

**ARTICLES OF ASSOCIATION
OF
SHANGHAI HAOHAI BIOLOGICAL TECHNOLOGY CO., LTD.*
(上海昊海生物科技股份有限公司)
(APPLICABLE AFTER THE ISSUANCE OF H SHARES)**

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Chapter 1 General Provisions

Article 1 To safeguard the legitimate rights and interests of Shanghai Haohai Biological Technology Co., Ltd.* (上海昊海生物科技股份有限公司) (the “Company”) and its shareholders and creditors, and to regulate the organization and acts of the Company, this Articles of Association is formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”), the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong and other relevant laws and provisions.

Article 2 The Company is a joint stock limited company incorporated under the Company Law, the Securities Law, the Special Regulations and other relevant laws and administrative regulations of the People’s Republic of China (the “PRC”, excluding, for the purpose of this Articles of Association and its appendices, Hong Kong, Macau and Taiwan).

Article 1 of
the Mandatory
Provisions

The Company was established on 1 July 2010 by way of promotion and registered at Shanghai Administration for Industry and Commerce on 2 August 2010 with a business license granted. The registered number of the Company’s business license is 310227001319578.

The promoters of the Company are 23 natural persons, namely, Jiang Wei (蔣偉), You Jie (游捷), Lou Guoliang (樓國梁), Hou Yongtai (侯永泰), Wu Jianying (吳劍英), Ling Xihua (凌錫華), Peng Jinhua (彭錦華), Huang Ping (黃平), Liu Yuanzhong (劉遠中), Shen Rongyuan (沈榮元), Tao Weidong (陶偉棟), Wang Wenbin (王文斌), Fan Jipeng (范吉鵬), Gan Renbao (甘人寶), Wu Ming (吳明), Chen Yiyi (陳奕奕), Shi Xiaoli (時小麗), Zhao Meilan (趙美蘭), Liu Jun (劉軍), Zhu Min (朱敏), Lu Rujuan (陸如娟), Sun Xiaohuang (孫孝煌) and Wu Yazhen (吳雅貞).

Article 3 Registered name of the Company

Article 2 of
the Mandatory
Provisions

Chinese name: 上海昊海生物科技股份有限公司

English name: Shanghai Haohai Biological Technology Co., Ltd.

Article 4 Address of the Company: No. 5 Dongjing Road, Songjiang Industrial Zone, Shanghai

Article 3 of
the Mandatory
Provisions

Postal code: 201613

Telephone: 021-62800674

Fax: 02162805863

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

Article 4 of
the Mandatory
Provisions

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

Article 5 of
the Mandatory
Provisions,
Article 3
of the
Company Law

The Company is an independent legal person with independent legal person property and enjoys the right to legal person property and is entitled to civil rights and subject to civil liabilities pursuant to laws. The Company is under the jurisdiction and protection of the laws, administrative rules and other relevant regulations of the PRC.

All the capital of the Company is divided into equal shares. The right and liability of the shareholders of the Company in respect of the Company are limited to the extent of the number of shares held by them and the liability of the Company to indebtedness is limited to the full amount of its assets.

Article 7 This Articles of Association has been approved by a special resolution at a general meeting of the Company and shall take effect on the date on which the overseas-listed foreign shares of the Company are listed and commence dealings on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), and shall supersede previous articles of association of the Company filed with competent administration for industry and commerce.

Article 6 of
the Mandatory
Provisions

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

Article 8 This Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with this Articles of Association.

Article 7 of
the Mandatory
Provisions

Pursuant to this Articles of Association, a shareholder can sue the Company and its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management, and the Company can sue its shareholders, directors, supervisors, general manager, vice general manager(s) and other senior management.

The term “sue” as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term “other senior management” as mentioned in the preceding paragraph shall include the financial controller and the secretary to the Board of the Company.

Article 9 The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities for the invested company as limited to the capital contribution made by it provided that, unless otherwise provided by laws and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the invested company, nor shall it become a shareholder of unlimited liabilities of other economic organizations.

Article 8 of
the Mandatory
Provisions,
Article 15
of the
Company Law

Chapter 2 Objective and Scope of Operation

Article 10 The operation objective of the Company is: to bring benefits to the majority of patients by applying biotechnological achievements to treat human diseases and maximize benefits of public society and shareholders by taking the laws and regulations of the PRC as criterion, the philosophy of scientific management as guideline, continuous innovations in research and development as driving forces and biopharmaceutical preparations and biological materials as professional directions.

Article 9 of
the Mandatory
Provisions

Article 11 The Company's scope of operation shall be consistent with the scope of operation approved by the authority responsible for the Company's registration. The scope of operation of the Company covers: technology development, technology transfer, technical consulting and technical services in respect of genetic engineering, chemical synthesis, natural medicines and diagnostic reagents; research and production of small dose injections, active pharmaceutical ingredients, bioengineering products, Class III 6822 implanted or long-term attached ophthalmologic optical devices and 6864 absorbable hemostatic and anti-adhesion materials; import and export of goods and technologies; wholesale and retail of medical optical devices, instruments and endoscopic devices, medical health materials and dressing, medical polymeric materials and products (except disposable aseptic medical devices under focused supervision) and implant materials and artificial organs in Class III and Class II (medical devices business shall be carried out in Flat 301, Block 9, No. 5 Dongjing Road only); wholesale of anhydrous ethanol (leasing storage facilities); and sales of chemical raw materials and products (except for hazardous chemicals) and cosmetics (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities).

Article 10 of
the Mandatory
Provisions

The Company may, in light of changes in domestic or overseas markets, the development of its businesses and its own capabilities, lawfully adjust its scope of operation and complete relevant formalities for such adjustment.

Chapter 3 Shares and Registered Capital

Article 12 The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by competent authorities authorized by the State Council.

Article 11 of
the Mandatory
Provisions,
Paragraph 9
of Appendix
3 to the
Hong Kong
Listing Rules

Shareholders of each class of the Company shall enjoy equal rights in the distribution of dividends or distributions in any other forms.

Article 13 The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

Article 12 of
the Mandatory
Provisions

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

Article 14 The Company's shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

Article 126 of
the Company
Law

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

Article 15 The Company may issue shares to investors inside the PRC and investors outside the PRC upon approval by competent securities regulatory authorities under the State Council.

Article 13 of
the Mandatory
Provisions

The term “investors outside the PRC” as mentioned in the preceding paragraph shall refer to investors from foreign countries or Hong Kong, Macau or Taiwan that subscribe for shares issued by the Company. The term “investors inside the PRC” shall refer to investors within the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 16 The shares issued by the Company to investors inside the PRC for subscription in RMB shall be referred to as “domestic shares”. The shares issued by the Company to investors outside the PRC for subscription in foreign currencies shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas-listed foreign shares”. A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares.

Article 14 of
the Mandatory
Provisions

The term “foreign currencies” as mentioned in the preceding paragraph shall refer to the lawful currencies freely convertible in other countries or regions (other than RMB), which are recognized by State’s foreign exchange authority and acceptable to pay for the shares to the Company.

The overseas-listed foreign shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

Shareholders of the domestic shares of the Company may transfer the shares held by them to overseas investors and have such shares listed and traded overseas. Upon approval by the securities regulatory authorities of the State Council, shareholders of the unlisted shares of the Company may have the shares held by them listed and traded overseas. The aforesaid shares, which are listed and traded on an overseas stock exchange, shall also comply with the regulatory procedures, rules and requirements of the relevant overseas securities markets. Their listing and trading on an overseas stock exchange do not require a voting at class shareholders’ meeting.

Article 17 Upon approval by the authorities authorized by the State Council, a total of 120,000,000 ordinary shares were issued by the Company prior to its initial public offering of H shares, representing 100% of the issued ordinary shares of the Company which were wholly subscribed and held by promoters, of which:

Article 15 of
the Mandatory
Provisions

46,600,000 shares were subscribed and held by Jiang Wei (蔣偉), representing 38.83% of the total number of ordinary shares of the Company in issue upon its establishment;

28,800,000 shares were subscribed and held by You Jie (游捷), representing 24.00% of the total number of ordinary shares of the Company in issue upon its establishment;

10,000,000 shares were subscribed and held by Lou Guoliang (樓國梁), representing 8.33% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Hou Yongtai (侯永泰), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Wu Jianying (吳劍英), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

6,000,000 shares were subscribed and held by Ling Xihua (凌錫華), representing 5.00% of the total number of ordinary shares of the Company in issue upon its establishment;

3,000,000 shares were subscribed and held by Peng Jinhua (彭錦華), representing 2.50% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Huang Ping (黃平), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Liu Yuanzhong (劉遠中), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Shen Rongyuan (沈榮元), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

2,000,000 shares were subscribed and held by Tao Weidong (陶偉棟), representing 1.67% of the total number of ordinary shares of the Company in issue upon its establishment;

1,700,000 shares were subscribed and held by Wang Wenbin (王文斌), representing 1.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Fan Jipeng (范吉鵬), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Wu Ming (吳明), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

500,000 shares were subscribed and held by Gan Renbao (甘人寶), representing 0.42% of the total number of ordinary shares of the Company in issue upon its establishment;

400,000 shares were subscribed and held by Zhao Meilan (趙美蘭), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;

400,000 shares were subscribed and held by Chen Yiyi (陳奕奕), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;

400,000 shares were subscribed and held by Shi Xiaoli (時小麗), representing 0.33% of the total number of ordinary shares of the Company in issue upon its establishment;

300,000 shares were subscribed and held by Zhu Min (朱敏), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;

300,000 shares were subscribed and held by Liu Jun (劉軍), representing 0.25% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Sun Xiaohuang (孫孝煌), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Wu Yazhen (吳雅貞), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment;

200,000 shares were subscribed and held by Lu Rujuan (陸如娟), representing 0.17% of the total number of ordinary shares of the Company in issue upon its establishment.

Article 18 Upon establishment of the Company, as approved by the securities regulatory authorities under the State Council and the Hong Kong Stock Exchange, the Company may issue no more than 46,000,000 ordinary shares (including 6,000,000 over-allotted shares), all are H shares. The final offering size may be adjusted by the Company in light of the environment of the capital market and the financing objective of the Company.

Article 16 of
the Mandatory
Provisions

Upon completion of the aforesaid issue of H shares, the Company's shareholding structure is (assuming the Over-allotment Option is not exercised): a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾靖靖), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ping (黃平), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 75% of the total ordinary share capital, and 40,000,000 shares held by other holders of H shares, representing 25% of the total ordinary share capital.

If 15% of the Over-allotment Option is fully exercised, the Company's shareholding structure is: a total of 120,000,000 shares held by Jiang Wei (蔣偉), You Jie (游捷), Zhao Meilan (趙美蘭), Zhong Jingjing (鍾婧婧), Liu Jun (劉軍), Shen Rongyuan (沈榮元), Wang Wenbin (王文斌), Tao Weidong (陶偉棟), Ling Xihua (凌錫華), Wu Jianying (吳劍英), Chen Yiyi (陳奕奕), Hou Yongtai (侯永泰), Wu Yazhen (吳雅貞), Shi Xiaoli (時小麗), Fan Jipeng (范吉鵬), Wu Ming (吳明), Huang Ping (黃平), Liu Yuanzhong (劉遠中), Peng Jinhua (彭錦華), Gan Renbao (甘人寶), Lou Guoliang (樓國梁) and Lu Rujuan (陸如娟), representing 72.29% of the total ordinary share capital, and 46,000,000 shares held by other holders of H shares, representing 27.71% of the total ordinary share capital.

Article 19 After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Board of the Company may arrange for implementation of such plans by means of separate issuances.

Article 17 of
the Mandatory
Provisions

The Company's plan for separate issuance of overseas-listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months upon approval by the securities regulatory authorities under the State Council.

Article 20 Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in several tranches, subject to the approval of the securities regulatory authorities under the State Council.

Article 18 of
the Mandatory
Provisions

Article 21 Prior to the issuance of H shares, the registered capital of the Company is RMB120,000,000.

Article 19 of
the Mandatory
Provisions

Upon completion of the issuance of H shares as mentioned above, if the over-allotment option is not exercised, the registered capital of the Company is RMB160,000,000; if the 15% over-allotment option is fully exercised, the registered capital of the Company is RMB166,000,000.

The Company will complete the procedure for the change of registration in respect of changes in the registered capital with the competent administration for industry and commerce in accordance with the actual issuance situation.

Article 22 The Company may increase its registered capital as required for its operation and development, pursuant to the relevant provisions of this Articles of Association.

Article 20 of
the Mandatory
Provisions

The Company may increase its capital by the following methods:

- (1) Issuing new shares to unspecified investors;
- (2) Placing new shares with existing shareholders;
- (3) Giving new shares to existing shareholders;
- (4) Other means permitted by laws and administrative regulations.

