are favorable to the Company;
- (III) approving a Director or Supervisor (for his/her own or other person's benefit) to deprive another shareholder of his/her personal interests, including (but not limited to) any right to distribution and voting right, but excluding the restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with these Articles.

Article 64 "controlling shareholder" referred to in the previous article means a person who satisfies any one of the following conditions:

- (I) he alone or acting in concert with others has the power to elect more than half of the Directors;
- (II) he alone or acting in concert with others has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (III) he alone or acting in concert with others holds 30% or more of the outstanding shares;
- (IV) he alone or acting in concert with others in any other manner is in de facto control of the Company.

In this Article, “acting in concert with others” shall mean 2 or more persons reaching an agreement (either orally or in writing), pursuant to which any one of them shall obtain voting rights of the Company for control or consolidation of control over the Company.

Chapter 8 Shareholders’ General Meeting

Article 65 The shareholders’ general meetings of the Company consist of all shareholders, the shareholders’ general meeting is the organ of authority of the Company, which shall exercise the following functions and powers:

- (I) to determine the business guidelines and investment plans of the Company;
- (II) to elect and replace Directors and Supervisors who are not representatives of the employees and to determine matters relating to remuneration of the Directors and Supervisors;
- (III) to consider and approve the reports of the Board;
- (IV) to consider and approve the reports of the Board of Supervisors;
- (V) to consider and approve the annual financial budgets and the final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to resolve on increase or decrease of the registered capital of the Company;
- (VIII) to resolve on the Company’s issue of bonds, any class of shares, warrants and other similar securities;
- (IX) to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;
- (X) to amend these Articles;
- (XI) to consider proposals submitted by shareholder(s) severally or jointly holding 3% or more of the voting shares of the Company;
- (XII) to resolve on the appointment, reappointment or dismissal of accounting firms;
- (XIII) to consider and approve the external guarantees of the Company that require the approval by the shareholders’ general meetings;
- (XIV) to consider the acquisition or disposal of material assets or provision of guarantee by the Company within 1 year with a value exceeding 30% of the latest audited total assets of the Company;

(XV) to consider equity incentive schemes;

(XVI) to resolve on other matters to be resolved thereby as required by laws, administrative regulations, departmental rules and these Articles;

(XVII) to consider other matters as required by the listing rules of the stock exchange of the place where the Company's shares are listed.

Article 66 The provision of any external guarantee of the Company shall be considered and passed by the Board. The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be approved by the shareholders' general meeting.

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

If a Director or any senior management member violates a provision on the approval authority or approval procedure for the provision of external guarantees as specified in the laws, administrative regulations or these Articles, thereby causing the Company to suffer a loss, he/she shall be liable for damages and the Company may take legal action against him/her in accordance with laws.

Article 67 Without the prior approval of the shareholders' general meeting, the Company shall not enter into any contract with any party (other than a Director, Supervisor and senior management member) regarding the transfer of the management of all or any major part of the Company's businesses to such party.

Article 68 Shareholders' general meetings are classified into annual shareholders' general meetings and extraordinary shareholders' general meetings. The annual shareholders' general meetings shall be convened once a year and shall be held within 6 months from the end of the previous fiscal year.

The extraordinary shareholders' general meetings shall be convened as and when necessary. The Board shall convene an extraordinary shareholders' general meeting within 2 months from the occurrence of any of the following circumstances:

- (I) when the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number required in these Articles;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (III) where any shareholder(s) holding individually or collectively 10% (inclusive, excluding voting proxy) or more of the Company's shares carrying voting rights request(s) in writing for the convening of an extraordinary shareholders' general meeting;
- (IV) when deemed necessary by the Board or when requested by the Board of Supervisors;
- (V) when proposed by 2 or more of independent Directors;
- (VI) other situations stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or these Articles.

Article 69 Shareholders requesting the convening of extraordinary shareholders' general meetings or class meetings shall follow the procedures listed below:

- (I) 2 or more shareholders individually or jointly holding 10% or more of the shares carrying voting rights at the meeting sought to be held may sign one or more written requests of identical form of content requesting the Board to convene an extraordinary shareholders' general meeting or a class meeting and stating the subject of the meeting. The Board shall convene an extraordinary shareholders' general meeting or a class meeting as soon as possible after having received the aforesaid written request. The aforesaid shareholding shall be calculated as of the day on which the written request is made.
- (II) If the Board fails to issue a notice of convening such meeting within 30 days upon receipt of the above written request, the shareholders who made such request may request the Board of Supervisors to convene the extraordinary shareholders' general meeting or class meeting.
- (III) If the Board of Supervisors fails to issue a notice of convening such meeting within 30 days upon receipt of the above written request, shareholders, for more than 90 consecutive days, individually or jointly holding 10% or more of the shares carrying voting rights at the meeting sought to be held may convene the meeting of their own accord within 4 months upon the Board having received such request. The convening procedures shall, to the greatest extent possible, be identical to procedures according to which the shareholders' general meetings are to be convened by the Board.

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

Article 70 When the Company convenes a shareholders' general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company are entitled to propose new resolutions in writing to the Company and submit them to the convener 10 days before the meeting. The convener of the shareholders' general meeting shall issue a supplementary notice of the shareholders' general meeting and inform other shareholders within 2 days upon the receipt of such proposal and incorporate any matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting. The new agenda shall be tabled to the shareholders' general meeting for consideration.

Article 71 Where the Company convenes a shareholders' general meeting, a notice shall be given 20 days before the meeting to notify each of the shareholders of the time and venue of the meeting and matters to be deliberated; in the case of an extraordinary general meeting, it shall issue a written notice 15 days prior to the meeting to notify each of the shareholders. For notices given under this Article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar engaged by the Company.

Unless otherwise provided by these Articles, the notice of the shareholders' general meeting shall be sent to shareholders (regardless of their voting rights at the shareholders' general meeting) by hand or pre-paid post to the address of the recipient as specified in the register of shareholders. For holders of domestic shares, notices of shareholders' general meetings may be issued in the form of public announcement.

Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authorities under the State Council 20 days (annual general meeting) or 15 days (extraordinary general meeting) prior to the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the relevant meeting.

Notices of shareholders' general meetings served on holders of overseas listed foreign shares may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company. Upon the publication of the announcement, all holders of overseas listed foreign shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Article 72 The shareholders' general meeting shall not decide on any matter not stated in the notice as referred in Article 70 and Article 71 of these Articles.

Article 73 The notice of a shareholders' general meeting shall meet the following criteria:

- (I) it shall be made in writing;
- (II) it shall specify the time, venue and date of the meeting;
- (III) it shall set out the matters to be considered at the meeting;
- (IV) it shall provide shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but is not limited to), where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction shall be provided in detail together with copies of the proposed contract (if any), and the cause and effect of the such proposal shall be properly explained;
- (V) it shall disclose the nature and degree of the material interest of any Director, Supervisor and senior management member in the matters to be considered. In case that the impact of the matters to be considered on such Director, Supervisor and senior management member as a shareholder is different from that on other holders of the same class of shares, the difference shall be explained;
- (VI) it shall set out the full text of any special resolution to be proposed at the meeting;
- (VII) it shall contain conspicuously a statement that a shareholder eligible for attending and voting is entitled to appoint 1 or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;
- (VIII) it shall specify the delivery time and place of the proxy form for voting at the meeting.

Article 74 After issuance of the notice for shareholders' general meeting, the shareholders' 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 convener shall make an announcement giving reasons at least 2 working days before the date when the meeting is convened.

Article 75 The accidental omission to give notice of meeting to, or nonreceipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and any resolution adopted at the meeting.

Article 76 Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. According to the appointment of the shareholder, a proxy so appointed shall:

- (I) have the same right as the shareholder to speak at the meeting;
- (II) have the right to individually or jointly demand a poll;
- (III) have the right to vote by hand or on a poll, but when more than 1 proxy has been appointed, the proxies only have the right to vote on a poll.

Article 77 Shareholders may attend a shareholders' general meeting in person, or may entrust other persons as his proxies to attend and vote on his/her behalf.

Shareholders shall appoint a proxy by written instrument which is signed by the appointer or his/her agent so authorized in writing, or if the appointer is a legal person, sealed by the stamp of the legal person or signed by its Director or agent so officially authorized. The proxy form shall specify the number of shares represented by the proxy of the shareholders. Where a shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy in the proxy form.

