

SHANGHAI MICROPORT MEDBOT (GROUP) CO., LTD.

ARTICLES OF ASSOCIATION

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Chapter 1. General Provisions

- Article 1.** To safeguard the legitimate rights and interests of the shareholders and creditors of Shanghai MicroPort MedBot (Group) Co., Ltd. (hereinafter referred to as the “Company”), and to regulate the organization and activities of the Company, these Articles of Association have been hereby established in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Hong Kong Listing Rules”) and other relevant laws, administrative regulations and normative documents, and with reference to the Guidelines on the Articles of Association of Listed Companies.
- Article 2.** The Company is a joint stock company with limited liability established by being converted from MicroPort MedBot (Shanghai) Co., Ltd. in accordance with the Company Law and other relevant regulations of the People’s Republic of China. The Company was established by its promoters upon the approval of Shanghai Municipal Administration for Market Regulation. It was registered with and obtained a business license from Shanghai Municipal Administration for Market Regulation on December 31, 2020. The unified social credit code of the Company is 91310115329558376Y.
- Article 3.** On September 12, 2021, the Company was approved by the China Securities Regulatory Commission (the “CSRC”) to issue 36,200,000 overseas-listed foreign shares (without the exercise of the over-allotment option) in Hong Kong. On November 2, 2021, such foreign Shares were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).
- Article 4.** Registered name of the Company:
- Full name in Chinese: 上海微创医疗机器人 (集团) 股份有限公司
Full name in English: Shanghai MicroPort MedBot (Group) Co., Ltd.
- Article 5.** The Company’s address: Room 101, Area B, Building 1, 1601 Zhangdong Road, China (Shanghai) Pilot Free Trade Zone
Postal code: 201203
- Article 6.** The registered capital of the Company will be RMB1,031,330,331 Yuan.

Article 7. The Company is a joint stock limited liability company with perpetual existence and is an independent legal entity, subject to the jurisdiction and protection of the PRC laws, regulations and other relevant requirements.

Article 8. The legal representative of the Company shall be a director or general manager who executes corporate affairs on behalf of the Company and shall be elected or replaced by more than half of all directors. If a director or general manager serving as the legal representative resigns, he or she shall be deemed to have resigned from his or her position as the legal representative at the same time.

If the legal representative resigns, the Company shall determine a new legal representative within 30 days from the date of the legal representative's resignation.

Article 9. All assets of the Company shall be divided into equal shares. The liability of a shareholder to the Company shall be limited to the shares subscribed for by that shareholder. The Company shall be held liable for its debts with all of its assets.

Article 10. From the date upon which the Articles of Association come into effect, the Articles of Association shall become a legally binding document regulating the Company's organization and activities, as well as the rights and obligations between the Company and each shareholder and between the shareholders.

The Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management, all of whom shall have the rights to propose any matters of the Company pursuant to the Articles of Association.

Pursuant to the Articles of Association, a shareholder may take legal action against another shareholder or the Company, the Company may take legal action against a shareholder, a shareholder may take legal action against the directors, supervisors and senior management of the Company, and the Company may take legal action against its directors, supervisors and senior management.

The legal action referred to in the preceding paragraph includes applications to competent courts or arbitral bodies.

Article 11. The Company may invest in other enterprises. Unless otherwise provided by law, the Company may not become a capital contributor assuming joint and several liability for the debts of the invested enterprises.

Chapter 2. Business Objectives and Scope

Article 12. The business objectives of the Company are: to enhance operational and management standards, maximize economic benefits and create satisfactory economic returns for all shareholders by operating in the organizational form of joint stock limited liability company.

Article 13. The business scope of the Company shall be such items as approved by the company registration authority. The Company's business scope registered according to law: General items: technical services, technology development, technology consultation, technology exchange and technology transfer and technology promotion; sales of instruments and meters; sales of mechanical equipment; sales of electronic components and electromechanical units and equipment; sales of metal products; retail of computer software, hardware and auxiliary equipment; import and export of goods; import and export of technologies; production of Class I medical devices; sales of Class I medical devices; sales of Class II medical devices; repair of specialized equipment; information system integration services; leasing services (excluding leasing services for the approved items) (except for items subject to approval required by laws, business activities set forth in the business license may be conducted independently in accordance with the law). Approval items: production of Class II medical devices; production of Class III medical devices; operation of Class III medical devices; electrical installation services. (for items subject to approval required by laws, business activities may be conducted after the approval of the relevant department. Specific business items are subject to approval documents or licenses from relevant departments).