The Company's increase of capital by issuing new shares shall be carried out in accordance with the procedures specified in relevant State laws and administrative regulations, after having been approved in accordance with this Articles of Association.

Article 23 Unless otherwise provided by the laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

Article 21 of
the Mandatory
Provisions

Article 24 The Company does not accept pledges created over the Company's shares.

Article 142 of
the Company
Law

Article 25 Shares held by promoters shall not be transferred within one (1) year from the date of establishment of the Company. Shares previously issued by the Company prior to the initial public offering shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded on a stock exchange.

Article 141 of
the Company
Law

During their terms of office, directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer annually during their terms of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one (1) year from the date on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six (6) months from the date of their leaving the Company.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 26 The Company may reduce its registered capital pursuant to the provisions of this Articles of Association. Where the Company reduces its registered capital, procedures shall be made in accordance with the Company Law and other relevant requirements and this Articles of Association.

Article 22 of
the Mandatory
Provisions

Article 27 Where the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

Article 23 of
the Mandatory
Provisions,
Article 177
of the
Company Law

The Company shall notify its creditors within 10 days from the date of the Company's resolution for reduction of registered capital and shall publish a public announcement for at least 3 times in newspapers within 30 days from the date of such resolution. A creditor shall be entitled, within 30 days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within 45 days from the date of the first public announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debts.

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

Article 28 The Company may repurchase its own outstanding shares in accordance with laws, administrative regulations, departmental rules and regulations as well as this Articles of Association and with the approval of relevant State authorities under the following circumstances:

Article 24 of
the Mandatory
Provisions,
Article 142
of the
Company Law

- (1) To cancel shares for the purpose of reducing the capital of the Company;
- (2) To merge with other companies that hold shares in the Company;
- (3) To grant shares as incentives to the staff of the Company;
- (4) To acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;
- (5) Other circumstances permitted by laws and administrative regulations.

The Company shall not purchase or sell the Company's shares save and except for the aforesaid conditions.

Article 29 Upon approval of the repurchase of its own shares of the Company by relevant State authorities, it may proceed in any of the following manners:

Article 25 of
the Mandatory
Provisions

- (1) Making a repurchase offer in proportion to respective shareholdings of all shareholders;
- (2) Repurchase through open transactions on a stock exchange;

- (3) Repurchase by an agreement outside a stock exchange; or
- (4) Other means permitted by laws and administrative regulations and approved by regulatory authorities.

Article 30 In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures specified in the Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

Article 26 of
the Mandatory
Provisions,
Paragraph 8
of Appendix
3 to the
Hong Kong
Listing Rules

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

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

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

Article 31 If the Company repurchases its own shares for the reasons under sub-paragraphs (1) to (3) of Article 28 hereof, resolutions related thereto shall be adopted at a general meeting. If the Company repurchases its own shares in accordance with Article 28 under the circumstances set forth in sub-paragraph (1), the shares so repurchased shall be cancelled within 10 days from the date of repurchase. In the event of the circumstances set forth in sub-paragraphs (2) and (4), the shares so repurchased shall be transferred or cancelled within six (6) months.

Article 27 of
the Mandatory
Provisions,
Article 142
of the
Company Law

If the Company repurchases its own shares in accordance with sub-paragraph (3) of Article 28 hereof, the shares so repurchased shall not exceed 5% of the total number of shares issued by the Company. The repurchase shall be funded with the after-tax profit of the Company, and the shares so repurchased shall be transferred to employees within one year.

Shares which have been legally repurchased by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the Company's original registration authorities for registration of the change in its registered capital.

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

Article 32 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchasing its issued and outstanding shares:

Article 28 of
the Mandatory
Provisions

- (I) Where the Company repurchases shares at par value, payment shall be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for such purpose;
- (II) Where the Company repurchases shares at a premium to the par value, payment up to the par value may be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - (1) If the shares being repurchased were issued at par value, payment shall be made out of the book balance of distributable profits of the Company;
 - (2) If the shares being repurchased were issued at a premium to the par value, payment shall be made out of the book balance of distributable profits of the Company and/or out of the proceeds from new shares issued for that purpose, provided that the amount paid out of such proceeds shall not exceed the aggregate of the premiums received on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital common reserve account) (including the premiums on the new issue) at the time of the repurchase;
- (III) The Company shall make payments for the following applications out of the Company's distributable profits:
 - (1) Acquisition of the right to repurchase its own shares;
 - (2) Modification of any contract for the repurchase of its shares;
 - (3) Release of its obligation(s) under any contract for repurchasing its shares.
- (IV) After the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with relevant regulations, the amount deducted from the distributable profits for payment of the par value of the repurchased shares shall be transferred to the Company's premium account (or capital common reserve account).

Chapter 5 Financial Assistance for Purchase of Shares of the Company

Article 33 The Company or its subsidiaries (including entities affiliated to the Company) shall not, by way of a gift or by granting an advance, guarantee, compensation, loan or otherwise at any time, provide any form of financial assistance to a person who purchases or intends to purchase shares in the Company. The person who purchases shares in the Company set forth above includes any person who directly or indirectly assumes any obligations as a result of the acquisition of shares in the Company.

Article 29 of
the Mandatory
Provisions

Neither the Company nor its subsidiaries (including entities affiliated to the Company) shall, by any means at any time, provide financial assistance to such person for the purposes of reducing or discharging the obligations assumed by such person.

This Article shall not apply to the circumstances referred to in Article 35 in this Articles of Association.

Article 34 For the purposes of this Chapter, the term “financial assistance” shall include (but not limited to):

Article 30 of
the Mandatory
Provisions

- (1) Gifts;
- (2) Guarantee (including the assumption of liability or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company’s own default) or release or waiver of any rights;
- (3) Provision of a loan or entering into any other agreement under which the obligations of the Company are to be fulfilled prior to the fulfillment of obligations of another party to the agreement, or a change in the parties to, or the assignment of rights under, such loan or agreement;
- (4) Any other form of financial assistance given by the Company when the Company is insolvent or has no net asset or when its net assets would thereby be reduced to a material extent.

For the purposes of this Articles of Association, the “assumption of obligations” means the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligations are to be borne by the obligor solely or jointly with other persons), or by any other means which results in a change in the Company’s financial position.

Article 35 The following acts shall not be deemed to be prohibited under Article 33 of this Articles of Association:

Article 31 of
the Mandatory
Provisions

- (1) The provision of financial assistance by the Company where the financial assistance is provided in good faith in the interests of the Company and the principal purpose of which is not for the acquisition of shares in the Company, or where the provision of financial assistance is an incidental part of certain overall plan of the Company;
- (2) The lawful distribution of the Company's properties by way of dividends;
- (3) The allotment of bonus shares as dividends;
- (4) A reduction of registered capital, repurchase of shares or adjustment of the share capital structure effected in accordance with this Articles of Association;
- (5) The provision by the Company of a loan within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profits);
- (6) The monetary contribution by the Company to the employee share option schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of its distributable profits).

Chapter 6 Share Certificates and Register of Members

Article 36 The share certificates of the Company shall be in registered form.

Article 32 of
the Mandatory
Provisions

In addition to those provided in the Company Law, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed.

Article 37 The share certificates shall be signed by the chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by other senior management, the share certificates shall also be signed by such senior management. The share certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the Company's seal with the authorization of the Board. The signatures of the chairman of the Board or other relevant senior management on the share certificates may also be in printed form.

Article 33 of
the Mandatory
Provisions,
Paragraph 2(1)
of Appendix
3 to the
Hong Kong
Listing Rules

Article 38 The Company shall keep a register of members based on the evidence provided by the share registrar. The register of members shall contain the following particulars:

Article 34 of
the Mandatory
Provisions

- (1) The name, address (place of domicile), occupation or nature of business of each shareholder;
- (2) The class and number of shares held by each shareholder;
- (3) The amount paid-up or payable in respect of shares held by each shareholder;
- (4) The serial numbers of the shares held by each shareholder;
- (5) The date on which each shareholder was registered as a shareholder; and
- (6) The date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the shareholders' shareholding in the Company.

Article 39 The Company may, in accordance with the mutual understanding and agreements made between the competent securities authorities of the State Council and overseas securities regulatory authorities, keep its register of holders of overseas-listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas-listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

Article 35 of
the Mandatory
Provisions

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

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

Article 40 The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (1) The register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (2) and (3) of this Article);

Article 36 of
the Mandatory
Provisions,
Paragraph b of
Section 1 of
Part D of
Appendix 13 to
the Hong Kong
Listing Rules

- (2) The register of members in respect of the holders of overseas-listed foreign shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located. The original register of holders of overseas-listed foreign shares listed on the Hong Kong Stock Exchange shall be maintained in Hong Kong; and
- (3) The register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 41 Different parts of the register of members shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of members.

Article 37 of
the Mandatory
Provisions

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

Article 42 All fully paid-up overseas-listed foreign shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer is in compliance with the following conditions:

Article 12 of
the Letter of
Opinions on
Supplements
and
Amendments
to the Articles
of Association
of Companies
Listed in
Hong Kong,
Paragraph 1 of
Appendix 3 to
the Hong Kong
Listing Rules,
Section 151(2)
of the
Companies
Ordinance of
Hong Kong
(Chapter 622)

- (1) Transfer documents and other documents which relates to share ownership or may affect share ownership shall be registered, and a fee determined under the Hong Kong Listing Rules shall be paid to the Company for such registration;
- (2) The instrument of transfer involves only the overseas-listed foreign shares listed in Hong Kong;
- (3) The stamp duty payable under the laws of Hong Kong on the instrument of transfer has been paid;
- (4) The relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares;
- (5) If the shares are to be transferred to joint holders, the number of shareholders jointly registered shall not exceed four (4);
- (6) The Company has not created any lien over the relevant shares;
- (7) No share shall be transferred to a minor or an individual with unsound mind or individual of legal incapacity.

If the Board refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months from the date of submission of the application for transfer.

All transfers of overseas-listed foreign shares shall be effected by a written instrument of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by The Stock Exchange of Hong Kong Limited from time to time). The written instrument of transfer may be signed by hand. Where the transferor or transferee is a recognized clearing house (“recognized clearing house”) as defined by the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominee, it may be signed in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address of the Company or any places specified by the Board from time to time.

Article 43 No registration of amendment to the register of members caused by transfer of shares shall be carried out within 30 days prior to the date of a general meeting or within 5 days before the reference date on which the Company decides to distribute dividends.

Article 38 of
the Mandatory
Provisions

Article 44 When the Company intends to convene a general meeting, distribute dividends, enter into liquidation and engage in other activities that involve determination of shareholdings, the convener of the board meeting or general meeting shall determine a specific date for the determination of rights attaching to shares (record date). Shareholders named in the register of members by the end of the date for the determination of rights attaching to shares (record date) shall be the shareholders of the Company.

Article 39 of
the Mandatory
Provisions

Article 45 Any person who dissents from the register of members and requests to have his name included in or removed from the register of members may apply to the court of relevant jurisdiction to correct the register of members.

Article 40 of
the Mandatory
Provisions

Article 46 Any shareholder who is registered in, or any person requests to have his name (title) entered into, the register of members may, if his share certificate (the “Original Certificate”) is lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

Article 41 of
the Mandatory
Provisions

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

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

If a holder of overseas-listed foreign shares of a company listed in Hong Kong loses his share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

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

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

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

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

Article 42 of
the Mandatory
Provisions

Article 48 The Company shall not have any obligation to indemnify any person for any damages suffered thereby arising out of the cancellation of the Original Certificate or the issuance of a replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

Article 43 of
the Mandatory
Provisions

Chapter 7 Shareholders' Rights and Obligations

Article 49 A shareholder of the Company is a person who lawfully holds shares of the Company and has his name (title) recorded in the register of members.