Article 78 The form appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the voting. Where the instrument is signed by another person as authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Where the appointer is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as the representative of such legal person.

Where the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize 1 or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting provided that, if more than 1 person is so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized and shall be signed by the authorized personnel appointed by the recognized clearing house. The persons so authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, notarized power of attorney and/or further evidence of due authorization), as if such person were an individual shareholder of the Company.

Article 79 Any proxy form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favour of or against the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit.

Article 80 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 81 A shareholders' general meeting shall be chaired by the chairman of the Board. If the chairman of the Board is unable to or fails to perform his/her duties, the meeting shall be chaired by a Director elected by more than half of the Directors jointly. If no chairman of a meeting is appointed, shareholders present at the meeting may elect 1 person as a chairman of the meeting. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/her proxy) shall be the chairman of such meeting.

If the Board is unable or fails to fulfill the obligation of convening a shareholders' general meeting, the Board of Supervisors shall convene and preside over such meeting. If the Board of Supervisors does not convene or preside over such meeting, the shareholders individually or jointly holding no less than 10% of shares of the Company for no less than 90 consecutive days may convene and preside over such meeting on their own.

A shareholders' general meeting convened by the Board of Supervisors itself shall be presided over by the chairman of the Board of Supervisors. Where the chairman of the Board of Supervisors is unable or fails to fulfill the duties thereof, a Supervisor elected by more than half of the Supervisors shall chair the meeting.

A shareholders' general meeting convened by the shareholders individually or jointly holding no less than 10% of shares of the Company for no less than 90 consecutive days themselves shall be chaired by a representative elected by the convening shareholders.

Where a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman so as to carry on with the shareholders' general meeting, subject to the approval of more than half of the attending shareholders having the voting rights. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/her proxy) shall be the chairman of such meeting.

Article 82 The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward at the shareholders' general meeting shall be adopted by not less than half of shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward at the shareholders' general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

Article 83 Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting vote on a certain issue in accordance with applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

Article 84 A voting right shall be exercised only by one voting method including on-the-spot voting. If a voting right is exercised repeatedly, only the first exercise of the voting right is recognized.

If a matter required be voted on by way of a poll is the election of the chairman of the meeting or suspension of the meeting, such matter shall be forthwith voted on by way of a poll; for other matters required to be voted on by way of a poll, the time for the voting shall be determined by the chairman of the meeting, and the meeting may be continued to discuss the matters, and the poll results are deemed to be a resolution passed at the meeting.

Article 85 Voting at a shareholders' general meeting shall be taken by open ballot or other means as permitted by applicable SEHK Listing Rules.

If the chairman of the meeting decides to vote by a show of hands, voting at shareholders' general meetings shall be conducted by a show of hands unless the following persons require voting by poll before or after voting by a show of hands:

- (I) chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies thereof;
- (III) shareholders (including proxies) severally or jointly holding 10% or more of shares with voting rights at the meeting.

If the chairman of the meeting decides to vote by a show of hands, unless a poll is demanded, the announcement by the chairman that whether the proposals have been passed based on the results of voting by a show of hands and the recording of such in the minutes shall be conclusive evidence. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who demanded the same.

Article 86 Shareholders who attend the shareholders' general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain. Any unfilled, improperly filled or poorly handwritten votes or votes that are not cast shall be considered as abstentions from voting by the shareholders. Its respective shares shall be counted as "abstentions" in the voting results.

Article 87 In voting, shareholders (including proxies thereof) entitled to 2 or more votes need not cast all the votes in the same way of for, against or abstention.

Article 88 If for and against are equal, the chairman of the meeting shall be entitled to an additional vote.

Article 89 The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board and the Board of Supervisors;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board and the Board of Supervisors (excluding employee representative Supervisors), their remunerations and the method of payment thereof;
- (IV) annual financial budgets, final accounts, balance sheets, income statements and other financial statements of the Company;
- (V) matters other than those stipulated by laws, administrative regulations or these Articles to be approved by special resolutions.

Article 90 The following matters shall be approved by special resolutions at a shareholders' general meeting:

- (I) increase or reduction in share capital of the Company and the issue of any class of shares, warrants and other similar securities;
- (II) issue of corporate bonds of the Company;
- (III) division, merger, dissolution and liquidation of the Company;
- (IV) changes in the form of the Company;
- (V) acquisition or disposal of material assets or provision of guarantee by the Company within 1 year with a value exceeding 30% of the latest audited total assets of the Company;
- (VI) amendment to these Articles;
- (VII) consideration and implementation of equity incentive scheme;
- (VIII) repurchase of shares of the Company;
- (IX) any other matter specified in the laws, administrative regulations or these Articles and confirmed by an ordinary resolution at a shareholders' general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions;
- (X) other matters requiring adoption by special resolutions pursuant to the SEHK Listing Rules.

Article 91 If the shareholders' general meeting requires all the Directors, Supervisors and senior management members of the Company to attend the meeting, they shall attend the meeting.

The Directors, Supervisors and senior management members attending or present at the shareholders' general meeting shall answer or explain inquiries made by shareholders except which involves business secrets of the Company that cannot be disclosed at the meeting.

Article 92 The chairman of the meeting shall be responsible for determining whether a resolution at a shareholders' general meeting is passed pursuant to the voting result. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.

Article 93 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted, and the chairman of the meeting shall have the ballots counted immediately.

Article 94 If ballots are counted at a shareholders' general meeting, the counting result shall be recorded in the meeting minutes.

The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the domicile of the Company.

Article 95 Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. If any shareholder asks for copies of such minutes, the Company shall send out the said copies within 7 days after receipt of reasonable expenses.

Chapter 9 Special Voting Procedures for Class Shareholders

Article 96 Holders of different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations according to the laws, administrative regulations and these Articles.

Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes. If the share capital of the Company includes shares without voting rights, then the said shares shall be marked with "without voting right".

If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be marked with "restricted voting right" or "limited voting right".

Article 97 Any proposed change or annulment by the Company to the rights of class shareholders shall not come into effect unless approved by special resolutions at a shareholders' general meeting and a separate shareholders' general meeting convened by the class shareholders so affected in accordance with Articles 99 to 103 of these Articles.

For any meeting of a certain class of shareholders to consider changes to the rights of any class of shares (but not including adjournment thereof), the required quorum must be at least one-third of the holders of the issued shares of the class.

Where any change in domestic and overseas laws, administrative regulations and listing rules of the place of listing or any decision made by the domestic or overseas regulatory authority gives rise to change or annulment of the rights of class shareholders, approval by a shareholders' general meeting or class meeting is unnecessary.

Where the holders of domestic shares of the Company transfer their shares to overseas investors and list the said shares overseas for trading or convert all or part of their domestic shares into overseas listed foreign shares for listing and trading on overseas stock exchange(s), it shall not be deemed that the Company proposes to change or annul the rights of class shareholders.

Article 98 The following circumstances shall be deemed as change or annulment of the rights of holders of a certain class of shares:

- (I) to increase or decrease the number of shares of such class, or to increase or decrease 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;
- (II) to change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (III) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (IV) to reduce or cancel rights attached to the shares of such class to preferentially receive dividends or to preferentially receive distributions of assets in a liquidation of the Company;
- (V) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of such class;
- (VI) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of such class;
- (VII) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (VIII) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions;
- (IX) to issue rights to subscribe for, or to convert into, shares of such class or another class;

- (X) to increase the rights and privileges of the shares of another class;
- (XI) to restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring; and
- (XII) to amend or cancel provisions of this chapter.

Article 99 Where issues specified in (II) to (VIII) and (XI) to (XII) of Article 98 of these Articles are involved, the affected class shareholders, whether or not they are entitled to vote at shareholders' general meetings originally, shall have the right to vote at class meetings. However, interested shareholder(s) shall not be entitled to vote at such class meetings.