The Company may, upon approval by the general meeting and relevant government authorities (if necessary), adjust its business scope according to law based on changes in the domestic and foreign markets, business development and its own capabilities, and go through the relevant adjustment procedures as required.

Chapter 3. Shares

Section 1. Issuance of Shares

Article 14. The shares of the Company are in the form of share certificates. There must, at all times, be ordinary shares in the Company; subject to the approval/registration/filing of the company approval authority authorized by the State Council of the People's Republic of China (hereinafter referred to as the "State Council"), the Company may create other classes of shares according to its requirements.

Article 15. Shares of the Company shall be issued in a transparent, fair and equal manner and shares of the same class shall rank *pari passu* in all respects.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by any entity or individual.

Article 16. The share certificates issued by the Company shall be denominated in Renminbi with a par value of RMB1.00 each.

Article 17. Subject to the approval/registration/filing of the securities authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

Foreign investors referred to in the preceding paragraph mean those investors who subscribe for the Company's shares and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. Domestic investors mean those investors who subscribe for the Company's shares and who are located within the territory of the People's Republic of China excluding the regions mentioned above.

Article 18. Shares that the Company issues to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be referred to as foreign shares. Foreign shares that are listed overseas shall be referred to as overseas-listed foreign shares. Domestic shares issued by the Company are centrally registered and deposited at China Securities Depository and Clearing Co., Ltd. Foreign shares issued by the Company need to be registered at the local stock registration agency in Hong Kong entrusted by the Company.

Foreign currencies referred to in the preceding paragraph mean the lawful currencies (other than Renminbi) of other countries or regions that are recognized by the foreign exchange authority of the PRC and that can be used to pay for the shares subscribed.

Foreign shares issued by the Company that are listed in Hong Kong Stock Exchange shall be referred to as H Shares. H Shares are shares that have been approved for listing on the Hong Kong Stock Exchange, the par value of which is denominated in Renminbi, and are subscribed for and traded in Hong Kong dollars.

Both holders of domestic shares and holders of foreign shares are holders of ordinary shares, and have and bear the same rights and obligations in any distribution in the form of dividends or any other form.

Shares issued by the Company but not listed on any stock exchanges in or outside the PRC are known as unlisted shares. Upon the issuance and listing of the Company' shares overseas, subject to the approval by the securities regulatory authority of the State Council, holders of the unlisted shares of the Company may transfer all or part of the shares held by them to foreign investors and have such shares listed and traded on an overseas stock exchange; all or part of the domestic shares may be convertible into foreign shares, and the converted foreign shares may be listed and traded on an overseas stock exchange. The shares transferred or converted as mentioned above shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock exchange if they are listed and traded on the overseas stock exchange. The listing and trading of shares on an overseas stock exchange or the conversion of domestic shares into foreign shares for listing and trading on an overseas stock exchange as mentioned above does not require voting at any general meeting.

Article 19. The total number of shares issued by the Company on the date of its establishment subject to the approval of the company approval authority authorized by the State Council was 900,000,000 shares, all of which were ordinary shares subscribed by the promoters at the time of its establishment. Details of the number of shares held the promoters and their shareholding percentage at the time of establishment of the Company are as follows:

No.	Promoter	Number of shares held (shares)	Shareholding percentage	Method of capital contribution	Date of capital contribution
1.	Shanghai Latent Artificial Intelligence Co., Ltd.	483,767,176	53.7518%	Share capital converted from net assets	2020.11.30

No.	Promoter	Number of shares held (shares)	Shareholding percentage	Method of capital contribution	Date of capital contribution
2.	Shanghai Changlong Lifescience Technology Co., Ltd.	43,656,710	4.8507%	Share capital converted from net assets	2020.11.30
3.	Shanghai Qingmin Enterprise Management Consultation Center LLP	96,013,252	10.6681%	Share capital converted from net assets	2020.11.30
4.	Shanghai Qinghe Enterprise Management Consultation Center LLP	25,162,653	2.7959%	Share capital converted from net assets	2020.11.30
5.	Shanghai Qingxing Enterprise Management Consultation Center LLP	31,108,214	3.4565%	Share capital converted from net assets	2020.11.30
6.	Shanghai Maijin Enterprise Management Consultation Center (LLP)	8,876,643	0.9863%	Share capital converted from net assets	2020.11.30
7.	Zhuhai Gao Ling Chongheng Equity Investment LLP	71,972,764	7.9970%	Share capital converted from net assets	2020.11.30
8.	Tianjin Ronghao Enterprise Management LLP	31,987,866	3.5542%	Share capital converted from net assets	2020.11.30
9.	Hainan Biolink Hongjiu Enterprise Management LLP	15,993,963	1.7771%	Share capital converted from net assets	2020.11.30
10.	Tianjin Yuanyi Yuanfu Enterprise Management Center (LLP)	12,795,174	1.4217%	Share capital converted from net assets	2020.11.30
11.	Yifang Huida VC (Guangdong) LLP	5,198,027	0.5776%	Share capital converted from net assets	2020.11.30