Article 44 of
the Mandatory
Provisions

A shareholder shall enjoy relevant rights and assume relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 50 Holders of the ordinary shares of the Company shall enjoy the following rights:

Article 45 of
the Mandatory
Provisions,
Rule 19A.50 of
the Hong Kong
Listing Rules,
Paragraph 12 of
Appendix 3 to
the Hong Kong
Listing Rules

- (1) The right to dividends and other profit distributions in proportion to the number of shares held;
- (2) The right to propose, convene and preside over, to attend or appoint proxies to attend general meetings and to exercise the corresponding voting right thereat in accordance with laws;

- (3) The right to supervise and manage, present proposals or raise enquiries about the Company's business operations;
- (4) The right to transfer, give as a gift or pledge the shares in their possession in accordance with laws, administrative regulations and the Articles of Association;
- (5) The right to obtain relevant information in accordance with the Articles of Association, including:
 - 1. The right to obtain a copy of the Articles of Association, subject to payment of relevant costs;
 - 2. The right to inspect and copy, subject to a payment of a reasonable fee:
 - (1) All parts of the register of members;
 - (2) Personal particulars of each of the Company's directors, supervisors, general manager, and other senior management, including:
 - (a) Present and former name or alias;
 - (b) Principal address (place of domicile);
 - (c) Nationality;
 - (d) Primary and all other part-time occupations and duties;
 - (e) Identification document and its number.
 - (3) Reports on the status of the Company's share capital;
 - (4) The latest audited financial statements of the Company, and the reports of the Board, auditors and the supervisory committee;
 - (5) Special resolutions of the general meetings and/or board meetings of the Company;
 - (6) A copy of the latest annual return filed with the competent administration for industry and commerce;
 - (7) Reports showing the aggregate par value, quantity, the maximum and minimum prices paid in respect of each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount paid by the Company for this purpose;

- (8) Minutes of general meetings;
- (9) Corporate bond certificates and published financial accounting reports.

Documents of items (1) to (8) (except item (2)) mentioned above shall be made available by the Company in accordance with the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and holders of overseas-listed foreign shares to inspect with no charge (of which documents of item (8) may be inspected by shareholders only).

- (6) 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 in accordance with the number of shares held;
- (7) With respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) Such other rights conferred by laws, administrative regulations and the Articles of Association.

The Company shall not exercise its rights to freeze or harm in any other forms the rights attaching to any shares held by any person merely because the person has not disclosed the rights and interests he holds directly or indirectly.

Article 51 Holders of the ordinary shares of the Company shall have the following obligations:

Article 46 of
the Mandatory
Provisions

- (1) To abide by laws, administrative regulations and the Articles of Association;
- (2) To pay the share subscription price based on the shares subscribed and the method of subscription;
- (3) Substantial shareholders shall give a timely, true and complete report to the Board containing, among others, a name list of their liaison persons and the information about their connected transactions;
- (4) Not to abuse their shareholders' rights to prejudice the interests of the Company or other shareholders, and not to abuse the independent status of the Company as a legal entity and the limited liability of shareholders to prejudice the interests of the Company's creditors.

If a shareholder of the Company abuses the rights of shareholder and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.

If a shareholder of the Company abuses the Company's independent status as a legal entity and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

- (5) To assume other obligations required by laws, administrative regulations and the Articles of Association.

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

Article 52 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

Article 47 of
the Mandatory
Provisions

- (1) To waive a director or supervisor of his responsibility to act honestly in the best interests of the Company;
- (2) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person), in any way, of the Company's properties, including (but not limited to) any opportunities beneficial to the Company;
- (3) To approve the expropriation by a director or supervisor (for his own benefits or for the benefits of another person) of personal rights of other shareholders, including (but not limited to) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval at a general meeting in accordance with the Articles of Association.

Article 53 The term "controlling shareholder" referred to in the preceding provision means a person who satisfies any one of the following conditions:

Article 48 of
the Mandatory
Provisions,
Article 216 of
the Company
Law

- (1) a person who, acting alone or in concert with others, is entitled to elect more than half of the Board;

- (2) a person who, acting alone or in concert with others, is entitled to exercise or to control the exercise of more than 30% of the voting rights of the Company;
- (3) a person who, acting alone or in concert with others, holds more than 30% of the outstanding issued shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control over the Company in any other manner(s).

For the purposes hereof, the term “de facto controller” means the persons, not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.

Chapter 8 General Meeting

Article 54 The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 49 of
the Mandatory
Provisions

Article 55 The general meeting shall exercise the following functions and powers:

Article 50 of
the Mandatory
Provisions

- (1) Decide the operational policy and investment plan of the Company;
- (2) Elect and replace directors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors;
- (3) Elect and replace supervisors who are shareholder representatives. Make decisions on matters in relation to the remuneration of the relevant supervisors;
- (4) Examine and approve the reports of the Board;
- (5) Examine and approve the reports of the supervisory committee;
- (6) Examine and approve the annual financial budgets and final accounting of the Company;
- (7) Examine and approve the profit distribution plan and loss compensation plan of the Company;
- (8) Decide on increasing or reducing the registered capital of the Company and acquiring its shares;

- (9) Decide on matters such as merger, division, dissolution, liquidation and changing the form of the Company;
- (10) Decide on the issuance of bonds and other securities by the Company or listing thereof;
- (11) Adopt resolutions on the appointment, dismissal or non-reappointment of accounting firms by the Company;
- (12) Amend this Articles of Association;
- (13) Examine motions raised by the shareholders who individually or together hold 3% or more of the Company's voting shares;
- (14) Examine and approve the guarantee issues as prescribed in Article 56 of this Articles of Association;
- (15) Examine matters relating to the purchases and sales of significant assets within one year exceeding 30% of the latest audited total assets of the Company;
- (16) Consider the matters regarding connected transactions to be decided at the general meeting as stipulated by the listing rules of the place where the shares of the Company are listed;
- (17) Examine and approve changes in use of proceeds;
- (18) Examine share incentive plans;
- (19) Examine other matters to be decided at the general meeting as prescribed by the law, administrative regulations, departmental rules or this Articles of Association.

Matters which, in accordance with the provisions of the laws, administrative regulations and this Articles of Association, are required to be decided at the general meeting, shall be considered at the general meeting so as to protect the decision-making power of the shareholders of the Company on such matters. Under necessary and reasonable circumstances, the general meeting may authorize the Board to determine, within the scope of authorization granted by such general meeting, specific issues relating to matters which shall be resolved but cannot be decided upon immediately at such general meeting.

An authorization to the Board by general meeting in relation to matters to be decided by ordinary resolutions shall be passed by shareholders (including their proxies) representing more than half of the voting rights present at the general meeting; an authorization to the Board in relation to matters to be decided by special resolutions shall be passed by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting. The contents of the authorization shall be clear and specific.

Article 56 The following external guarantees of the Company must be reviewed and passed at the general meeting:

- (1) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company or its controlled subsidiary with a total amount equal to or more than 50% of the Company's latest audited net assets;
- (2) Any subsequent guarantee in addition to the aggregate of all external guarantees provided by the Company with a total amount equal to or more than 30% of the Company's latest audited total assets;
- (3) To provide guarantee to any person or entity with a gearing ratio in excess of 70%;
- (4) A single guarantee whose amount exceeds 10% of the latest audited net assets;
- (5) To provide guarantee for shareholders, de facto controllers and their related parties;
- (6) Other guarantees which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and this Articles of Association.

When the general meeting is considering a motion to provide guarantee for any shareholder, de facto controllers or their respective related parties, the said shareholder or the shareholders controlled by the said de facto controllers shall be abstained from voting on the motion, and the approval of such motion shall be subject to more than half of the voting rights of the other attending shareholders.

Article 57 The Company shall not, without prior approval by general meeting, enter into a contract to handover all or part of the management of important matters of the Company to a person other than to a director, supervisor, general manager, vice general manager(s) and other senior management.

Article 51 of
the Mandatory
Provisions

Article 58 The general meetings shall include annual general meetings and extraordinary general meetings. A general meeting shall be convened by the Board. Annual general meetings shall be convened once a year and shall be held within six (6) months from the end of the preceding financial year.

The Board shall convene an extraordinary general meeting within two (2) months upon the occurrence of any of the following circumstances:

- (1) The number of directors is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in this Articles of Association;
- (2) The losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) Shareholders who hold more than 10% of the shares of the issued voting Company require in writing an extraordinary general meeting to be convened;
- (4) Whenever the Board considers necessary or when the supervisory committee proposes a meeting;
- (5) Other circumstances prescribed by the laws, administrative regulations, departmental rules or this Articles of Association.

Article 59 When the Company convenes a general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting to notify all shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting twenty (20) days before the date of the meeting.

In determining the commencement date of the period, the Company shall not include the date on which the meeting is held.

In relation to the notice specified in this article, the issuing date is the date of the notice which the Company or the share registrar appointed by the Company deliver the notice to the postal office.

Article 60 Whenever the Company convenes a general meeting, the Board, the supervisory committee and shareholder(s) individually or together holding more than 3% of the Company's shares shall have the right to propose motions in writing to the Company. The Company shall place such proposed motions on the agenda of such meeting if they are matters falling within the functions and powers of general meetings.

Article 54 of
the Mandatory
Provisions,
Article 102 of
the Company
Law

Shareholder(s) individually or together holding more than 3% of the Company's shares shall have the right to propose an extempore motion ten (10) days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two (2) days after receiving the proposed motion to notify other shareholders, and shall place such proposed motions on the agenda of such general meeting if they are matters falling within the functions and powers of general meetings and submit to the general meeting for consideration. Where required otherwise by the listing rules of the stock exchange where the Company's shares are listed, such requirements shall be satisfied. Shareholders shall propose motions which meet the following requirements:

- (1) The content does not infringe the law, regulations and falls within the scope of the Company's business and the functions and powers of general meetings;
- (2) With definite topics to discuss and specific matters to resolve; and
- (3) Is made in writing submitted or delivered to the Board.

Article 61 The Company shall calculate the number of voting shares represented by the shareholders who intend to attend the meeting based on the written replies received 20 days prior to the holding of the general meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than one half of the total number of the Company's voting shares, the Company may hold the general meeting. If not, the Company shall within five (5) days inform the shareholders again by public notice of the matters to be considered as well as the date and place of the meeting. Upon notification by the public announcement, the Company may hold the general meeting.

Article 55 of
the Mandatory
Provisions

An extraordinary general meeting shall not decide on matters not specified in the notice.

Article 62 Notice of the general meeting shall meet the following requirements:

- (1) Be made in writing;
- (2) Specify the place, date and time of the meeting;

Article 56 of
the Mandatory
Provisions

- (3) Specify the matters to be deliberated at the meeting;
- (4) Specify the record date for the entitlement of the shareholders to attend the general meeting;
- (5) Provide to the shareholders of the information and explanations as necessary for the shareholders to make sound decisions about the matters to be deliberated. This principle includes, but not limited to, the provision of the specific terms and contract(s), if any, of the proposed transaction(s) and sincere explanations about related causes and effects when the Company proposes merger, repurchase of shares, restructuring of share capital or other restructuring;
- (6) In the event that any of the directors, supervisors, general managers, vice general manager(s) or other senior management has material interests in matters to be deliberated, the nature and extent of the interests shall be disclosed. If the matters to be deliberated affect any director, supervisor, general manager, vice general manager(s) or other senior management as a shareholder in a manner different from how they affect other shareholders of the same class, the difference shall be explained;
- (7) Contain the full text of any special resolution to be proposed for adoption at the meeting;
- (8) Contain a conspicuous statement indicating that a shareholder who is entitled to attend and vote at the general meeting may appoint one or more proxies to attend and vote at the meeting on his or her behalf and that such proxies are not necessarily be shareholders;
- (9) Specify delivery time and place of the power of attorney for proxy voting at the meeting;
- (10) Specify the name and telephone number of the contact person for the meeting.

Article 63 Unless otherwise required by the relevant laws, regulations, the listing rules of the stock exchange where the Company's shares are listed and this Articles of Association, notice of general meeting shall be served to any shareholder (whether has voting right on general meeting or not) either by hand or by post in a prepaid mail, addressed to such shareholder at his registered address as shown in the register of members, or by publication on the Company's website or other means as required by this Articles of Association. For holders of domestic shares, the notice of a general meeting may also be given by public announcement.

Articles 57
and 58 of the
Mandatory
Provisions

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authority under the State Council within the interval of 45 days to 50 days before holding of the meeting. Once the announcement is published, all holders of domestic shares shall be deemed to have received the notice of the relevant general meeting.

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

Article 64 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one (1) or more persons (who may not be a shareholder) as his proxies to attend and vote on his behalf. Such proxies may exercise the following rights as entrusted by the shareholder:

Article 59 of
the Mandatory
Provisions

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

Article 65 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his duly authorized proxy in writing; where the appointing shareholder is a legal entity, such instrument shall be under its seal or under the hand of its director or duly authorized proxy. Such instrument shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy should be specified.

Article 60 of
the Mandatory
Provisions

Article 66 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting 24 hours before the convening of the relevant meeting at which the proxy is authorized to vote or 24 hours before the designated time of voting. Where the instrument is signed by another person authorized by the entrusting party, the authorization letter or other document authorizing the signatory shall be notarized. The notarized authorization letter 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.

Article 61 of
the Mandatory
Provisions

If the entrusting party is a legal entity, its legal representative or any representative authorized by the Board or by other decision-making body shall attend the general meeting of the Company on its behalf.