Interested shareholder(s) as mentioned in the preceding paragraph shall refer to:

- (I) if the Company has made a repurchase offer to all shareholders on the same pro rata basis or made a repurchase of its shares by means of public transaction at the Hong Kong Stock Exchange in accordance with Article 29 of these Articles, "interested shareholder(s)" shall refer to the controlling shareholders as defined in Article 64 of these Articles;
- (II) if the Company has made a repurchase of its shares by means of agreement outside the Hong Kong Stock Exchange in accordance with Article 29 of these Articles, "interested shareholder(s)" shall refer to the shareholders who are parties to such agreements;
- (III) in the proposed restructuring of the Company, an "interested shareholder" is a shareholder who assumes a relatively less proportion of obligation than that of any other shareholder of that class or who has an interest different from that of any other shareholder of that class.

Article 100 Resolutions of a class meeting shall be approved by votes representing more than two-thirds of voting rights of shareholders of that class present who, in accordance with Article 99 of these Articles, are entitled to vote at the meeting.

Article 101 Where the Company convenes 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. The duration of the aforesaid period shall not include the day on which the meeting is convened.

If the listing rules of the place where the Company's shares are listed has special provisions, such provisions shall prevail.

Article 102 If a class meeting is convened by serving of notice, such notice needs to be delivered only to the shareholders who are entitled to vote thereat.

The procedure to hold class meetings shall be as possibly the same as that for shareholders' general meetings, and the provisions in these Articles concerning the procedure for shareholders' general meetings shall apply to class meetings.

Article 103 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes. Special voting procedures for class shareholders shall not apply in the following circumstances:

- (I) where the Company issues, either separately or concurrently, domestic shares and overseas listed foreign shares in numbers not exceeding 20% of the number of domestic shares and overseas listed foreign shares then in issue respectively in any twelve month period as approved by a special resolution of a shareholders' general meeting;
- (II) where the Company's plan for issuing domestic shares and overseas listed foreign shares upon its establishment is completed within 15 months from the date of approval by the securities regulatory authorities under the State Council;
- (III) where with approval of the securities regulatory authorities under the State Council, the holders of domestic shares of the Company transfer their shares to overseas investors, or the holders of domestic shares of the Company are allowed to transfer their shares to overseas listed shares and list the said shares on overseas stock exchanges.

Chapter 10 Board of Directors

Section 1 Directors

Article 104 Directors shall be elected or replaced at shareholders' general meetings and serve a term of 3 years. Directors are eligible for reelection upon the expiration of their terms. However, the successive terms of independent non-executive Directors may not be more than 9 years. A Director, before his term of office expires, shall not be dismissed by the shareholders' general meeting without any reason.

Written notice of an intention to nominate a candidate as Director and a written notice by that person of his willingness to be nominated shall be delivered to the Company 7 days prior to the convocation of the shareholders' general meeting. The period (which shall commence after the Company delivers the notice of the shareholders' general meeting) offered by the Company to the nominators and candidates for submitting the aforementioned notice shall not be less than 7 days.

The term of a Director shall start from the date on which the said Director assumes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director has expired but re-election is not timely made, or the said Director has resigned within his/her term of office, resulting in the numbers of members of the Board falls short of the quorum, the said Director shall continue to perform his/her duties as Director pursuant to relevant laws, administrative regulations, departmental rules and these Articles until a new Director is elected.

Article 105 If resignation of a Director takes effect or his/her term of office expires, the said Director shall go through all handover formalities with the Board. His/her obligation of integrity to the Company and shareholders shall not terminate automatically at the expiry of his/her term and shall still be valid within the reasonable period specified in these Articles.

Article 106 If any Director fails to attend Board meetings in person or by proxy for 2 consecutive times, the said Director shall be deemed incapable of performing his/her duties, and the Board shall suggest that the shareholders' general meeting dismiss the said Director.

Article 107 The Company shall have independent non-executive Directors. Except as otherwise provided in this section, the provisions on the qualifications and obligations of Directors in Chapter 14 of these Articles shall apply to independent non-executive Directors.

Independent non-executive Directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders.

Article 108 If any Director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said Director shall be liable for compensation.

Article 109 Save as specified in these Articles or duly authorized by the Board, no Director shall act on behalf of the Company or the Board in his/her own name. If a Director acts in his/her own name but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his/her standpoint and capacity.

Section 2 Board of Directors

Article 110 The Company shall have a Board of Directors consisting of 11 Directors. The Board shall have one chairman. The chairman shall be appointed and could be removed by a majority of all members of the Board. The chairman shall serve a term of 3 years subject to reelection.

Any Director can be removed before the expiration of his/her term of office by an ordinary resolution passed at a shareholders' general meeting, subject to full compliance with the relevant laws and administrative regulations, while such removal does not affect the rights of such Director to make any claim under any contract.

The number of independent non-executive Directors, at any time, shall be at least 3 and represent more than one third of members of the Board, and at least one of the independent non-executive Directors must have appropriate professional qualifications or accounting or related financial management expertise. Unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange of the place where the Company's shares are listed, an independent non-executive Director shall serve a term of 3 years and is eligible for re-election but shall not serve for more than 9 years. Independent Directors may directly report to the shareholders' general meeting, securities regulatory authorities under the State Council and other relevant authorities.

A Director may serve concurrently as general manager or other senior management member, but the Directors serving concurrently as such and the Directors being employees' representatives shall not be more than half of the Directors of the Company.

The number of senior management members of the controlling shareholders serving concurrently as chairman or executive Directors of the Company shall not exceed 2.

Directors need not hold shares of the Company.

Article 111 The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) to convene the shareholders' general meeting, to propose a proposal or resolution at the shareholders' general meeting for proposing to the shareholders' general meeting to approve the relevant matters and report its work to the shareholders' general meeting;
- (II) to implement the resolutions passed at the shareholders' general meeting;
- (III) to determine the business plans and investment proposals of the Company;
- (IV) to prepare the annual financial budget and final accounts of the Company;
- (V) to prepare the plans for profit distribution and plans for making up losses of the Company;
- (VI) to formulate proposals for increases or reductions of the Company's registered capital and the proposals for issue of corporate debentures;
- (VII) to formulate plans for merger, division and dissolution of the Company;
- (VIII) to formulate plans for the issuance of securities other than bonds and listing of the Company;
- (IX) to formulate proposals for material acquisition, repurchase of the Company's shares, and change of corporate form of the Company;
- (X) to determine the establishment of the internal management structure of the Company;
- (XI) to appoint or dismiss the general manager and the secretary to the Board of the Company and according to the nomination by the general manager, to appoint or dismiss other senior management members such as the deputy general manager and the chief financial officer of the Company;
- (XII) to determine matters relating to the remuneration of the above senior management members;
- (XIII) to establish the basic management system of the Company;
- (XIV) to draw up proposals for the amendment to these Articles;
- (XV) to manage the matters of information disclosure of the Company;
- (XVI) to propose at the shareholders' general meetings the appointment or changes of accounting firm;
- (XVII) to be informed of working reports of the senior management members of the Company and to examine the work of the senior management members of the Company;

- (XVIII) to decide on the Company's external investments, acquisition and disposal of assets, pledging of assets, external guarantee, entrusted wealth management and connected transactions within the scope of authorization by the shareholders' general meeting;
- (XIX) to decide on matters such as investments, acquisition and disposal of assets, financing and connected transactions which require decisions to be made by the Board in accordance with the requirements of the SEHK Listing Rules;
- (XX) to decide on other major affairs of the Company, save for matters to be resolved at shareholders' general meetings as required by the Company Law and these Articles;
- (XXI) to perform other duties and powers as stipulated in the laws and regulations, the SEHK Listing Rules, these Articles and as authorized by shareholders' general meetings.

The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the Directors save for the issues specified in (VI), (VII) and (XIV), in which approval of more than two thirds of the Directors is required.

The Board shall also be responsible for the following matters:

- (I) to formulate the Company's corporate governance system and reviewing and improving its corporate governance;
- (II) to review and supervise the training for and continuous professional development of Directors and senior management members;
- (III) to review and supervise the systems formulated and observation thereof by the Company and making relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;
- (IV) to work out the Company's code of conduct and relevant compliance manual for its employees and Directors, and to review and supervise their behaviors.

The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

Article 112 For the disposal of any fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' general meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval by the shareholders' general meeting.

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

Any breach of paragraph 1 of this Article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.

Article 113 The chairman of the board shall exercise the following functions and powers:

- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (II) to examine the implementation of the resolutions of the Board;
- (III) to sign the share, corporate bonds and other negotiable securities issued by the Company;
- (IV) to exercise other functions and powers specified in laws, administrative regulations, departmental rules, these Articles or granted by the Board resolutions.