No.	Promoter	Number of shares held (shares)	Shareholding percentage	Method of capital contribution	Date of capital contribution
12.	Yifang Yida VC (Guangdong) LLP	1,999,238	0.2221%	Share capital converted from net assets	2020.11.30
13.	Shanghai Guofang Weili Enterprise Management LLP	2,798,945	0.3110%	Share capital converted from net assets	2020.11.30
14.	Shanghai Runkun Tianlu Enterprise Management Center (LLP)	1,199,551	0.1333%	Share capital converted from net assets	2020.11.30
15.	Shanghai Science Technology Venture Capital (Group) Co., Ltd.	340,669	0.0379%	Share capital converted from net assets	2020.11.30
16.	Shenzhen Xinlong Investment LLP	5,399,992	0.6000%	Share capital converted from net assets	2020.11.30
17.	Guangdong Yifang Xinda Equity Investment LLP	2,519,991	0.2800%	Share capital converted from net assets	2020.11.30
18.	Huimei Kangwei (Tianjin) Enterprise Management Consultation Partnership (LLP)	3,600,001	0.4000%	Share capital converted from net assets	2020.11.30
19.	Huimei Kangqi (Tianjin) Enterprise Management Consultation Partnership (LLP)	1,799,991	0.2000%	Share capital converted from net assets	2020.11.30
20.	Zhuhai Gao Ling Jiangheng Equity Investment LLP	1,799,991	0.2000%	Share capital converted from net assets	2020.11.30
21.	Shanghai Heyi Enterprise Management LLP	1,799,991	0.2000%	Share capital converted from net assets	2020.11.30

No.	Promoter	Number of shares held (shares)	Shareholding percentage	Method of capital contribution	Date of capital contribution
22.	Shanghai Huaiang Assets Management LLP	1,079,990	0.1200%	Share capital converted from net assets	2020.11.30
23.	Shanghai Yajian Enterprise Management Consultation Center (LLP)	49,129,208	5.4588%	Share capital converted from net assets	2020.11.30
Total		900,000,000	100.00%	—	—

Article 20. The share capital of the Company is comprised of 1,031,330,331 ordinary shares, including 1,024,730,788 overseas-listed foreign shares and 6,599,543 domestic shares.

Article 21. The Company shall not provide gifts, loans, guarantees or other financial assistance to other persons for the acquisition of shares in the Company or its parent company, except for the implementation of the Company's employee stock option plans.

For the interests of the Company, upon a resolution of the general meeting, or a resolution of the Board of Directors in accordance with the Articles of Association or the authorization of the general meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board of Directors shall be approved by more than two-thirds of all directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible directors, supervisors and senior management shall be liable for compensation.

Section 2. Increase, Reduction and Acquisition of Shares

Article 22. Based on its operating and development needs, the Company may, pursuant to the laws and regulations of the PRC and with the approval by resolution at the general meeting, increase its registered capital in the following ways in accordance with the requirements of the Articles of Association:

- (1) Public offering of shares;
- (2) Non-public issuance of shares;
- (3) Distribute bonus shares to existing shareholders;
- (4) Convert capital reserves into share capital; or
- (5) Any other means permitted by the laws and regulations of the PRC, the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, it shall be made in accordance with the procedures set out in the relevant laws and regulations of the PRC and the regulatory rules in the place where the Company's shares are listed (including but not limited to the Hong Kong Listing Rules).

Where the Board of Directors decides on the issuance of new shares in accordance with the Articles of Association or the authorization of the general meeting, the resolution of the Board of Directors shall be passed by more than two-thirds of all directors.

If the decision of the Board of Directors to issue shares pursuant to the provisions of the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, amendments to such matters recorded in the Articles of Association are not required to be voted on by the shareholders at general meeting.

Article 23. Pursuant to the Articles of Association, the Company may reduce its registered capital.

The reduction in registered capital shall be made by the Company in accordance with the procedures set out in Company Law, other applicable regulations and the Articles of Association.

Article 24. The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days from the date of the Company's resolution to reduce registered capital and shall publish an announcement in a newspaper or National Enterprise Credit Information Publicity System within thirty days from the date of such resolution. A creditor shall have the right to require the Company to repay its debts or to provide a corresponding guarantee for such debts within thirty days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within forty-five days from the date of the relevant announcement.