If a shareholder is a recognized clearing house or its agent, it may authorize one or more proxy(ies) as it thinks fit to act as its proxy(ies) at any general meeting or any class meeting. However, if more than one (1) proxies are appointed, the power of attorney shall specify the number and class of shares represented by each of such persons under the authorization, and signed by authorized persons of recognized clearing house. Such authorized persons may attend meeting on behalf of the recognized clearing house or its agent (without presentation of evidence of its shareholding, notarized authorization and/or any further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or its agent, as if they were individual shareholders of the Company.

Article 67 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favor of or against on each resolution and enable the shareholders to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that if the shareholder does not give instructions, the proxy shall vote at his own discretion.

Article 62 of
the Mandatory
Provisions

Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the entrusting party or signed by a legal representative of the entrusting party or a duly authorized proxy. The power of attorney should specify the date of issuance.

If a corporate shareholder (other than the recognized clearing house or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his identity and a valid proof of his legal representative qualification.

Article 68 Where the entrusting party has deceased, incapacitated to act, withdrawn the appointment or the signed power of attorney, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the instrument of proxy shall remain valid as long as the Company did not receive a written notice of the event before the commencement of the relevant meeting.

Article 63 of
the Mandatory
Provisions

Article 69 Resolutions of the general meeting include ordinary resolutions and special resolutions.

Article 64 of the Mandatory Provisions, Article 103 of the Company Law

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

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

Article 70 Shares held by the Company do not carry voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting. When shareholders (including proxies) vote at the general meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall carry one voting right.

Article 65 of the Mandatory Provisions, Rule 14 of Appendix 3 to the Hong Kong Listing Rules

In accordance with the applicable laws, regulations and Hong Kong Listing Rules, where any shareholder is required to abstain from voting on any particular resolution, or is restricted to vote only for or against such resolution, any votes in violation of such requirement or restriction by the shareholders (or their proxies) shall not be counted.

Article 71 A resolution put to vote at the general meeting of the Company shall be decided on a poll, save that the chairman of the meeting, may in good faith, allow a resolution which relates purely to a procedural or administrative issue to be decided on a show of hands, subject to compliance with the Hong Kong Listing Rules.

Article 66 of the Mandatory Provisions, Rule 13.39(4) of the Hong Kong Listing Rules

Article 72 A poll shall be taken at such time and place as specified, not being later than 30 days from the date of the meeting or adjourned meeting at which a vote will be taken on a poll in such manner (including the use of ballot or voting papers or tickets) as the chairman directs. No notice need be given of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken.

Articles 74 and 75 of the Mandatory Provisions

Where a resolution is voted by a show of hands as permitted under the Hong Kong Listing Rules, a declaration by the chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favor of or against such resolution.”

Article 73 A poll demanded on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may proceed with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 67 of
the Mandatory
Provisions

Article 74 When a poll is taken at a meeting, a shareholder (including his proxy) who has the right to two (2) or more votes need not cast all his votes in the same way.

Article 68 of
the Mandatory
Provisions

Resolutions shall be voted one by one by a poll at a general meeting.

Article 75 When the number of votes for and against a resolution is equal, whether the vote is taken by a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 69 of
the Mandatory
Provisions

Article 76 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

Article 70 of
the Mandatory
Provisions

- (1) Work reports of the Board and the supervisory committee;
- (2) Profit distribution plan and loss make-up plan formulated by the Board;
- (3) Appointment or dismissal of the members of the Board and the members of the supervisory committee and their remuneration and payment methods thereof;
- (4) Annual preliminary and final budgets, balance sheet, profit statement and other financial statements of the Company;
- (5) The Company's annual report;
- (6) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations, the Hong Kong Listing Rules or this Articles of Association.

Article 77 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increase or reduction of the share capital, repurchase of the shares of the Company and issue of shares of any class, stock warrants or other similar securities of the Company;
- (2) Issuance of corporate bonds;
- (3) Division, merger, dissolution and liquidation or change in the form of the Company;
- (4) Amendments to this Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one (1) year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share incentive scheme;
- (7) Any other matters as required by the laws, administrative regulations, the Hong Kong Listing Rules or this Articles of Association and matters which, if resolved by way of an ordinary resolution at general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 78 Shareholders requesting the convening of an extraordinary general meeting or a meeting of shareholders of different classes (“class meeting”) shall proceed in accordance with the procedures set forth below:

- (1) Two or more shareholders holding a total of 10% or more of the shares carrying the right to vote at the meeting sought to be held may sign one or more written requests of identical form and substance requesting the Board to convene an extraordinary general meeting or a class meeting and stating the subject of the meeting. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible after having received the above-mentioned written request. The shareholding referred to above shall be calculated as of the date on which the written request is made by shareholder(s).

- (2) If the Board fails to issue a notice of such a meeting within 30 days after having received the above-mentioned written notice, the shareholders who made such request may convene the meeting by themselves within four (4) months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which general meetings are to be convened by the Board.

Any reasonable expenses incurred by shareholders' convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Article 79 A general meeting shall be convened by the Board, and presided over and chaired by the chairman of the Board. If the chairman is unable to attend the meeting for reasons, the Board may designate a director to convene and take the chair of the meeting in his stead. If no chairman of the meeting has been designated, shareholders present shall choose one (1) person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his proxy) presents in person or by proxy who holds the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 73 of
the Mandatory
Provisions

If a general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over the meeting. If the chairman of the supervisory committee is unable to or will not discharge his duties, more than half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to conduct the meeting.

In a general meeting, if the chairman of the meeting contravenes the meeting procedures, making the meeting impossible to proceed, with consent from more than half of the attendant shareholders with voting rights, the shareholders may nominate one person to serve as the chairman of the meeting and continue with the meeting.

Article 80 The general meeting shall have minutes prepared by the secretary to the Board. The minutes shall state the following contents:

Article 107 of
the Company
Law

- (1) Time, venue and agenda of the meeting and name or title of the convener;
- (2) The name of the chairman of the meeting and the names of the directors, supervisors, general manager and senior management attending or present at the meeting;
- (3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of the voting shares held by them to the total number of shares of the Company;
- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of vote counter and scrutineer;
- (7) The contents to be included as specified in this Articles of Association.

Directors, supervisors, secretary to the Board, conveners and their representatives and the chairman of the meeting shall sign on the minutes. The minutes shall be kept together with the attendance sheet of attendant shareholders, authorization letters of proxies, valid record on internet voting and other means of voting, for a period of no less than ten (10) years.

Article 81 The list of candidates for directors and supervisors shall be submitted to general meetings for voting by way of a motion.

Article 105 of
the Company
Law

When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of this Articles of Association or the resolutions of the general meeting.

The "cumulative voting system" as mentioned in the preceding paragraph means that each share shall have the same voting right as the number of directors or supervisors to be elected, and the voting right held by the shareholders may be used collectively when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the biographical details and basic information about the candidates for directors and supervisors.

Save and except for the cumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in time sequence when various proposals are put forward for a single matter.

Article 82 If the chairman of the meeting has any doubts about the voting result of a resolution, he may count the number of votes cast. If the chairman of the meeting fails to count the votes, a shareholder or proxy attending the meeting who dissent from the result announced by the chairman of the meeting shall be entitled to request counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately count the votes.

Article 75 of
the Mandatory
Provisions

Article 83 If counting of votes is held at a general meeting, the result of the counting shall be recorded in the minutes of meeting.

Article 76 of
the Mandatory
Provisions

The minutes of meeting and the attendance record of attendants signed by the attending shareholders and proxies together with authorization letters shall be kept at the Company's domicile.

Article 84 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder requests for a photocopy of the relevant minutes of meetings, the Company shall send such photocopies within seven (7) days upon receipt of payment of reasonable charges.

Article 77 of
the Mandatory
Provisions

Chapter 9 Special Procedures for Voting by Class Shareholders

Article 85 Shareholders who hold different classes of shares are class shareholders.

Article 78 of
the Mandatory
Provisions,
Paragraphs
6(1) and 10 of
Appendix 3 to
the Hong Kong
Listing Rules

Class shareholders shall enjoy rights and undertake obligations in accordance with the laws, administrative regulations and this Articles of Association. Adequate voting rights will, in appropriate circumstances, be secured to preference shareholders.

Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting" must appear in the designation of such shares.

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

Article 86 The Company shall not proceed to change or abrogate the class shareholders' rights unless such change or abrogation has been approved by way of a special resolution at the general meeting and by a separate class meeting of the affected class shareholders in accordance with Articles 88 to 92 of this Articles of Association.

Article 79 of
the Mandatory
Provisions

Article 87 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

Article 80 of
the Mandatory
Provisions

- (1) An increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class, with the exception that upon receiving the approval from securities regulatory authorities of the State Council, shareholders of the Company's domestic shares may transfer their shares to foreign investors for listing and dealing on overseas stock exchange;
- (2) A conversion of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) A removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) A reduction or removal of a dividend preference or property distribution preference during liquidation of the Company, attached to shares of such class;
- (5) An addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) A removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) A creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) An imposition of restrictions or additional restrictions on the transfer of ownership of shares of such class;

- (9) An issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) An increase in the rights and privileges of shares of another class;
- (11) Restructuring of the Company which causes shareholders of different classes to bear liability to different extents during the restructuring;
- (12) Any amendment or cancellation of the provisions of this section.

Article 88 Shareholders of the affected class, whether or not having the right to vote at general meeting, shall have the right to vote at class meetings in respect of matters referred to in paragraphs (2) to (8) and (11) to (12) in Article 87, except that interested shareholders shall not vote at class meetings.

Article 81 of
the Mandatory
Provisions

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

- (1) If the Company has made a tender offer to all shareholders in the same proportion or has bought back its own shares through open market transactions on a stock exchange in accordance with Article 29 hereof, the controlling shareholders as defined in Article 53 in this Articles of Association shall be “interested shareholders”;
- (2) If the Company has bought back its own shares by an agreement outside of a stock exchange in accordance with Article 29 hereof, holders of shares in relation to such agreement shall be “interested shareholders”;
- (3) Under a restructuring proposal of the Company, shareholders who will bear liability in a proportion smaller than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be “interested shareholders”.

Article 89 Resolutions of a class meeting may be passed only by more than two-thirds of the voting rights of that class represented at the meeting in accordance with Article 88.

Article 82 of
the Mandatory
Provisions

Article 90 When the Company is to hold a class meeting, it shall issue a written notice 45 days prior to the meeting informing all the registered shareholders of that class of the matters to be considered at the meeting as well as the date and place of the meeting. Shareholders who intend to attend the meeting shall, within 20 days prior to the day of the meeting, deliver their written replies to the Company of their attendance.

Article 83 of
the Mandatory
Provisions

If the number of the voting shares represented by the shareholders intending to attend the meeting is more than half of the total number of voting shares of that class, the Company may hold the class meeting of shareholders. If not, the Company shall within five (5) days inform the shareholders once again of the matters to be considered at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

Article 91 The notice of class meeting of shareholders shall be delivered only to the shareholders entitled to vote thereat.

Article 84 of
the Mandatory
Provisions

The procedure for a class meeting shall, to the extent possible, be identical with the procedure for a general meeting. Provisions of this Articles of Association relevant to the procedure for the holding of a general meeting shall be applicable to a class meeting.

Article 92 In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

Article 85 of
the Mandatory
Provisions,
Paragraph f of
section 1 of Part
D of Appendix
13 to the Hong
Kong Listing
Rules

The special procedure for voting by class shareholders shall not apply under the following circumstances:

- (1) Where the Company issues domestic shares and overseas-listed foreign shares, upon approval by a special resolution of its shareholders at a general meeting, either separately or concurrently once every 12 months, not more than 20% of each of the existing issued domestic shares and overseas-listed foreign shares of the Company;

- (2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council; or
- (3) Where with the approval by the securities regulatory authorities of the State Council the shareholders who hold the unlisted shares of the Company cause these shares held by them to be listed and traded on an overseas stock exchange.

Chapter 10 Board of Directors

Article 93 The Company shall set up a board of directors. The Board shall consist of 5 to 19 directors with one (1) chairman but no vice chairman. Of which, external directors (hereinafter referred to directors who do not hold any office within the Company) shall represent at least one half of the total number of directors of the Board and independent non-executive directors shall represent at least one-third of the total number of directors and shall have at least three (3) members.

Article 86 of
the Mandatory
Provisions

Article 94 Directors shall be elected by the general meeting. Every term of a director is three (3) years. Upon expiry of the term, a director shall be eligible for re-election and re-appointment.