Where the chairman cannot or fails to perform the duty thereof, more than half of the Directors shall jointly elect a Director to fulfil the said duty.

Article 114 The Board shall hold at least 4 regular meetings a year and shall be convened by the chairman. Written notice shall be given to all Directors and Supervisors at least 14 days before the meeting is held.

In any of the following circumstances, the chairman shall convene an extraordinary Board meeting within 10 days after receipt of the proposal:

- (I) proposed by shareholders representing more than one tenth of the voting rights;
- (II) proposed by more than one third of the Directors jointly;
- (III) deemed necessary by the chairman;
- (IV) proposed by more than 2 independent Directors;
- (V) proposed by the Board of Supervisors;
- (VI) proposed by the general manager.

Article 115 A notice of Board meeting shall be served to all the Directors, Supervisors and the general manager 14 days in advance in the event of a regular meeting or 3 days in advance in the event of an extraordinary meeting. The aforesaid time limit may not apply if written consent is given by all Directors present at the meeting. The responsible department of the Company shall serve a written meeting notice to all the Directors, Supervisors and the general manager by direct delivery, fax, express mail or other electronic communication means. If service is made indirectly, confirmation shall be made by telephone and the appropriate record thereof shall be made.

Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

Article 116 The notice of the meeting of the Board shall consist of the following:

- (I) date and venue of the meeting;
- (II) period of the meeting;
- (III) causes and issues of discussion;
- (IV) date of issuance of notice;
- (V) other essential contents.

Article 117 Notice of meeting shall be deemed to have been served to any Director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

Regular or extraordinary Board meetings may be convened in the form of teleconference or with the help of other communications equipment provided that the attending Directors are able to hear clearly the Directors who speak at the meetings and communicate amongst themselves. All the attending Directors shall be deemed as having attended the meeting in person.

Article 118 A Board meeting shall be attended by more than half of the Directors. Unless under exceptional circumstances specified in the regulatory rules of the place where the shares of the Company listed or otherwise permitted by the Hong Kong Stock Exchange, a Director shall not vote on any resolution of the Board which approves any contract or arrangement or any other relevant proposals where he or his close associates (as defined in the SEHK Listing Rules as applicable from time to time) own a material interest; and shall not be included for determining whether there is a quorum for the meeting.

Every Director shall have the right to 1 vote. Save as otherwise specified in laws, administrative regulations or these Articles, resolutions made by the Board shall be passed by more than half of all Directors.

A Board meeting may not be held unless attended by more than half of all the non-associated Directors, and resolutions adopted at such meetings shall be passed by more than half of all the non-associated Directors. Where the number of the non-associated Directors attending the Board meetings is less than 3, the matters shall be submitted to the shareholders' general meeting for deliberation.

In the case of an equality of votes, the chairman shall have a casting vote.

Article 119 Directors shall attend Board meetings in person. Where any Director cannot attend the meetings for any reason, he/she may authorize in writing another Director to attend the meetings on his/her behalf, with the power of attorney shall state the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the principal.

The Director attending the meetings on behalf of another Director shall exercise rights within the scope of authorization. Where a Director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said Director is deemed to have waived his/her rights to vote at the meeting.

Article 120 In respect of any important issue to be decided by the Board, a notice and adequate information shall be sent to all the Directors before the deadline specified in these Articles, in strict accordance with the specified procedure. Directors may require providing supplementary information. If more than one fourth of the Directors or more than 2 independent non-executive Directors think they cannot make judgments on relevant issues because the documents are inadequate or for other reasons, they can jointly propose to adjourn the Board meeting or suspend considering some issues, and the Board shall approve such proposal.

Article 121 The Board may adopt written proposal in lieu of Board meeting, but the draft of the said proposal shall be sent to every Director by direct delivery, mail, fax or e-mail. If the proposal has been sent to all the Directors by the Board, and the number of the Directors who have signed the proposal sent to the secretary to the Board by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles.

Article 122 The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending Directors and the minutes recorder. The Directors shall be responsible for the resolutions passed at Board meetings. Any Director who votes for a resolution of the Board which runs counter to the laws, administrative regulations or these Articles, thereby causing serious losses to the Company, shall be liable for compensation to the Company; however, a Director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

Section 3 Special Committees under the Board

Article 123 Under the Board are 3 special committees, i.e. the Audit Committee, the Remuneration Committee and the Nomination Committee, whose composition and rules of procedures are resolved separately by the Board. The Board may establish other special committees as necessary. These special committees are ad hoc committees under the Board which provide advice or advisory opinions for the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board.

Chapter 11 Secretary to the Board of the Company

Article 124 The Company shall have a secretary to the Board, who shall be a senior management member of the Company.

Article 125 The secretary to the Board of the Company shall be a natural person with requisite expertise and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. His/her major duties are:

- (I) to ensure that the Company has complete organizations documents and records; to keep and manage shareholders' information; to assist the Directors in addressing the routine tasks of the Board, to keep the Directors informed and alerted about any regulations, policies and other requirements of domestic and foreign regulators concerning operations of the Company and to ensure they understand the above matters, to assist the Directors and the general manager observe domestic and foreign laws and regulations as well as these Articles and other relevant regulations in a proper manner when performing their duties and powers;
- (II) to organize and arrange for Board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, keep minutes of the meetings and ensure their accuracy, keep meeting documents and minutes, take initiative to keep abreast of the implementation of relevant resolutions, and report important issues occurring during the implementation to the Board and give relevant advice to the Board;
- (III) to ensure that the material matters resolved by the Board of the Company to be carried out strictly in accordance with the procedures as stipulated. According to the requirements of the Board, to participate in the consultation and analysis of the matters to be considered by the Board and to offer relevant opinions and suggestions. To handle the day-to-day tasks of the Board and its committees as authorized;
- (IV) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignment from the regulatory authorities;
- (V) to be responsible for coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, attending all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (VI) to be responsible for keeping price-sensitive information of the Company confidential and to work out effective and practical confidentiality systems and measures. Where there is any leakage of price-sensitive information of the Company due to any reason, to take necessary remedial measures; to make timely explanation and clarification, and to notify the stock exchange of the place where the Company's shares are listed and the CSRC;
- (VII) to be responsible for coordinating reception of visitors, to keep in touch with news media, to be responsible for coordinating replies to inquiries from the public, to handle the relations with intermediary agencies, regulatory authorities and media, and to report to the CSRC;
- (VIII) to ensure that the register of shareholders of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;

- (IX) to assist Directors and the general manager in duly complying with the domestic and foreign laws, regulations, these Articles and other requirements in the course of discharging their duties, and upon becoming aware that the Company has passed or may pass resolutions which are in breach of the relevant regulations, to be obliged to remind the Board in a timely manner, and to be entitled to report such matter to the CSRC and other regulatory authorities;
- (X) to coordinate the provision of the information necessary for the Board of Supervisors of the Company and other audit agencies to discharge their supervision duties, and to assist in carrying out investigations on the performance of the financial controller, Directors and the general manager of the Company of their fiduciary duties;
- (XI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by the stock exchange of the place where the Company's shares are listed.

Article 126 A Director or senior management member of the Company may serve concurrently as secretary to the Board of the Company. The accountants of the accounting firm appointed by the Company and managers of controlling shareholders shall not serve concurrently as secretary to the Board of the Company.

In the event that a Director serves concurrently as secretary to the Board of the Company, where any act requires to be executed by the Director and the secretary to the Board of the Company separately, the said Director serving concurrently as secretary to the Board of the Company shall not execute the said act in both capacities.

Chapter 12 Senior Management Members

Article 127 The Company shall have one general and several deputy general managers who shall be nominated by the general manager and appointed or dismissed by the Board. A Director may serve concurrently as senior management members.

Article 128 The general manager shall serve a term of 3 years, and may be reelected for successive terms.

Article 129 The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;
- (II) to organize and implement the Company's annual plan and investment scheme;
- (III) to prepare a plan for establishing internal governing bodies of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate fundamental rules and regulations for the Company;
- (VI) to propose to the Board to appoint or dismiss the other senior management members of the Company in accordance with these Articles and the relevant internal control system of the Company;

- (VII) to decide to appoint or dismiss managers and general employees other than those appointed or dismissed by the Board according to these Articles and the Company's relevant internal control system;
- (VIII) to propose to convene an extraordinary Board meeting;
- (IX) to decide on the Company's other issues within the scope authorized by the Board;
- (X) to decide on such projects as investment, acquisition or disposal and financing which do not need to be decided by the Board or the shareholders' general meeting;
- (XI) to exercise other functions and powers as conferred by these Articles and the Board.