The Company's registered capital shall not, upon reduction, be less than the minimum amount (if any) prescribed by law.

Article 25. The Company shall not acquire its own shares. However, except in one of the following circumstances:

- (1) Reducing the Company's registered capital;
- (2) Merger with another company which holds the shares of the Company;
- (3) Granting of shares for employee stock option plans or equity incentives;
- (4) Request to the Company to acquire the shares from shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company;
- (5) Use of the shares for the conversion of convertible corporate bonds issued by the listed company;
- (6) As required for maintenance of the corporate value and shareholders' rights and interests of a listed company;

- (7) Any other circumstance prescribed by the laws and regulations of the PRC, the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange.

A resolution shall be adopted at a general meeting before the Company can repurchase its shares by reason of those mentioned in items (1) and (2) in the preceding paragraph; and a resolution shall be adopted by more than two-thirds of the directors present at a meeting of the Board of Directors before the Company can repurchase its shares by reason of those mentioned in items (3), (5) and (6) in the preceding paragraph in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

The Company's shares lawfully purchased by the Company pursuant to the first paragraph of this Article shall be cancelled within ten days from the date of acquisition if the shares are purchased for the reason mentioned in item (1); or shall be transferred or cancelled within six months if the shares are purchased for the reasons mentioned in items (2) and (4); or shall be transferred or cancelled within three years if the shares are purchased for the reasons mentioned in items (3), (5) and (6) in which case the total number of the Company's shares held by the Company in aggregate shall not exceed 10% of the total issued shares of the Company.

Article 26. The Company may acquire its own shares through public centralized trading, or any other ways recognized by the laws and regulations of the PRC, the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange. The Company shall not violate the relevant requirements of the aforesaid regulations in respect of the aforesaid share acquisition.

Article 27. Where the Company cancels the shares of the Company legally purchased, it shall cancel such portion of shares within the period required by the laws and regulations of the PRC, and the listing rules in the place where the Company's shares are listed, and shall apply for registration for the change in the registered capital with the original company registration authority.

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

Article 28. The Company shall not accept the shares of the Company as a pledged security. A controlled subsidiary of the Company is not allowed to acquire the shares of the Company. If the controlled subsidiary of the Company holds the shares of the Company due to company mergers, exercise of pledge rights, etc., it is not allowed to exercise the voting rights corresponding to the shares held by it, and the relevant shares of the Company shall be disposed of in a timely manner.

Article 29. Notwithstanding the above, where the laws and regulations of the PRC, the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange contain any other provisions in respect of the matters for purchase of the shares of the Company, such provisions shall prevail.

Section 3. Transfer of Shares

Article 30. Unless otherwise provided by the laws and regulations of the PRC, and the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange, the Company's shares may be transferred in accordance with the law. The Company's H shares can be transferred, donated, inherited and pledged in accordance with the relevant laws and regulations of the PRC, and the securities regulatory authorities in the place where the Company's shares are listed and the Hong Kong Stock Exchange. Transfer documents and other documents related to stock ownership requires registration with the Company's share registrar.

Article 31. All paid-up overseas-listed foreign shares that are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without the need to provide any reason, unless:

- (1) The fees stipulated by the Hong Kong Stock Exchange in the Hong Kong Listing Rules, which shall not exceed the maximum rate specified in Hong Kong Listing Rules from time to time, have been paid to the Company, and transfer documents of the shares and other documents relating to or affecting the ownership the shares have been registered;
- (2) The instrument of transfer only involves the overseas-listed foreign shares listed in Hong Kong;
- (3) The stamp duty payable on the transfer instrument has been paid;

- (4) The relevant share certificates and evidence reasonably required by the Board of Directors showing that the transferor has the right to transfer such shares shall be provided;
- (5) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) The Company does not have any lien over the relevant shares; and
- (7) Shares shall not be transferred to minors or persons of unsound mind or affected by other forms of legal incapacity.

If the Company refuses to register any transfer of shares, it shall provide the transferor and the transferee with a notice of refusal in relation to registration of share transfer within two months from the formal application for such registration.

Article 32. All H Shares shall be transferred by way of written transfer instrument in standard or general form, or any other format acceptable to the Board of Directors (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). A written transfer document may be signed by hand or by the valid seal of the company (where the transferor or transferee is a company). In the event that the transferor or transferee is a recognized clearing house (“Recognized Clearing House”) as defined under the relevant ordinances in effect from time to time in the laws of Hong Kong or its agent, the written transfer document may be signed by hand or in a machine-printed form.