Article 87 of
the Mandatory
Provisions,
Paragraph
A.4.2 of
Appendix
14 to the
Hong Kong
Listing Rules,
Paragraph
4(2)-(5) of
Appendix 3 to
the Hong Kong
Listing Rules

The written notice of the intention to propose a candidate for election as a director, and the notice of acceptance by such candidate of his willingness to be nominated shall be served to the Company no less than seven (7) days prior to the date of convening the meeting. Such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and end no later than seven (7) days prior to the convening of the general meeting. The Company will fully disclose the biographical details, reasons for election and views of candidates on nomination in the notice of general meeting.

The chairman shall be elected or dismissed by more than half of all directors. Every term of the chairman is three (3) years. Upon expiry of the term, the chairman shall be eligible for re-election and re-appointment.

Subject to the compliance with the relevant laws and administrative regulations, the general meeting may by ordinary resolution remove any director before the expiration of his term of office without prejudice to the director's right as provided in any contracts to claim for damages arising from his removal.

If any director fails to attend in person or entrust other directors as his representative to attend meetings of the Board for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board shall propose to replace such director at the general meeting.

Prior to the expiry of the term of office of a director, a new director shall be elected on a timely basis at a general meeting. If the term of office of a director expires but re-election is not made forthwith, or the number of the directors fall below the minimum requirement as stipulated by this Articles of Association due to a director's resignation, the resigning director shall continue to carry out his duties in accordance with the laws, regulations and this Articles of Association before the elected director takes office.

A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board. The Board will disclose the relevant information within two days.

Save for the circumstances in relation to the number of directors is less than the minimum requirement as required by law due to a director's resignation as referred to in this articles, the director's resignation takes effect upon delivery of his resignation report to the Board. If the number of the directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation. Such newly elected director or any person appointed as an additional director to the Board, shall have a term of office commencing from the date on which he is elected until the next annual general meeting, and shall then be eligible for re-election at the meeting.

Subject to the compliance with the relevant laws, regulations and regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill up any casual vacancy or increase the members of the Board, the term of office of such newly elected director shall expire at the next general meeting and he is eligible for re-election.

An executive director may also act as a general manager, vice general manager or other senior management (except for supervisor) of the Company.

Independent non-executive directors of the Company shall have the requisite professional knowledge and experience, and shall be able to represent the benefits of all shareholders. At least one independent non-executive director shall ordinarily reside in Hong Kong.

Independent non-executive directors shall have the sufficient time and requisite knowledge and capabilities to perform their duties. The Company shall be responsible to provide necessary information to the independent non-executive directors for performing their duties. Of which, independent non-executive directors may directly report to the general meeting, the China Securities Regulatory Commission and other relevant authorities. Save as stipulated otherwise in this section, the requirement of a director's qualification and duties under Chapter 14 of this Articles of Association is applicable to independent non-executive directors. The term of independent non-executive directors of the Company shall not exceed 9 years on a consecutive basis. If continued renewal of term is required, it shall be tabled by the Board by way of separate resolution at general meetings for consideration and review and an explanation for renewal of term shall also be given.

A director is not required to hold any shares in the Company

Article 95 The Board is accountable to the general meetings, and shall exercise the following functions and powers:

Article 88 of
the Mandatory
Provisions

- (1) To be responsible for the convening of general meetings and report its work to the general meetings;
- (2) To implement resolutions of the general meetings;
- (3) To decide on the Company's business plans and investment programs as well as its financing programs other than those to be approved by the general meetings in accordance with this Articles of Association;
- (4) To formulate the annual financial budgets and final accounts of the Company;
- (5) To formulate the Company's profit distribution plans and plans on making up losses;

- (6) To formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;
- (7) To formulate plans for the Company's substantial acquisitions and repurchase of shares of the Company, or merger, division, dissolution and alteration of corporate form of the Company;
- (8) Within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, wealth management entrustment, connected transactions;
- (9) To decide on establishment of internal management organizations of the Company;
- (10) To appoint or dismiss general manager and secretary to the Board, to appoint or dismiss senior management including vice general manager(s) and the person in charge of finance of the Company in accordance with the nominations by general manager, and to decide on their remunerations and rewards and punishments;
- (11) To formulate the basic management system of the Company;
- (12) To formulate proposals to amend this Articles of Association;
- (13) To manage information disclosure of the Company;
- (14) To propose to the general meeting the appointment or replacement of the accounting firms which provide audit services to the Company;
- (15) To listen to work reports submitted by the general manager of the Company either on regular or ad hoc basis and review his work;
- (16) To review any major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Hong Kong Listing Rules and submit to the shareholders for approval;
- (17) To review any disclosable transactions other than major transactions, very significant disposals, very significant acquisitions and reverse takeover of the Company under the Hong Kong Listing Rules;

- (18) To approve connected transactions which are not required to be approved by the general meeting or announced under the Hong Kong Listing Rules;
- (19) To review connected transactions which are required to be approved by the general meeting under the Hong Kong Listing Rules;
- (20) Other powers and duties authorized by the laws, administrative regulations, department rules, the Hong Kong Listing Rules, the general meeting or this Articles of Association.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (12) which shall be passed by more than two-thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraph may be passed by more than half of the directors.

Article 96 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting.

Article 89 of
the Mandatory
Provisions

The term “fixed assets disposal” referred to in this articles refers to transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.

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

Article 97 The chairman of the Board shall exercise the following functions and powers:

Article 90 of
the Mandatory
Provisions

- (1) To preside over general meetings and to convene and preside over Board meetings;
- (2) To check the implementation of resolutions of the Board;
- (3) To sign securities issued by the Company;
- (4) Other functions and powers conferred by the Board or required under the Hong Kong Listing Rules.

When the chairman is unable to perform his duties, he shall appoint a director to exercise such functions and powers on his behalf.

Article 98 Meetings of the Board shall be held at least four (4) times a year. Meetings shall be convened by the chairman of the Board. Notice of the meetings shall be sent to all directors fourteen (14) days before the meeting is held. The chairman shall convene and preside over the extraordinary meeting within 10 days after receiving the proposal under the following circumstances:

Article 91 of the Mandatory Provisions, Paragraph A of Appendix 14 to the Hong Kong Listing Rules

- (1) Necessary as deemed by the chairman or proposed by the general manager;
- (2) Proposed by shareholders representing more than one tenth of the voting right;
- (3) Proposed by more than one-third of the directors;
- (4) Proposed by more than half of the independent directors;
- (5) Proposed by the supervisory committee.

The Company will hold one meeting chaired by the chairman only with non-executive directors (including independent non-executive directors) every year in order to carry out an independent audit on the business status of the Company.

Article 99 The forms of notification of extraordinary meetings of the Board shall be as follows: by telephone, facsimile or other verbal means. The time limit for sending the notice of such extraordinary meetings shall be: such notice shall be delivered to the directors three (3) days prior to the meetings.

Article 92 of the Mandatory Provisions

Article 100 Notice of a meeting of the Board shall contain at least the following information:

- (1) The time and venue of the meeting;
- (2) The method by which the meeting is held;
- (3) The matters to be discussed (the motions);
- (4) The convener and the chairman of the meeting, the person who proposes the extraordinary meeting of the Board and his written proposal;

(5) The contact person and the contact information;

(6) The issue date of the notice.

Verbal notice shall at least include the information of the aforesaid item (1) and (2) and the explanations on holding the extraordinary meeting of the Board under urgent circumstance.

Article 101 The meetings of the Board shall be held only if more than half of the directors are present.

Article 93 of
the Mandatory
Provisions

Each director shall have one vote. A simple majority of the votes of all directors is required for passing of a Board resolution.

Where the number of votes cast for and against a resolution is equal, the chairman shall have a casting vote.

Article 102 Meetings of the Board shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he may entrust in writing another director with attending the meeting on his behalf. The instrument of entrustment shall specify the scope of authority.

Article 94 of
the Mandatory
Provisions

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the Board and has not appointed a representative to attend on his behalf, he shall be deemed to have waived his voting rights in respect of that meeting.

Article 103 Extraordinary meetings of the Board may be held by means of communication including telephone conference or video conference provided that directors can fully express their views, and directors attending the meetings shall sign on the resolutions.

The Board may accept meetings of the Board in the form of communications over written resolutions to replace meetings on-site. However, such motions must be delivered to each director by hand, mail, telegraph, email or facsimile. After the Board has delivered the motion to all the directors and that the number of directors giving consent and signature to the motion has reached the quorum, such motion, if delivered to the secretary to the Board by means of communication referred above, shall become a Board resolution and no convening of the meeting of the Board shall be required.

Article 104 The Board shall keep minutes of resolutions on matters discussed at the meeting. The minutes shall be signed by the directors present at the meeting and by the person who recorded the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations or this Articles of Association and results in the Company sustaining serious losses, the directors participating in the resolution shall be liable to compensate the Company. If, however, it can be proven that a director expressly objected to the decision when the resolution is voted on and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

Opinions expressed by independent non-executive directors shall be stated in the resolution of the Board.

Article 105 The minutes shall consist of the following:

- (1) The session of the meeting, time, venue and form of the meeting;
- (2) The particulars of issuing the notice of the meeting;
- (3) The names of the convener and the chairman of the meeting;
- (4) The directors attending in person or by proxy;
- (5) The proposals reviewed in the meeting, the main points of speeches and major opinions by each director on relevant matters;
- (6) The voting result of each proposal (specifying numbers of affirmative, opposing and abstention votes);
- (7) Such other matters to be recorded as the directors attending the meeting consider appropriate.

Article 106 The Company shall set up special committees such as a strategy committee, an audit committee, a nomination committee, and a remuneration and assessment committee, under the Board, and other special committees that the Board deems necessary to establish. Under the unified leadership of the Board, each special committee shall provide recommendations and advice for the decisions to be made by the Board.

Article 107 The Company shall formulate working rules of special committees under the Board which shall be approved by the Board. Each special committee under the Board shall exercise its functions and powers according to its working rules and this Articles of Association, and is accountable to the Board and report its work to the Board.

Chapter 11 Secretary to the Board of the Company

Article 108 The Company shall have one secretary to the Board. The secretary to the Board is a member of senior management of the Company and is accountable to the Board.

Article 96 of
the Mandatory
Provisions

Article 109 The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the Board. The primary responsibilities of the secretary to the Board include:

Article 97 of
the Mandatory
Provisions

- (1) To ensure the organizations documents and records of the Company are complete;
- (2) To ensure the Company to prepare and submit all reports and documents to the regulatory authorities as required by the laws;
- (3) To ensure the proper establishment of the register of members of the Company, and to ensure timely access to the relevant records and documents by the individuals who are entitled to access such information.

Article 110 Directors or other senior management of the Company can also serve as the secretary to the Board of the Company. However, accountants with the accounting firms appointed by the Company shall not serve concurrently, as the secretary to the Board of the Company.

Article 98 of
the Mandatory
Provisions

In the event that a director serves concurrently as the secretary to the Board of the Company, and if an act concerned shall be conducted by the director and the secretary to the Board of the Company separately, such person serving concurrently as director and secretary to the Board of the Company shall not conduct such act with double capacities.

Chapter 12 General Manager of the Company

Article 111 The Company has one (1) general manager and a certain number of vice general managers, who shall be appointed or dismissed by the Board. The vice general manager shall assist the general manager in his work, and shall be accountable to the general manager. In absence or incapability of the general manager in performing his duties for any reasons, such duties shall be performed by the vice general manager(s). The Board of the Company may decide upon whether a member of the Board shall concurrently act as the general manager.

Article 99 of
the Mandatory
Provisions

Each general manager, vice general manager and other senior management shall have an every term of office of three (3) years, and shall be eligible for re-election.

Article 112 The general manager shall be accountable to the Board and exercise the following functions and powers:

Article 100 of
the Mandatory
Provisions

- (1) To be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the Board;
- (2) To organize the implementation of the Company's annual business plans and investment plans;
- (3) To formulate plans for the establishment of the Company's internal management structure;
- (4) To draft the Company's basic management system;
- (5) To formulate basic rules and regulations for the Company;
- (6) To propose the appointment or dismissal of the Company's vice general manager(s) and financial controller;
- (7) To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- (8) Such other functions and powers conferred by this Articles of Association and the Board.

Article 113 The general manager may be present at a meeting of the Board. The general manager has no voting rights at the board meetings unless he is also a director.

Article 101 of
the Mandatory
Provisions

Article 114 The general manager of the Company, in exercising his functions and powers, shall act honestly and diligently in accordance with the laws, administrative regulations and this Articles of Association.

Article 102 of
the Mandatory
Provisions

Chapter 13 Supervisory Committee

Article 115 The Company shall establish a supervisory committee. The supervisory committee is a standing supervisory agency of the Company which is responsible of the supervision of the Board and its members and senior management such as the general manager and vice general manager so as to prevent them from the misuse of authority and infringing upon lawful rights of the shareholder, the Company and the Company's employees.