Senior management members other than the general manager shall assist the general manager in his/her works, and may exercise part of the functions and powers entrusted by the general manager.

Article 130 The general manager shall be present at Board meetings, and if he/she is not a Director, shall not have any voting right at Board meetings.

Article 131 In the exercise of his/her functions and powers, the general manager shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and these Articles.

Article 132 The Company shall have 1 financial manager, who shall be appointed or dismissed by the Board. The financial manager shall be accountable to the Board and the general manager.

Chapter 13 Board of Supervisors

Article 133 The Company shall have a Board of Supervisors, which shall exercise its Supervisory function in accordance with the provisions of the laws, administrative regulations and these Articles.

Article 134 The Board of Supervisors shall comprise 3 Supervisors, including 1 chairman.

The chairman shall be appointed or removed by the votes of more than two thirds of the members of the Board of Supervisors.

Article 135 The membership of the Board of Supervisors shall include 2 shareholder representatives and 1 employees' representative. Specifically, the election and removal of the shareholders' representative Supervisors shall be decided by shareholders in the shareholders' general meeting, while the employees' representative Supervisors shall be elected and removed by employees of the Company in the employees' congress, the assembly of employees and other democratic ways.

Article 136 Supervisors serve a term of 3 years. A Supervisor may serve consecutive terms if re-elected upon the expiration of his/her term.

If re-election is not made forthwith or the member of the Board of Supervisors falls below the minimum statutory requirement due to a Supervisor's resignation, the former Supervisors shall still perform their duties as Supervisors in accordance with the requirements of laws, administrative regulations, and these Articles before the appointment of the re-elected Supervisors.

Article 137 Directors and other senior management members of the Company shall not serve as Supervisors concurrently.

Article 138 The Board of Supervisors shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) to examine the Company's financial position;
- (II) to supervise the performance by the Directors and senior management members when discharging their duties to the Company, and to propose to remove the aforesaid members who violate the laws, administrative regulations, these Articles or the resolution of the shareholders' general meeting;
- (III) to demand rectification from the Directors and senior management members where their conducts are detrimental to the interests of the Company;
- (IV) to verify the financial information such as financial reports, business reports and profit distribution plans to be submitted by the Board at the shareholders' general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors for a re-examination of the aforesaid information;
- (V) to propose the convening of extraordinary shareholders' general meetings and, in case that the Board does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Company Law, to convene and preside over the shareholders' general meetings;
- (VI) to submit proposals to the shareholders' general meeting;
- (VII) to negotiate with Directors and lodge legal actions against the same on behalf of the Company;
- (VIII) to propose to convene an extraordinary Board meeting;
- (IX) to bring legal actions against the Directors and senior management according to the relevant provisions under the Company Law;
- (X) to elect and replace the chairman of the Board of Supervisors;
- (XI) such other functions and powers as prescribed by the laws, administrative regulations and these Articles.

Supervisors shall attend meetings of the Board, and shall raise enquiries or make suggestions on the matters to be resolved by the Board.

Article 139 Meeting of the Board of Supervisors shall be held at least once every 6 months, and shall be convened and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, more than half of the Supervisors may elect a Supervisor to convene and preside over the meetings of the Board of Supervisors.

Supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.

Where the Board of Supervisors convenes a regular or an extraordinary meeting, staff of the Board of Supervisors shall send a written notice of the meeting to all Supervisors by hand, fax, email or other means within a reasonable period in advance. Where the notice is not served directly, telephone acknowledgement and relevant records shall be made.

Where an extraordinary meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

Article 140 Matters shall be considered by the Board of Supervisors in the following manners: any voting at the meetings of the Board of Supervisors shall be made on a one-person-one-vote basis by open ballot or in writing.

The voting procedure is that the voting intent of a Supervisor may be pro, con or abstention. Every attending Supervisor shall choose one out of the aforesaid intents. Where any Supervisor does not make any option or makes 2 or more options, the chairman of the meeting shall require the said Supervisor to make an option again, otherwise the said Supervisor shall be deemed as having abstained from voting; any Supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The Board of Supervisors shall file resolutions on matters discussed at the meeting as minutes, which shall be signed by the attending Supervisors. Any Supervisor shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meeting of the Board of Supervisors shall be kept in the domicile of the Company.

In the case of voting by means of communications, Supervisors shall sign and return by mail the voting instruments containing the written opinions and voting intentions in respect of the matters discussed to the Board of Supervisors. The Supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Board of Supervisors within the period stipulated in the notice of the meeting.

The resolutions of the Board of Supervisors shall be passed by over two-thirds of the members of the Board of Supervisors by voting.

Article 141 Supervisors may conduct investigation if they find any unusual operation of the Company; and if necessary, may engage lawyers, accounting firms and other professionals to assist in their work, with reasonable expenses so incurred borne by the Company.

Article 142 Supervisors shall honestly fulfil the Supervisory duty in accordance with relevant laws, administrative regulations and these Articles.

Chapter 14 Qualifications and Obligations of Directors, Supervisors and Senior Management Members of the Company

Article 143 A person shall not serve as Director, Supervisor or senior management member of the Company if:

- (I) he/she has no capacity or has limited capacity for civil conduct;
- (II) he/she has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market and 5 years have not elapsed since the completion date of the execution of the penalty; or he/she has ever been deprived of his/her political rights due to any crime and 5 years have not elapsed since the completion date of the execution of the penalty;
- (III) he/she was the Director, factory manager or manager of a company or enterprise which had been bankrupted and liquidated due to mismanagement, and was personally liable for the bankruptcy of the company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) he/she was the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to illegal activities and was personally liable for such illegal activities, where less than three years have elapsed since the date when the business license of the company or enterprise was revoked;
- (V) he/she has a relatively large amount of overdue debt;
- (VI) he/she is under criminal investigation by the judicial authorities, and such cases have not been closed;
- (VII) he/she is disqualified as corporate leader in laws and administrative regulations;
- (VIII) he/she is not a natural person;
- (IX) he/she was ruled by the relevant regulatory authority that he/she has violated the relevant securities regulations and committed any fraudulent or dishonest act, where less than 5 years have lapsed since the date of ruling;
- (X) in the circumstances stipulated by relevant laws and regulations of the place where the Company's shares are listed.

Article 144 The validity of an act of a Director or senior management on behalf of the Company for a bona fide third person is not affected by any incompliance in the appointment, election or qualification thereof.

Article 145 In exercising the functions and powers conferred by the Company, Directors, Supervisors and senior management members of the Company shall fulfil the following obligations to each shareholder in addition to the obligations under the relevant laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed:

- (I) not to allow the Company to operate beyond the business scope specified in its business license;
- (II) to act bona fide in the best interest of the Company;
- (III) not to deprive the Company of its property in any form, including (but not limited to) any opportunities that are favorable to the Company;
- (IV) not to deprive any shareholder of his/her personal interests, including (but not limited to) any right to distribution and voting, but excluding a restructuring plan of the Company submitted to and approved by the shareholders' general meeting in accordance with these Articles.

Article 146 In exercising rights or fulfilling obligations, the Directors, Supervisors and senior management members of the Company have the duty to act cautiously and with diligence and skill as a reasonable discreet person should do in similar circumstances.