Article 103 of
the Mandatory
Provisions

Article 116 The supervisory committee shall consist of five (5) supervisors, one of which shall be the chairman of the supervisory committee. The term of office of each supervisor shall be a period of three (3) years and shall be eligible for re-election.

Article 104 of
the Mandatory
Provisions

The appointment and dismissal of the chairman of the supervisory committee shall be passed by more than two-thirds of its members.

Where no re-election is made in time upon expiry of the term of a supervisor, the original supervisor shall, prior to a new supervisor entering on the office, continue to perform his duties as a supervisor in accordance with the laws, administrative regulations and this Articles of Association.

If the number of the supervisors of the supervisory committee fall below the statutory requirement due to a supervisor's resignation during his term of office, the resignation of such supervisor shall only become effective after a new supervisor fills the vacancy caused by the said resignation.

Article 117 The supervisory committee shall comprise staff representative supervisors, external supervisors and shareholders' representative supervisors. Staff representative supervisors shall not be less than one-third of the number of supervisors, external supervisors (supervisors who have not held any position in the Company) shall be more than half of the number of supervisors and there shall be more than two (2) independent supervisors (supervisors who are independent from the shareholders of the Company and have not held any position in the Company).

Article 105 of
the Mandatory
Provisions

External supervisors and shareholders' representative supervisors shall be elected and removed by general meetings, while staff representative supervisors shall be elected and removed by the staff of the Company democratically.

Article 118 The Company's directors, general manager and financial controller shall not act concurrently as supervisors.

Article 106 of
the Mandatory
Provisions

Article 119 The supervisory committee shall have at least 2 meetings each year. The chairman of the supervisory committee shall be responsible for convening the meetings.

Article 107 of
the Mandatory
Provisions

Article 120 The supervisory committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with law:

Article 108 of
the Mandatory
Provisions,
Article 54 of
the Company
Law

- (1) To examine the Company's financial position;
- (2) To supervise the performance by the Company's directors, general manager, vice general manager(s) and other senior management of their duties to the Company, and propose to remove the directors or other senior management for violation of the laws, administrative regulations, this Articles of Association or resolutions of general meetings;
- (3) To demand rectification from the Company's directors, general manager, vice general manager(s) or other senior management when the acts of such persons are harmful to the Company's interest;
- (4) To verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the 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;
- (5) To propose to convene an extraordinary general meeting and to convene and preside over the general meeting when the Board fails to perform the duties of convening and presiding over the general meeting;
- (6) To represent the Company in negotiating with or in bringing legal actions against the directors and senior management;
- (7) To submit proposals to the general meeting;
- (8) To propose the convening of extraordinary meetings of the Board;
- (9) Such other functions and powers as prescribed by this Articles of Association.

Supervisors shall attend meetings of the Board.

Article 121 A meeting of the supervisory committee shall not be convened unless it is attended by more than two-thirds of the Supervisors. A supervisor shall attend meetings of the supervisory committee in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence for any reason. The proxy form shall specify the extent of authorization.

Article 109 of
the Mandatory
Provisions

Each supervisor shall have one vote. Resolutions at the meeting of the supervisory committee shall be passed by more than two-thirds of the supervisors' votes.

Article 122 The reasonable expenses incurred by the supervisory committee in the engagement of professionals such as lawyers, certified public accountants and practicing auditors, to perform its functions and powers shall be borne by the Company.

Article 110 of
the Mandatory
Provisions

Article 123 A supervisor shall faithfully perform his supervisory duties in accordance with the laws, administrative regulations and this Articles of Association.

Article 111 of
the Mandatory
Provisions

Chapter 14 Qualifications and Obligations of the Company's Directors, Supervisors, General Manager and Other Senior Management

Article 124 A person may not serve as a director, supervisor, general manager, vice general manager or any other senior management of the Company if any of the following circumstances applies:

Article 112 of
the Mandatory
Provisions

- (1) A person without or with restricted capacity of civil conduct;
- (2) A person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than 5 years has elapsed since the date of the completion of implementation of such punishment or deprivation;
- (3) A person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and who is personally liable for the insolvency of such company or enterprise, where no more than 3 years has elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

- (4) A person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where no more than 3 years has elapsed since the date of the revocation of the business license of such company or enterprise;
- (5) A person who has a relatively large amount of debts due and outstanding;
- (6) A person who is under criminal investigation or prosecution by the judicial authority for violation of the criminal law where the said investigation or prosecution is not yet concluded;
- (7) A person who may not serve as a head of the enterprise pursuant to the provisions of the laws and administrative regulations;
- (8) A non-natural person;
- (9) A person who has been convicted by the relevant competent authority for violation of relevant securities regulations, and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5 years has elapsed since the date of such conviction;
- (10) Circumstances prescribed by the relevant laws and regulations in the place where the shares of the Company are listed.

Article 125 The validity of the acts of the directors, general manager, vice general manager(s) or other senior management of the Company on behalf of the Company to bona fide third parties shall not be affected by any irregularities in their appointment, election or qualifications.

Article 113 of
the Mandatory
Provisions

Article 126 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, the Company's directors, supervisors, general manager, vice general manager(s) and other senior management owe a duty to each shareholder, in the exercise of the following functions and powers conferred by the Company on them:

Article 114 of
the Mandatory
Provisions

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

- (2) To act honestly in the best interest of the Company;
- (3) Not to expropriate the Company's property in any way, including (but not limited to) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company approved by the general meeting in accordance with this Articles of Association.

Article 127 The Company's directors, supervisors, general manager, vice general manager(s) and other senior management owe a duty, in the exercise of their rights and discharge of their duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 115 of
the Mandatory
Provisions

Article 128 The Company's directors, supervisors, general manager, vice general manager(s) and other senior management must perform their duties in accordance with the principle of good faith and shall not put them in a position where their benefits and obligations may conflict. This principle includes (but not limited to) discharging the following obligations:

Article 116 of
the Mandatory
Provisions

- (1) To act honestly in the best interests of the Company;
- (2) To exercise powers within the scope of their powers and not to exceed those powers;
- (3) To exercise the discretion vested in them personally and not to allow themselves to act under the control of others and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of the general meeting, not to delegate the exercise of their discretion to others;
- (4) To treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) Except otherwise required by this Articles of Association or with the informed consent of the general meeting, not to enter into any contract, transaction or arrangement with the Company;

- (6) Without the informed consent of the general meeting, not to use the Company's property for their own benefit in any way;
- (7) Not to exploit their position and powers to accept bribes or other illegal income or expropriate the Company's property by any means, including (but not limited to) opportunities advantageous to the Company;
- (8) Without the informed consent of the general meeting, not to accept commissions in connection with the Company's transactions;
- (9) To abide by this Articles of Association, faithfully execute their official duties and protect the Company's interests, and not to exploit their position and power in the Company to advance their own private interests;
- (10) Not to compete with the Company in any form without the informed consent of the general meeting;
- (11) Not to misappropriate the Company's funds or lend such funds to others, not to open accounts in their own name or other names for the deposit of the Company's assets and not to provide a security for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (12) Unless otherwise permitted by informed consent of the general meeting, not to disclose any confidential information involving the Company acquired by them in the course of and during their tenure of office and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - (i) As prescribed by law;
 - (ii) As required for the interests of the public;
 - (iii) The interests of such directors, supervisors, general manager, vice general manager(s) or other senior management require disclosure.

Article 129 The Company's directors, supervisors, general manager, vice general manager(s) and other senior management shall not cause the following persons or institutions ('Related Parties') to do what they are prohibited from doing:

- (1) The spouse or minor children of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company;
- (2) A trustee of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company or any person referred to in sub-paragraph (1) of this Article;
- (3) A partner of the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) A company in which the directors, supervisors, general manager, vice general manager(s) and other senior management of the Company, alone or jointly with the persons referred to in sub-paragraphs (1), (2) and (3) of this Article and other directors, supervisors, general manager, vice general manager(s) and other senior management of the Company have a de facto controlling interest;
- (5) The directors, supervisors, general manager and other senior management of the controlled company referred to in sub-paragraph (4) of this Article;
- (6) Any person who may be deemed as an associate of the directors, supervisors, general manager and other senior management under the Hong Kong Listing Rules.

Article 130 The fiduciary obligations of the Company's directors, supervisors, general manager, vice general manager(s) and other senior management do not necessarily cease upon the termination of their tenure. The obligation of confidentiality in relation to trade secrets of the Company survives the termination of their tenure. Other obligations may continue for such period on a fair basis depending on the time lapse between the occurrence of the relevant event and the termination and the circumstances and conditions under which the relationships between them and the Company are terminated.

Article 131 Except for circumstances prescribed in Article 52 of this Articles of Association, the Company's directors, supervisors, general manager, vice general manager(s) and other senior management may be relieved from liability for specific breaches of his obligation by the informed consent of shareholders given at a general meeting.

Article 132 Where the Company's directors, supervisors, general manager, vice general manager(s) and other senior management are, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than their contracts of service with the Company), they shall declare the nature and extent of their interests to the Board at the earliest opportunity, regardless whether or not the contract, transaction or arrangement or proposal is otherwise subject to the approval of the Board under normal circumstances.

Unless the interested directors, supervisors, general manager, vice general manager(s) or other senior management of the Company have disclosed such interest to the Board as required under the preceding paragraph of this Article and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the directors, supervisors, general manager, vice general manager(s) or other senior management concerned.

The Related Party of a director, supervisor, general manager, vice general manager(s) and other senior management of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which that director, supervisor, general manager, vice general manager or other senior management have an interest.

A director may not vote for any resolution of the Board approving any contract, transaction or arrangement or any other relevant proposal in which he or any of his associate (as defined in the applicable Hong Kong Listing Rules in force from time to time) has material interests and he shall not be counted in the quorum of the meeting, except for the following:

- (1) Any security or indemnity to the director or his associate(s) in respect of the loans provided to the Company or any of its subsidiaries by such director or his associate or obligations incurred or undertaken by such director or any of his associate at the request of or for the benefit of the Company or any of its subsidiaries; or

Any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or security;

- (2) Any proposal concerning an offer, by other persons or the Company, of shares or debentures or other securities of the Company or any other companies which the Company may promote or be interested in for subscription or purchase, where the director or his associate is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (3) Any proposal concerning any other company in which the director or his close associate is interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his close associate is beneficially interested in shares of that company, provided that the director and any of his close associates are not in aggregate beneficially interested in 5% or more of the issued shares of any class of such company (or of any third company through which his interest or that of any of his close associates is derived) or of the voting rights;
- (4) Any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (i) The adoption, modification or implementation of any employees' share scheme or any share incentive or share option scheme from which the director or his associate may benefit;
 - (ii) The adoption, modification or implementation of a pension fund scheme, retirement scheme or death or disability benefits scheme which relates to the directors, their associates or employees of the Company or any of its subsidiaries without providing any special benefits to any director or his associate which is not generally accorded to the persons relating to such scheme or fund; and
- (5) Any contract or arrangement in which the director or his associate is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interests in shares or debentures or other securities of the Company.

Article 133 Where the Company's directors, supervisors, general manager, vice general manager(s) and other senior management give a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such directors, supervisors, general manager and other senior management shall be deemed to have made such disclosure as stipulated in the preceding Article to the extent as specified in the notice.

Article 121 of
the Mandatory
Provisions

Article 134 The Company shall not pay tax for or on behalf of its directors, supervisors, general manager, vice general manager(s) and other senior management in any manner.

Article 122 of
the Mandatory
Provisions

The Company may insure against the various possible legal risks faced by the directors, supervisors, general manager and other senior management in the ordinary course of performing their duties.

Article 135 The Company shall not directly or indirectly provide a loan or loan security for a director, supervisor, general manager, vice general manager or other senior management of the Company or of the Company's parent company, or Related Parties of the above-mentioned persons.

Article 123 of
the Mandatory
Provisions

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

- (1) The provision of a loan or loan security by the Company for a subsidiary of the Company;
- (2) The provision of a loan or loan security or other funds by the Company to a director, supervisor, general manager, vice general manager or other senior management of the Company under a service contract approved by the general meeting, so as to enable him to pay the expenses incurred for the sake of the Company or for the performance of his duties to the Company;
- (3) The provision of a loan or loan security by the Company to the relevant director, supervisor, general manager, vice general manager or other senior management or to his Related Parties based on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

Article 136 A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 124 of
the Mandatory
Provisions

Article 137 A loan security provided by the Company in breach of paragraph 1 of Article 135 shall be unenforceable against the Company, except for the following:

Article 125 of
the Mandatory
Provisions

- (1) When the loan is provided to a Related Party of a director, supervisor, general manager or other senior management of the Company or its parent company, the loan provider is not aware of the circumstance;
- (2) The collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 138 For the purposes of the preceding article of this chapter, the term “security” shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.

Article 126 of
the Mandatory
Provisions

Article 139 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, vice general manager or other senior management of the Company is in breach of his duties to the Company, the Company has the right to:

Article 127 of
the Mandatory
Provisions

- (1) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to compensate for the losses sustained by the Company as a consequence of his dereliction of duty;
- (2) Rescind any contract or transaction entered into by the Company with the relevant director, supervisor, general manager, vice general manager or other senior management or contracts or transactions entered into with a third party (where such third party is aware or is taken to be aware that the director, supervisor, general manager, vice general manager or other senior management representing the Company is in breach of his obligations to the Company);
- (3) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to surrender the gains derived from the breach of his obligations;

- (4) Recover any funds received by the relevant director, supervisor, general manager, vice general manager or other senior management that shall have been received by the Company, including (but not limited to) commissions;
- (5) Demand the relevant director, supervisor, general manager, vice general manager or other senior management to return the interest earned or possibly earned on the funds that shall have been given to the Company.

Article 140 The Company shall enter into written contracts with the directors, supervisors and other senior management containing at least the following provisions:

Rule 19A.54 and 19A.55 of the Hong Kong Listing Rules, Article 128 of the Mandatory Provisions

- (1) An undertaking by the directors, supervisors and other senior management to the Company that he shall observe and comply with the Company Law, the Special Provisions, this Articles of Association, the Codes on Takeovers and Mergers and Share Buy-backs and other regulations of the Hong Kong Stock Exchange, and a clarification that the Company shall have the remedies provided in this Articles of Association and that neither the contract nor his office is assignable;
- (2) An undertaking by the directors, supervisors and other senior management to the Company that they shall observe and comply with their obligations to shareholders stipulated in this Articles of Association;
- (3) The arbitration clause as set out in the Hong Kong Listing Rules.

The written contracts entered into by the Company with the Company's directors and supervisors concerning emoluments shall be subject to prior approval at the general meeting. The above-mentioned emoluments shall include:

- (1) Emoluments in respect of his service as a director, supervisor or senior management of the Company;
- (2) Emoluments in respect of his service as a director, supervisor or senior management of a subsidiary of the Company;

- (3) Emoluments in respect of other services in connection with the management of the Company and its subsidiaries;
- (4) Funds as compensation for the loss of office or retirement to such directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.

Article 141 The contract for emoluments entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payments for loss of office or retirement. For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

Article 129 of
the Mandatory
Provisions

- (1) Anyone makes a general offer to all shareholders;
- (2) Anyone makes a general offer so that the offeror becomes a controlling shareholder (as defined in Article 53 hereof).

If a director or supervisor fails to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

Chapter 15 Financial and Accounting Systems and Distribution of Profits

Article 142 The Company shall formulate its own financial and accounting systems in accordance with provisions of the laws, administrative regulations and the PRC accounting standards formulated by the competent department in charge of finance under the State Council.

Article 130 of
the Mandatory
Provisions

Article 143 The Company shall prepare financial reports at the end of each financial year, and cause such reports to be examined and verified according to the laws.

Article 131 of
the Mandatory
Provisions

The Company adopts the calendar year as its financial year, which shall begin in each year on 1 January and end on 31 December of the Gregorian calendar.

Article 144 The Board of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local governments and the competent authorities require the Company to prepare.

Article 132 of
the Mandatory
Provisions

Article 145 Unless otherwise required by the relevant laws, regulations, listing rules of the stock exchanges on which shares of the Company are listed and this Articles of Association, the financial reports of the Company shall be made available for inspection by shareholders 20 days prior to the convening of an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

Article 133 of
the Mandatory
Provisions,
Paragraph 5 of
Appendix 3 to
the Hong Kong
Listing Rules

At least 21 days before the annual general meeting, the Company shall deliver the aforesaid reports or the report of the Board together with the balance sheet and the profit or loss statement to each holder of overseas-listed foreign shares with the postage-paid mail or by other means permitted by the stock exchange of the place in which the shares of the Company are listed at the address registered in the register of members, unless otherwise required by the relevant laws, regulations, listing rules of the stock exchanges on which shares of the Company are listed and this Articles of Association.

Article 146 The financial statements of the Company shall be prepared not only in accordance with PRC accounting standards and regulations, but also in accordance with international accounting standards or the accounting standards of the place outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given financial year, the smaller amount of after-tax profits shown in the two financial statements prepared as mentioned above shall be used.

Article 134 of
the Mandatory
Provisions

Article 147 Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations as well as international standards or the accounting standards of the place outside the PRC where shares of the Company are listed.

Article 135 of
the Mandatory
Provisions

Article 148 After the end of the first six (6) months of each financial year, the Company shall publish its results within a period of 2 months and issue its interim report within a period of three (3) months. After the end of each financial year, the Company shall publish its results within a period of three (3) months and issue its annual report within a period of 4 months.

Article 136 of the Mandatory Provisions, Rules 13.46, 13.48, 13.49(1) (ii) and (6) (b) of the Hong Kong Listing Rules

If there are other requirements imposed by the securities regulatory authorities in the place where the Company's shares are listed, such requirements shall prevail.

Article 149 The Company shall not maintain any account books other than statutory account books.

Article 137 of the Mandatory Provisions, Article 171 of the Company Law

Assets of the Company shall not be held in any accounts opened in the name of any individuals.

Article 150 Where the Company distributes its after-tax profits of the current year, it shall draw 10 percent of the profits as the Company's statutory common reserve. The Company may stop drawing if the accumulative balance of the common reserve has already accounted for over 50 percent of the Company's registered capital.

Article 166 of the Company Law

If the accumulative balance of the Company's statutory common reserve is not enough to make up for the losses of the Company of the previous year, the current year's profits shall be used first for making up the losses before the statutory common reserve is drawn therefrom according to the provisions of the preceding paragraph.

After the Company draws the statutory common reserve from the after-tax profits, it may, upon a resolution made by the general meeting, draw a discretionary common reserve from the after-tax profits.

After the losses have been made up and common reserves have been drawn, the remaining profits shall be distributed to shareholders in light of their proportions of shares held.

If the general meeting distributes the profits by violating the provisions of the preceding paragraph before the losses are made up and the statutory common reserves are drawn, the profits distributed must be refunded to the Company.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 151 The capital common reserve shall include the following funds:

Article 138 of
the Mandatory
Provisions

- (1) The premiums obtained from the issue of shares in excess of the par value;
- (2) Other revenue required by the State Council's department in charge of finance to be included in the capital common reserve.

Article 152 The common reserves of the Company is used to make up the Company's losses, increase the production operation of the Company or increase the Company's capital. However, capital common reserve shall not be used to make up the Company's losses.

Article 168 of
the Company
Law

When the statutory common reserve is converted into capital, the remaining balance of that reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 153 The Company may distribute dividends in the following forms:

Article 139 of
the Mandatory
Provisions

- (1) Cash;
- (2) Shares.

Dividends and other amounts payable by the Company to holders of domestic shares shall be denominated and declared in RMB. Dividends and other amounts payable by the Company to holders of foreign shares shall be denominated and declared in RMB. The exchange rate shall be the average closing rate for the relevant foreign currency against the RMB announced by the People's Bank of China five (5) working days prior to the date of the declaration of the dividend or other distributions. Payment in foreign currency to holders of foreign shares shall be made in accordance with the relevant foreign exchange control regulations of the PRC. The dividend distribution of the Company shall be implemented by the Board according to the authorization delegated by the general meeting through an ordinary resolution.

Article 154 Any amount paid up in advance of calls on any of the Company's shares may carry interest, but shall not entitle the holder of such share(s) to participate in respect thereof in a dividend subsequently declared.

Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends only after the expiry of the applicable term of validity commencing from the date of declaration of dividends.

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, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

In case of issuing bearer warrants to holders, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.

The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a shareholder of overseas-listed foreign shares who is untraceable subject to the following conditions:

- (1) The Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed;
- (2) The Company has, after the expiration of a period of 12 years, made an announcement on one or more newspapers in the place in which the Company's shares are listed, stating its intention to sell such shares, and notify the securities regulatory authority of the place in which the Company's shares are listed of such intention.

The Board may, for the interests of the Company, invest the dividend which is unclaimed for one year after the date on which the dividend is declared by the Company or apply such dividend for other purposes. Subject to relevant laws and regulations of the PRC, the Company may exercise power to confiscate the dividends which nobody has claimed only after the expiry of the relevant applicable limitation period.

Article 155 The Company shall appoint receiving agents in Hong Kong on behalf of the holders of overseas-listed foreign shares to receive and keep on behalf of the relevant shareholders the dividends distributed by the Company in respect of overseas-listed foreign shares and other payables, and make payment to such shareholders.

Article 140 of the Mandatory Provisions, Rule 19A.51 of the Hong Kong Listing Rules

The receiving agents appointed by the Company shall meet the requirements of the laws of the place where the Company's shares are listed or the relevant regulations of the stock exchange.

The receiving agents appointed by the Company for holders of foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Chapter 16 Engagement of Accounting Firms

Article 156 The Company shall engage an independent accounting firm that complies with relevant PRC regulations to audit the annual and other financial reports of the Company.

Article 141 of the Mandatory Provisions

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

If the Company's inaugural meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.

Article 157 The term of engagement of an accounting firm shall start from the conclusion of the annual general meeting and end upon the conclusion of the next annual general meeting.

Article 142 of the Mandatory Provisions

Article 158 An accounting firm engaged by the Company shall have the following rights:

Article 143 of
the Mandatory
Provisions

- (1) The right of access at any time to the account books, records or vouchers of the Company and the right to require the directors, general manager, vice general manager(s) or other senior management of the Company to provide the relevant information and explanations;
- (2) The right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (3) The right to attend general meetings, receive a notice or other information concerning any meetings which shareholders have a right to receive, and to be heard at any general meetings on any matter which relates to it as the accounting firm of the Company.

Article 159 If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms shall continue to act.

Article 144 of
the Mandatory
Provisions

Article 160 The general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 145 of
the Mandatory
Provisions

Article 161 The amount of remuneration of an accounting firm and the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be decided upon by the Board.

Article 146 of
the Mandatory
Provisions

Article 162 The appointment, dismissal or non-reappointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the competent securities authorities under the State Council for filing.

Where it is proposed that any resolution be passed at a general meeting to appoint a non-incumbent accounting firm to fill any vacancy of the position of the accounting firm, or to reappoint an accounting firm that is appointed by the Board for filling the vacancy or to dismiss an accounting firm before the expiry of its term of office, the following provisions shall apply:

- (1) Before dispatch of the general meeting notice, a copy of the proposal on the appointment or dismissal shall be delivered to the accounting firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant financial year.

Leaving includes leaving by removal, resignation and retirement.

- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
 - (i) In any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm leaving its post;
 - (ii) Attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in this Articles of Association.
- (3) If the Company fails to deliver the accounting firm's representations in accordance with the provisions in paragraph (2) of this article, the accounting firm may require that the representations be read out at the general meeting and take further legal actions.
- (4) An accounting firm which is leaving its post shall be entitled to attend:
 - (i) The general meeting at which its term of office would otherwise have expired;
 - (ii) Any general meeting at which it is proposed to fill the vacancy caused by its dismissal;

Article 147 of the Mandatory Provisions, Article 9 of the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, Paragraph (e) (i) of Section 1 of Part D of Appendix 13 to the Hong Kong Listing Rules

(iii) Any general meeting convened on its resignation;

and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which it attends on any part of the business of the meeting which concerns it as former accounting firm of the Company.

Article 163 Where the Company dismisses or does not reappoint an accounting firm, it shall notify the accounting firm in advance. The accounting firm is entitled to present its views to the general meeting. Where an accounting firm proposes its resignation, it shall explain to the general meeting whether there are any irregularities in the Company.

An accounting firm may resign by depositing its written notice of resignation to the legal address of the Company. The notice shall come into effect as of the date when the notice is deposited in the legal address of the Company or any later date stated in the notice. The notice shall include following:

- (i) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
- (ii) a statement of any circumstance that needs to be explained.

Where a written notice is deposited under the preceding paragraph, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a statement under sub-paragraph (ii) of the preceding paragraph, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of the aforesaid statement by prepaid mail to every holder of overseas-listed foreign shares at the address shown in the register of members.

Where the accounting firm's notice of resignation contains a statement of any circumstances that needs to be explained, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

Article 148 of the Mandatory Provisions, Article 10 of the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, Paragraphs (e) (ii) to (iv) of Section 1 of Part D of Appendix 13 to the Hong Kong Listing Rules

Chapter 17 Merger and Division of the Company

Article 164 The merger or division of the Company shall require the preparation of a proposal by the Board of the Company. After such proposal has been adopted in accordance with the procedures specified in this Articles of Association, relevant examination and approval procedures shall be carried out according to laws. Shareholders that oppose such proposal on the merger or division of the Company shall have the right to require the Company or shareholders that agree to such proposal to purchase their shares at a fair price. The contents of the Company's resolutions on merger or division shall be compiled in a special document for inspection by shareholders.