Article 147 In performing duties, the Directors, Supervisors and senior management members of the Company shall observe the principle of good faith and shall not set themselves in a position where their self-interests may conflict with their obligations. The said principle includes (but is not limited to) performance of the following obligations:

- (I) to act bona fide in the best interest of the Company;
- (II) to exercise their functions and powers within their terms of reference;
- (III) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a shareholders' general meeting, not to transfer their right of discretion to others;
- (IV) to be equitable towards holders of the same class of shares and fair towards holders of different classes of shares;
- (V) not to enter into any contract, transaction or arrangement with the Company, save as specified in these Articles or with the informed consent of shareholders given at a shareholders' general meeting;
- (VI) not to use the property of the Company in any form for personal gains without the informed consent of shareholders given at a shareholders' general meeting;
- (VII) not to abuse official powers to accept bribes or other unlawful income, and not to appropriate the Company's property in any form, including (but not limited to) any opportunities that are favorable to the Company;

- (VIII) not to accept commissions in connection with the Company's transactions without the informed consent of shareholders given at a shareholders' general meeting;
- (IX) to observe these Articles, perform duties faithfully and protect the interests of the Company, and not to use their positions and powers in the Company for personal gains;
- (X) not to compete with the Company in any form without the informed consent of shareholders given at a shareholders' general meeting;
- (XI) not to embezzle the funds of the Company or deposit assets or funds of the Company into accounts opened in his/her own or in another person's name, and not to make loans to others out of the funds of the Company or provide guarantee for shareholders of the Company or other persons with the property of the Company in violation of these Articles or without the consent of the shareholders' general meeting or the Board;
- (XII) without the informed consent of the shareholders given at a shareholders' general meeting, not to disclose any confidential information related to the Company acquired by them during their terms of office; not to use the said information save for the interests of the Company; however, they may disclose such information to a court or other governmental regulatory authorities in the following circumstances:
 1. as required by law;
 2. as required for public interests;
 3. as required for the interests of the said Directors, Supervisors and senior management members.

The personnel mentioned in this Article shall return the income obtained from violation of the provisions herein to the Company and shall bear the liability of compensation if the Company suffers damage.

Article 148 Directors, Supervisors and senior management of the Company shall not instruct the following persons or institutions (hereinafter referred to as the "Related Persons") to do anything that the Directors, Supervisors and senior management members shall not do:

- (I) spouses or minor offspring of Directors, Supervisors and senior management members of the Company;
- (II) trustees of Directors, Supervisors and senior management members of the Company or persons mentioned in item (I) herein;
- (III) partners of Directors, Supervisors and senior management members of the Company or persons mentioned in items (I) and (II) herein;
- (IV) companies under effective and independent control of Directors, Supervisors and senior management members of the Company or companies under effective and joint control of the persons mentioned in items (I), (II) and (III) herein or other directions, Supervisors and senior management members of the Company; and
- (V) Directors, Supervisors and senior management members of the companies being controlled as set out in item (IV) herein.

Article 149 The duty of fidelity of the Directors, Supervisors and senior management members of the Company shall not necessarily end with the expiry of their terms of office, and their confidentiality obligation to trade secrets of the Company shall continue after expiry of their terms of office. The term for continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the occurrence of the matter and the termination as well as the circumstances and conditions under which their relationship with the Company end.

Article 150 The liability of Directors, Supervisors, and senior management members of the Company for breaching responsibility conferred by a given obligation may be exempted by shareholders at a shareholders' general meeting in an informed manner, save for the circumstances specified in Article 63 of these Articles.

Article 151 If Directors, Supervisors and senior management members of the Company have any direct or indirect material interest in any contract, transaction or arrangement already entered into or proposed to enter into with the Company, they shall responsively disclose to the Board the nature and extent of the said interests regardless of whether the relevant matters are subject to approval by the Board under normal circumstances.

Unless under the exceptional circumstances specifically provided in the Articles of Association approved by the Hong Kong Stock Exchange, a Director shall not vote on any resolution of the Board for approving the contract, transaction or arrangement or any other relevant proposal where he/she or and of his/her close associates (as defined in the applicable SEHK Listing Rules which come into effect from time to time) owns a material interest; and shall not be included into the quorum of the meeting. Unless the Directors, Supervisors and senior management members of the Company having material interests have disclosed the said interests to the Board as per paragraph 1 herein, and the matter has been approved by the Board at a meeting in which they were not counted in the quorum and were abstained from voting, our Company shall have the right to cancel such contract, transaction or arrangement, save for the circumstance in which the other parties are bona fide parties uninformed of the default of the said Directors, Supervisors and senior management members.

If the Related Persons of the Directors, Supervisors and senior management members of the Company have any interests in a given contract, transaction or arrangement, the said Directors, Supervisors and senior management members shall be deemed as having interests.

Article 152 If, before the question of entering into an contract, transaction or arrangement is first taken in consideration by the Company, the Directors, Supervisors and senior management members of the Company have notified the Board in writing that they will have interests in such contract, transaction or arrangement to be entered into in the future because of the reasons set out in the notice, they, within the scope specified in the notice, will be deemed as having made disclosure as specified in the preceding article of this chapter.

Article 153 The Company shall not pay taxes in any form for its Directors, Supervisors and senior management members.

Article 154 The Company shall not directly or indirectly provide loan or loan guarantee to the Directors, Supervisors and senior management members of the Company or its controlling shareholders, or to the Related Persons of the aforesaid persons.

However, the preceding paragraph shall not apply if:

- (I) the Company provides loan or loan guarantee for its subsidiaries;
- (II) the Company, in accordance with the engagement contracts approved at the shareholders' general meeting, provides loan, loan guarantee or other monies to the Directors, Supervisors and senior management members of the Company so that they may pay the expenses incurred for the Company or for fulfilling duties of the Company; and
- (III) if the normal business scope of the Company is expanded to cover provision of loan and loan guarantee, the Company may provide loan and loan guarantee to the relevant Directors, Supervisors and senior management members and their Related Persons, but the conditions for providing loan or loan guarantee shall be normal business conditions.

Article 155 If the Company provides loan in violation of the preceding Article, the recipient of the loan shall return the same immediately regardless of the loan conditions.

Article 156 The Company shall not enforce the loan guarantee if the same is provided in violation of paragraph 1 of Article 154, except for the following circumstances:

- (I) the lender did not know that it was in violation of the said Article when extending the loan to the Related Persons of the Directors, Supervisors and senior management members of the Company or its controlling shareholders;
- (II) the guarantee provided by the Company has been sold by the loan lender lawfully to a bona fide purchaser.

Article 157 The guarantee as referred to in the preceding provisions of this chapter includes the act of the guarantor to undertake the responsibility or provide property to ensure that the obligor fulfils the obligations.

Article 158 If the Directors, Supervisors or senior management members fail to fulfil the obligations to the Company, the Company has the right to take the following actions in addition to the rights and remedial measures under the relevant laws and administrative regulations:

- (I) require compensation from the relevant Directors, Supervisors and senior management members to the Company for the losses arising from their neglect of duty;
- (II) cancel the contracts or transactions entered into between the Company and the relevant Directors, Supervisors or senior management members, or between the Company and a third person (if the third person knows or is supposed to know that the Directors, Supervisors or senior management members representing the Company have breached their obligations to the Company);
- (III) require the relevant Directors, Supervisors or senior management members to surrender gains arising from breach of obligations;
- (IV) recover monies, including (but not limited to) commissions, received by the relevant Directors, Supervisors or senior management members but receivable by the Company;

- (V) require the relevant Directors, Supervisors or senior management members to surrender interests earned or likely to be earned from monies payable to the Company; and
- (VI) institute legal proceedings to rule that the properties obtained by the relevant Directors, Supervisors or senior management members for breach of obligations shall belong to the Company.

Article 159 The Company shall conclude written contracts with its Directors, Supervisors and senior management in relation to their remunerations, subject to prior approval at a shareholders' general meeting. The written contracts shall at least cover the following matters:

- (I) the Directors, Supervisors and senior management members shall undertake to the Company to observe Company Law, Special Regulations, these Articles, Hong Kong Codes on Takeovers and Mergers and Share Buy-backs and other codes, rules or regulations stipulated the by Hong Kong Securities and Futures Commission, Hong Kong Stock Exchange and other clearing house, and agree that the Company is entitled to remedial measures under these Articles and that the said contracts and the positions as Directors, Supervisors and senior management members shall not be transferred;
- (II) the Directors, Supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in these Articles;
- (III) arbitration clauses specified in Article 204 of these Articles. This arbitration agreement is reached between the Directors or senior management members and the Company (for itself and on behalf of each of its shareholders). Any arbitration so submitted shall be deemed to authorize the arbitration tribunal to conduct public hearing and announce its ruling.

The aforesaid remunerations shall include:

- (I) remunerations as Directors, Supervisors or senior management of the Company;
- (II) remunerations as Directors, Supervisors or senior management of subsidiaries of the Company;
- (III) remunerations for providing other services for the management of the Company and subsidiaries thereof; and
- (IV) compensations for the said Directors or Supervisors for losing their positions or for retirement.