Article 149 of
the Mandatory
Provisions

For holders of H shares, the aforesaid documents shall also be served by post at the address shown in the register of members.

Article 165 The merger of the Company may be effected by way of absorption or new establishment.

Article 150 of
the Mandatory
Provisions

As for a merger, the parties to the merger shall conclude an agreement and prepare balance sheets and checklists of properties. The Company shall inform creditors of the merger within 10 days from the date when the merger resolution is passed, and make at least three (3) announcements of the merger on newspapers within 30 days from the date when the merger resolution is passed. Within 30 days after receipt of the notices or (for those who have not received the notices) within 45 days after publication of the announcement, the creditors are entitled to require the Company to settle the debts or to provide corresponding guarantees.

After the merger of the Company, the credits and debts of all the parties thereto will be inherited by the continuing company or the newly formed company after the merger.

Article 166 In case of a division, the Company's properties shall be divided accordingly.

Article 151 of
the Mandatory
Provisions

In case of a division of the Company, all the parties involved therein shall sign an agreement on the division, and prepare balance sheets and checklists of properties. The Company shall inform the creditors within 10 days after the date of making the resolution for such division, and make at least three (3) announcements on newspapers within 30 days as required by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company's shares are listed.

Debts incurred by the Company before its division shall be borne by the company which exists after the division according to the agreement reached.

Article 167 Where any of the registered items is changed during the process of merger or division, the Company shall go through modification registration with the company registration authority according to the law. If the Company is dissolved, it shall be deregistered according to the law. If a new company is established, it shall go through the procedures for company establishment according to the law.

Article 152 of
the Mandatory
Provisions

Chapter 18 Dissolution and Liquidation of the Company

Article 168 The Company shall be dissolved and liquidated according to the law under any of the following circumstances:

Article 153 of
the Mandatory
Provisions,
Article 180 of
the Company
Law

- (1) The general meeting decides to dissolve it;
- (2) It needs to be dissolved due to merger or division of the Company;
- (3) The Company is declared bankrupt according to the law for being unable to pay its due debts;
- (4) The Company has been ordered to close down for violation of the laws or administrative regulations;
- (5) If the Company gets into serious trouble in operations and management and continual operation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company.

Article 169 Where the Company is dissolved according to the provisions of sub-paragraph (1) of the preceding Article, a liquidation committee shall be formed within 15 days and its members shall be determined by the general meeting by way of an ordinary resolution.

Article 154 of
the Mandatory
Provisions

Where the Company is dissolved according to the provisions of sub-paragraph (2) of the preceding Article, the liquidation work shall be carried out by the parties involved in the merger or division in accordance with the contract entered into at the time of such merger or division.

Where the Company is dissolved according to the provisions of sub-paragraphs (3) and (5) of the preceding Article, the people's court shall, in accordance with relevant laws, arrange the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation work.

Where the Company is dissolved according to the provisions of sub-paragraph (4) of the preceding Article, the competent authority shall arrange the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation work.

Article 170 If the Board decides that the Company shall be liquidated (except for the liquidation as a result of the Company's declaration of bankruptcy), the notice of the general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board is of the opinion that the Company can pay its debts in full within 12 months after the commencement of the liquidation.

Article 155 of
the Mandatory
Provisions

The functions and powers of the Board of the Company shall terminate immediately after the general meeting has passed the resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting and shall make a report to the general meeting on the committee's income and expenditure as well as the business of the Company and the progress of the liquidation at least annually. It shall make a final report to the general meeting when the liquidation is completed.

Article 171 The liquidation committee shall notify creditors within 10 days of its establishment, and make at least three (3) announcements on newspapers within 60 days of its establishment. Creditors shall, within 30 days from the date of receipt of notice or (for creditors who have not personally received such notice) within 90 days from the date of the first public announcement, claim for their creditors' rights to the liquidation committee. Any overdue unclaimed creditors' rights shall be deemed as a waiver of the same. When filing their claims, creditors shall explain those creditor-related issues and provide supporting documentation thereon. The liquidation committee shall register such claims.

Article 156 of
the Mandatory
Provisions,
Article 185 of
the Company
Law

Article 172 The liquidation committee exercises the following functions during the process of liquidation:

Article 157 of
the Mandatory
Provisions

- (1) Liquidating the properties of the Company, and preparing balance sheets and asset checklists;
- (2) Informing creditors by notice or public announcement;

- (3) Disposing and liquidating the businesses of the Company that have not been completed;
- (4) Clearing off the outstanding taxes;
- (5) Clearing off credits and debts;
- (6) Disposing the residual properties after such debt clearing;
- (7) Participating in the civil litigation on behalf of the Company.

Article 173 After liquidating the properties of the Company and preparing balance sheets and checklists of properties, the liquidation committee shall make a plan of liquidation, and report it to the general meeting or the competent authority for confirmation.

Article 158 of
the Mandatory
Provisions,
Article 186 of
the Company
Law

The properties of the Company shall be liquidated in the following order of priority:

- (1) Liquidation costs;
- (2) Salaries, social insurance premiums and statutory compensation owed to the employees of the Company;
- (3) Outstanding taxes;
- (4) Debts of the Company.

The remaining properties of the Company upon repayment as specified in the preceding paragraph shall be distributed to the shareholders of the Company as per the classes of their shares and their shareholding percentages.

During the period of liquidation, the Company shall not carry out any new business operations.

Before the settlement of repayments as prescribed in the preceding Article, the Company's properties shall not be distributed to shareholders.

Article 174 In case of liquidation upon dissolution, if the liquidation committee notices that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing balance sheets and checklists of properties, it shall immediately apply to the people's court to declare bankruptcy.

Article 159 of
the Mandatory
Provisions

Once the people's court declares the bankruptcy of the Company, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 175 Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, submit the same to the general meeting or the competent authority for confirmation. Within 30 days from the date of the general meeting's or the competent authority's confirmation, the liquidation committee shall submit the aforementioned documents to the company registration authority to apply for company de-registration, and announce the Company's termination.

Article 160 of
the Mandatory
Provisions

Chapter 19 Notice and Public Announcement

Article 176 Subject to compliance with the laws and regulations of the places where the Company is incorporated and listed and the Hong Kong Listing Rules, a notice of the Company may be sent as follows:

Paragraphs
7(1) and (3) of
Appendix 3 to
the Hong Kong
Listing Rules

- (1) Delivery by hand in an envelope addressed to such shareholder at the registered address shown in the register of members or at any other address supplied by him to the Company for such purpose. The Company does not prohibit the service of notice to any shareholder whose registered address is outside Hong Kong;
- (2) By post in an envelope addressed to such shareholder at the registered address shown in the register of members or at any other address supplied by such shareholder to the Company for such purpose. The Company does not prohibit the service of notice to any shareholder whose registered address is outside Hong Kong;
- (3) By fax or email;
- (4) Subject to compliance with the laws, regulations, regulatory documents and relevant rules of the securities regulatory authority of the place where the Company's shares are listed, by posting on the website designated by the Company and stock exchange;
- (5) By public announcement;
- (6) Such ways as the Company and the notified party agreed in advance or any other way which is recognized by the notified party upon receipt of the notice;
- (7) By publishing advertisements on newspapers if the Company is authorized to issue notice by way of advertisement;

- (8) Other ways which are recognized by the securities regulatory authority of the place where the shares of the Company are listed or stipulated in this Articles of Association.

Whilst this Articles of Association may have otherwise provided for the delivery methods of any notice, communication or any other written material, the Company may publish its communications by the means specified in sub-paragraph (4) of paragraph 1 of this Article to replace the means of sending written documents to each holder of the overseas-listed foreign shares by hand or by prepaid mail provided that doing so will be in compliance with the relevant regulations of securities regulatory authority of the place where the shares of the Company are listed. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including, but not limited to, report of the Board (together with balance sheet and profit and loss statement), annual report (including annual financial reports), interim report (including interim financial reports), listing documents, meeting notice, circulars, proxy forms and reply slips, etc.

Article 177 Where a notice from the Company is served by hand and is signed (or stamped) by the recipient on the return receipt of delivery, the date of the recipient's signature shall be deemed to be the delivery date. Where the notice is served by post, the delivery date shall be 48 hours after such notice is delivered to the post office. Where the notice is served by fax or email or published on website, the delivery date shall be the date when the notice is sent out. The delivery date shall be the date indicated on the report slip of the facsimile. Where the notice is served by public announcement, the delivery date shall be the first date of publication of such announcement provided that such announcement is published in newspapers or websites that meet relevant requirements. The requirements of the regulatory authority of the place in which the Company's shares are listed shall apply, if such requirements specify otherwise.

Rules 2.07C,
2.07B and
2.07A of
the Hong Kong
Listing Rules

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 EPS for immediate release on the website of the Hong Kong Stock Exchange in accordance with the listing rules of the listing place. The announcement shall also be published on the Company's website at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of members of overseas-listed foreign shares by personal delivery or postage-paid mail subject to the listing rules of the listing place so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's overseas-listed foreign shares may elect in writing to receive the corporate communication that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language at any time by reasonable prior written notice to the Company in accordance with applicable procedures. Where relevant corporate documents must be in the English language and be accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the relevant requirements of the securities regulatory authority of the place where the shares of the Company are listed, in respect of shareholders who under proper arrangements by the Company confirm to receive such information only in English or Chinese version as well as to the extent permitted by the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholders according to their prescribed wills.

In order to prove that such notices, documents, information or written statements have already been delivered to the Company, shareholders or directors shall provide evidence to prove that such notice, document, information or written statement have been delivered within the prescribed time by ordinary post or prepaid mail to the correct address.

Chapter 20 Procedures for Amendment to the Articles of Association

Article 178 The Company shall amend this Articles of Association on the occurrence of any of the following events:

Article 161 of
the Mandatory
Provisions

- (1) After the amendment of the Company Law or the relevant laws or administrative regulations, the provisions of this Articles of Association are in conflict with the amended Company Law or the relevant laws or administrative regulations;
- (2) There is change in the Company which makes it inconsistent with this Articles of Association;
- (3) The amendments to this Articles of Association have been decided by the general meeting.

Article 179 The amendments to the Articles of Association involving the Mandatory Provisions shall become effective upon approval by the company approval department authorized by the State Council and the securities regulatory authority under the State Council. If there is any change relating to the registered particulars of the Company, the changes shall be registered in accordance with law.

Article 162 of
the Mandatory
Provisions

Chapter 21 Settlement of Disputes

Article 180 The Company shall comply with the following rules in settling disputes:

Article 163 of
the Mandatory
Provisions,
Rule 19A.52(2)
of the
Hong Kong
Listing Rules

- (1) Whenever any disputes or claims arise from this Articles of Association or any rights or obligations conferred or imposed by the Company Law or other relevant laws and administrative regulations concerning the affairs of the Company between a holder of overseas-listed foreign shares and the Company, between a holder of overseas-listed foreign shares and a director or supervisor or the general manager, vice general manager or other senior management of the Company, and between a holder of overseas-listed foreign shares and a holder of domestic shares, the parties concerned shall resolve such disputes or claims through arbitration.

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

Disputes over who is a shareholder and over the share register do not have to be resolved through arbitration.

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

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

- (3) The laws of PRC shall govern the arbitration of disputes or claims described in clause (1) above, unless otherwise provided by the law or administrative regulations.
- (4) The award of the arbitral body is final and shall be binding on the parties thereto.

Chapter 22 Supplementary Provisions

Article 181 This Articles of Association are written in Chinese. Where there is any inconsistency between any other languages or different versions and the Chinese version of the same, the Chinese version which has been approved and registered at the company registration authority at the latest time shall prevail.

Article 182 In this Articles of Association, the terms “more than”, “within” and “less than” shall include the given figure, and the terms “under”, “beyond”, “below” and “exceeding” shall not include the given figure.

Article 183 Reference to the term “Accounting Firm”, “Connected” and “Related Parties” herein shall have the same meaning as ascribed to the terms “Auditors”, “Connected” and “Connected Persons” in the Hong Kong Listing Rules.

Article 165 of
the Mandatory
Provisions

Article 184 Annex to this Articles of Association shall include the procedural rules for the general meeting, the procedural rules for the Board meeting and the procedural rules for the meeting of the Supervisory Committee.

Article 185 The Board shall be responsible for the interpretation of this Articles of Association. Where there are matters not contained in this Articles of Association, such matters shall be proposed by the Board and be passed by way of resolutions at the general meeting.

* *For reference only*