Save as specified in the aforesaid contracts, the Directors or Supervisors shall not pursue legal action against the Company for any interests due to them in respect of the matters mentioned above.

The Company shall regularly disclose the remuneration received by a Director, Supervisor or senior management member from the Company to the shareholders.

Article 160 The Company shall specify in the contracts concluded with the Directors or Supervisors in relation to remunerations that if the Company is acquired, the Directors or Supervisors have the right to seek compensations or other monies for losing their positions or for retirement under the conditions approved at the shareholders' general meeting in advance. The acquisition in the preceding paragraph refers to any of the following circumstances:

- (I) takeover offer made by any person to all the shareholders;
- (II) takeover offer made by any person to become a controlling shareholder (whose definition is the same as that in these Articles) of the Company.

If the Directors and Supervisors concerned do not comply with the provisions of this Article, any funds received by them shall go to the persons who have accepted the offer mentioned above to sell their shares. The Directors and Supervisors shall bear the expenses arising from the distribution of such amounts proportionally, and such expenses shall not be deducted from the amounts.

Chapter 15 Financial and Accounting System

Article 161 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

Article 162 The Company shall adopt the Gregorian calendar year for its accounting year, i.e. the accounting year shall be from 1 January to 31 December.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with the accounting standards of the place where the Company's shares are listed overseas. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing its after-tax profits of the relevant accounting year, the lower of the after-tax profits in the aforesaid financial statements prepared under two standards shall apply.

Article 163 The Board of the Company shall place before the shareholders at annual shareholders' general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government or regulatory authorities.

Article 164 The Company shall not set up other account books except for the statutory account books. No assets of the Company may be deposited into any individual's account.

Article 165 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of the annual shareholders' general meeting. Every shareholder of the Company shall have the right to receive a copy of such financial reports mentioned in this chapter.

The financial report mentioned in the preceding paragraph shall include report of the Directors and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the income statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) summary financial reports approved by the Hong Kong Stock Exchange.

The Company shall deliver such financial report (including every document required by laws and regulations to be annexed to the balance sheet) to every holder of its overseas listed shares in person or by pre-paid mail at the addresses of such shareholders as recorded in the share register no less than 21 days before the date of the annual shareholders' general meeting.

The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

Article 166 The Company shall announce two financial reports each accounting year, i.e. interim financial report announced within 60 days after the end of the first 6 months of the accounting year and the annual financial report announced within 120 days after the end of the accounting year.

The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the accounting standards of the place overseas where the Company's shares are listed.

Chapter 16 Profit Distribution

Article 167 When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits shall be distributed by the Company to the shareholders in proportion to their respective shareholdings.

If the shareholders' general meeting or the Board has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

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

Article 168 The capital reserve fund shall include the following items:

- (I) premium arising from issue above the par value of the share;
- (II) other revenues required by the financial authority under the State Council to be included in the capital reserve fund.

Article 169 The reserve fund of the Company can be applied to the areas where permitted by applicable State laws and regulations, including making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Where the statutory reserve fund is converted into capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

Article 170 The Company may distribute dividends in the form of (or a combination of both):

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

Article 171 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholder to participate in respect thereof in a dividend subsequently declared.

Article 172 The Company shall appoint a payment receiving agent for holders of overseas listed foreign shares in Hong Kong. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed foreign shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

The payment receiving agent appointed by the Company for holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and regulations of the PRC, and requirements of the Hong Kong Stock Exchange, the Company may exercise its right to confiscate the dividends which are not claimed by anyone, but such right can only be exercised after the expiration of relevant period.

The Company has the power to cease sending dividend warrants by post to a holder of overseas listed foreign shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such right when the dividend warrants have failed to be delivered initially and after the dividend warrants have been returned.

In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the right to sell the shares of holders of overseas listed foreign shares with whom it loses contact, in a manner as its Board deems appropriate, subject to the following conditions:

- (I) Dividends of such shares have been declared for at least three times within a 12-year period and the dividends have not been claimed by anyone during such period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notifies the Hong Kong Stock Exchange of such intention.

Article 173 Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in Renminbi. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other monies by the Company to the holders of overseas listed foreign shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

Article 174 Unless otherwise provided in the relevant laws or administrative regulations, if the cash dividends and other monies are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other monies are declared.

Article 175 The Board of the Company shall complete the distribution of dividends (or shares) within 2 months after convening a shareholders' general meeting on which resolution is made on the profit distribution plan.

Chapter 17 Appointment of Accounting Firms

Article 176 The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the State to audit the Company's annual financial reports and review the Company's other financial reports.

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

Where the power as provided above is not exercised by the inaugural meeting, it shall be exercised by the Board.

Article 177 The accounting firm appointed by the Company shall hold office from the conclusion of the annual shareholders' general meeting at which the appointment is made until the conclusion of the next annual shareholders' general meeting.

Article 178 The accounting firm appointed by the Company shall have the following rights:

- (I) the right to access at any time the account books, records or vouchers of the Company, and to ask the Directors or senior management members of the Company to provide relevant information and explanations;
- (II) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as necessary for the fulfillment of its duties;
- (III) the right to attend shareholders' general meetings and to receive all notices of, or other information relating to, the meetings which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

The Company assures to provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not reject, conceal or make false report of any information.

Article 179 If there is a vacancy in the position of accounting firm of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period in which a vacancy arises.

Article 180 The shareholders' general meeting may by ordinary resolution remove the accounting firm of the Company before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. In the event of any rights claimed by the accounting firm against the Company for the removal, the said rights shall not be affected.

Article 181 The remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by the shareholders' general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

Article 182 Appointment, dismissal or non-appointment of the accounting firm shall be subject to decision at the shareholders' general meeting and shall be filed with the securities regulatory authorities under the State Council.

Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, or to reappoint an accounting firm that was appointed by the Board to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

- (I) The appointment or removal proposal shall be sent (before notice of the shareholders' general meeting is given) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

- (II) If the accounting firm which is leaving its post makes statements in writing and requests the Company to give the shareholders notice of such statements, the Company shall (unless the statements have been received after the prescribed time) take the following measures:
1. in any notice of meeting held for making the resolution, state the fact of the statements having been made by the leaving accounting firm; and
 2. attach a copy of the statements to the notice and send it to each shareholder who is entitled to receive the notice of the shareholders' general meeting in the manner stipulated in these Articles.
- (III) If the Company fails to send out the accounting firm's statements in the manner set out in (II) of this paragraph, such accounting firm may request that the statements be read out at the shareholders' general meeting and may make further complaints.
- (IV) The accounting firm which is leaving its post shall be entitled to attend the following meetings:
1. the shareholders' general meeting at which its term of office expires;
 2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
 3. the shareholders' general meeting which is convened as a result of its resignation.

The accounting firm which is leaving its post shall be entitled to receive all notices of, or other information relating to, such meetings, and to speak at such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article 183 If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns from its office, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

The accounting firm may resign from its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be specified in such notice. Such notice shall include the following statements:

1. a statement clarifying that there is no matter in relation to its resignation that need to be brought to the attention of the shareholders or creditors of the Company; or
2. a statement of any matter that shall be disclosed.

The Company shall, within 14 days after receipt of the written notice referred to in paragraph 2 of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under (II) of paragraph 2 of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed foreign shares (i.e. the shareholder who is entitled to receive the financial report of the Company) at the address registered in the share register.

Where the accounting firm's notice of resignation contains a statement under (II) of paragraph 2 of this Article, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Chapter 18 Notices

Article 184 Notices of the Company shall be delivered by the following means:

- (I) by delivery in person;
- (II) by post;
- (III) by fax or email;
- (IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchange of the place where the Company's shares are listed;
- (V) by way of announcement;
- (VI) by any other means as agreed by the Company and the addressee or as accepted by the addressee after the notice is received;
- (VII) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in these Articles.

Unless the context otherwise specifies, the "announcement" referred to in these Articles shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles, the publication of an announcement in newspapers or periodicals in the PRC, and such newspapers or periodicals shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authorities under the State Council. For notices issued by the Company to the holders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. The announcement shall also be published on the Company's website at the same time. In addition, unless otherwise required in these Articles and subject to relevant requirements of the securities regulatory authorities at the places where the Company's shares are listed, the Company may opt to publish its corporate communication in the form as required in (IV) of first paragraph of this Article in lieu of delivery of notice, in person or by mail, to every holder of overseas listed foreign shares in written form.

Holders of the Company's overseas listed foreign shares may select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or Directors who want to prove that notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or delivering written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or delivers its corporate communication to shareholders according to the SEHK Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the SEHK Listing Rules as amended from time to time, the Company may deliver or provide corporate communication to its shareholders by electronic means or via publication on its website. Corporate communication includes but is not limited to circulars, annual reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the SEHK Listing Rules.

If the Company is authorized to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.

Article 185 Save as otherwise specified in these Articles, the means of service of notice specified in the preceding article shall apply to notice of the shareholders' general meetings, Board meetings and meetings of the Board of Supervisors held by the Company.

Article 186 In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be received after 7 working days from the date upon which the post office receives the notice. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published. Such announcement shall be published on the newspapers or periodicals that satisfy the relevant requirements.

Article 187 In the event that the listing rules of stock exchange of at the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may only send the English version or the Chinese version to the shareholders concerned, as per the intent stated by them, to the extent permitted by the Articles of Association of the Company, applicable laws and regulations, and pursuant to applicable laws and regulations.

Chapter 19 Merger and Division of the Company

Article 188 In the event of merger or division of the Company, a plan shall be proposed by the Board of the Company and shall be approved in accordance with the procedures stipulated in these Articles. The Company shall then go through the relevant approval formality pursuant to the law. Shareholders who oppose the plan of merger or division of the Company shall have the right to request the Company or the shareholders who consent to such plan to purchase their shares at a fair price. The content of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

The aforesaid documents shall also be sent by mail to holders of overseas listed foreign shares.

Article 189 The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers within 30 days from the date of such resolution.

Upon the merger, creditors' right or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

Article 190 Where the Company is divided, its properties shall be divided accordingly.

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement about the resolution in the newspapers within 30 days from the date of such resolution.

The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 191 The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises out of merger or division. Where the Company is dissolved, the Company shall apply for its deregistration in accordance with the laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

Chapter 20 Dissolution and Liquidation of the Company

Article 192 In any of the following circumstances, the Company shall be dissolved:

- (I) a resolution on dissolution is passed at a shareholders' general meeting;
- (II) dissolution is necessary due to a merger or division of the Company;
- (III) its business license is revoked, or it is ordered to close up or to be revoked according to laws;
- (IV) the Company is ordered to close down according to laws due to its violation of laws or administrative regulations;
- (V) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the People's Court to dissolve the Company;
- (VI) the Company is declared insolvent according to laws because it is unable to pay its debts as they fall due;
- (VII) the term of operation specified in these Articles expires or any other circumstance for dissolution specified in these Articles arises.

In the event of dissolution due to circumstance set out in (VII) above, the Company may continue to subsist by amending these Articles.

Article 193 Where the Company is dissolved pursuant to (I), (III), (V) and (VII) of Article 192 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The membership of the liquidation committee shall be determined by an ordinary resolution of the shareholders' general meeting. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation.

Where the Company is dissolved pursuant to (IV) of Article 192 of these Articles, a liquidation committee comprised of shareholders, relevant authorities and relevant professionals shall be formed by relevant competent authorities, for carrying out the liquidation.

If the Company is dissolved pursuant to (VI) of Article 192 of these Articles, a liquidation committee comprising shareholders, relevant authorities and relevant professionals shall be established by the People's Court in accordance with relevant laws to carry out the liquidation.

Article 194 Where the Board decides to liquidate the Company, except where the Company has declared that it is insolvent, the Board shall include a representation in the notice convening the shareholders' general meeting for this purpose that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to settle its debts in full within 12 months from the commencement of the liquidation.

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

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

Article 195 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to inform creditors by notice or announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been paid in full;
- (VII) to represent the Company in civil lawsuits.

Article 196 The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspaper. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of announcement if no such notice is received.

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

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

Article 197 The liquidation committee shall, after examining the Company's property and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the People's Court for confirmation.

The property of the Company shall be liquidated in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and repayment of the Company's debts.

The remaining property of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company shall not commence any new business activities.

Article 198 If the liquidation committee, having examined the Company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of insolvency.

After the People's Court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the People's Court.

Article 199 Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall also within 30 days after such confirmation, submit the preceding documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Chapter 21 Amendments to the Articles of Association

Article 200 The Company may amend the articles of association pursuant to laws, administrative regulations and the articles of association. The Company shall amend the articles of association under any of the following circumstances:

- (I) Subsequent to the amendments to the Company Law or the relevant laws and administrative regulations, the matters provided for in the articles of association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) Changes in the state of the Company are inconsistent with the matters provided for in the articles of association;
- (III) The shareholders' general meeting has decided to amend the articles of association.

Article 201 The following procedures shall be followed when amending the articles of association:

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

Article 202 Amendment to the articles of association which involves the contents of the Mandatory Provisions shall become effective upon approval by the company approval authority authorized by the State Council. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

Article 203 The Board shall amend the articles of association in accordance with the resolution of the shareholders' general meeting in relation to amendment of these Articles and the opinion on examination and approval from relevant regulatory authorities.

Chapter 22 Settlement of Disputes

Article 204 The Company shall act according to the following principles to settle disputes:

- (I) In the event of any dispute or claim between the Company and any of its Directors, Supervisors or senior management members, or between any holder of overseas listed foreign shares and the Company, or between any holder of overseas listed foreign shares and any of its Directors, Supervisor or senior management members, or between any holder of overseas listed foreign shares and any holder of domestic shares arising from rights and obligations specified in these Articles, Company Law and other relevant laws and administrative regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration.

The aforesaid dispute or claim submitted for arbitration shall be the entire dispute or claim; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its shareholders, Directors, Supervisors, the general manager, or other senior management members.

Disputes in respect of who is the shareholder and those in relation to the share register need not be resolved by arbitration.

- (II) The claimant may select China International Economic and Trade Arbitration Commission for arbitration following the arbitration rules thereof or select Hong Kong International Arbitration Centre for arbitration following the securities arbitration rules thereof. Once a claimant refers a dispute or claim to arbitration, the other party must carry out arbitration in the arbitration tunnel selected by the claimant.

If the claimant selects for arbitration to be carried out at the Hong Kong International Arbitration Centre, any party may apply for a hearing to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims of rights arising out of (I) above are settled by way of arbitration, the laws of the People's Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan region) shall apply, save as otherwise provided in laws and administrative regulations.
- (IV) The arbitration award made by the arbitral authority shall be final and binding on both parties.

Chapter 23 Supplementary Provisions

Article 205 Definition

- (I) De facto controller refers to the person who is not a shareholder of the Company but is able to actually control the actions of the Company through an investment relation, agreement or other arrangement.
- (II) Affiliated relationship refers to the relationship between the controlling shareholders, De facto controllers, Directors, Supervisors or senior management members of the Company and the companies controlled directly or indirectly by them, as well as other relationships that may result in transfer of interests of the Company. However, State-controlled companies do not incur an affiliated relationship simply because their shares are controlled by the State.
- (III) In these Articles, “accounting firm” has the same meaning as that of “auditors”.
- (IV) In these Articles, “connected transaction” refers to the definition as set out in the SEHK Listing Rules.
- (V) In these Articles, “State” refers to the People’s Republic of China.

Article 206 In these Articles, “no less than”, “within” or “no more than” includes the underlying number, while “under”, “beyond”, “less than”, “more than” or “over” does not include the underlying number.

Article 207 For matters not stipulated in these Articles, or inconsistencies between the provisions of these Articles and any separate agreement in writing among related parties, the written agreement separately entered into by the related parties shall prevail.

Article 208 The Company shall deliver all notices or other documents prepared in English or attach a signed and certified English version corresponding thereto, in accordance with chapter 13 of the SEHK Listing Rules to the Hong Kong Stock Exchange.

These Articles is prepared in Chinese. In case of any discrepancy between any other language or different version and Chinese version of these Articles, Chinese version shall prevail.

Article 209 The right to interpretation of these Articles belongs to the Board of the Company. Any matters not contained in these Articles shall be proposed by the Board at the shareholders’ general meeting for approval.

(No Text Below)