All the transfer documents shall be kept at the legal address of the Company or an address designated by the Board from time to time.

Article 33. Shares of the Company held by the promoters shall not be transferred for a period of one year after the Company’s establishment. Shares issued before the Company’s public issuance of shares shall not be transferred within one year from the date when the Company’s corresponding shares are listed and traded on the stock exchange.

Each of the directors, supervisors and senior management of the Company shall declare to the Company the number of shares of the Company he or she holds and the subsequent changes in the shareholding. The number of shares that such person may transfer every year during his or her terms of office shall not exceed 25% of

the total number of the Company's shares held by him or her. The Company's shares held by him or her shall not be transferred within one year from the date when the Company's corresponding shares are listed and traded. Such person shall not transfer the Company's shares held within half a year after he or she ceased to serve the Company.

The transfer of H shares must also comply with the relevant provisions of the regulatory rules of the place where the Company's shares are listed (including but not limited to the Hong Kong Listing Rules). If the laws and regulations of the PRC and the regulatory rules of the place where the Company's shares are listed have provisions otherwise on the transfer of the Company's shares held by shareholders, de facto controller and related persons of the Company, such provisions shall prevail.

If the Company's shares are pledged during the transfer restriction period stipulated in the applicable laws and regulations of the PRC, the pledgee shall not exercise the pledge right during the transfer restriction period.

Chapter 4. Shareholder and Shareholders' Meeting

Section 1. Shareholder

Article 34. Share certificates of the Company shall be in registered form. In addition to those provided in 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.

Where the share capital of the Company includes shares that do not carry voting rights, the words "non-voting" must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Article 35. The H share certificates shall be signed by the chairman of the Board of Directors.

Where the stock exchange on which the Company's shares are listed requires the share certificates to be signed by other senior management of the Company, the share certificates shall also be signed by other relevant senior management. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed

with the Company's seal or seal in printed form under the authorization of the Board of Directors. The signature of the chairman of the Board of Directors or other relevant senior management of the Company on the share certificates may also be in printed form.

In the event of paperless issuance and trading of the shares of the Company, other requirements stipulated by the securities regulatory authorities and stock exchanges in the places where the Company's shares are listed shall apply.

Article 36. The Company shall keep a register of members according to the certificates provided by the securities registration authority, the register of members shall be the sufficient evidence for the shareholders' shareholding in the Company.

Article 37. Subject to compliance with the Articles of Association and all other applicable requirements and upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of members. The transfer documents and other documents relating to or affecting the title to any H shares shall be registered and fees shall be paid to the Company in respect of the registration according to the fee standard, and the fee shall not exceed the maximum fee specified in the Hong Kong Listing Rules from time to time.

The Company may, in accordance with the memorandum of understanding and agreements between the securities authority of the State Council and overseas securities regulatory authorities, maintain its original copy of the register of holders of overseas-listed foreign shares outside China and entrust an overseas agent to maintain such register. The original copy of the register of holders of overseas-listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas-listed foreign shares at the Company's corporate domicile. The appointed overseas agent shall ensure the consistency between the original copy and the duplicate of register of holders of overseas-listed foreign shares at all times.

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

Article 38. Where the laws and regulations of the PRC, the laws and regulations of the place where the Company's shares are listed and the listing rules of the stock exchange stipulate on occasions when no change of registration of the register of shareholders shall be conducted prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 39. Where the Company convenes a general meeting, distributes dividends, liquidates or carries out other activities that require the determination of shareholders, the Board of Directors or a convener of the general meeting shall set a record date for determination of shareholding. Upon the close of such date, shareholders whose names appear in the register of members shall be deemed as the shareholders of the Company with relevant interests.

Article 40. Any person who requests to have his or her name entered in, or removed from, the register of members may apply to the relevant court with jurisdiction for rectification of the register of members.

Article 41. Any shareholder who is registered in, or any person who requests to have his or her name entered in, the register of members may, if his or her share certificates are lost, apply to the Company for a replacement share certificate in respect to such shares.

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

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

Article 42. The Company shall not be liable to any person for any damages caused by the cancellation of the Original Certificate or the issuance of the replacement certificate, unless the claimant is able to prove that the Company has acted fraudulently.

Article 43. A shareholder shall enjoy rights and assume obligations according to the class and numbers of shares held by that shareholder. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 44. Shareholders of the Company shall have the following rights:

- (1) The right to receive dividends and other distributions in proportion to the number of shares held;
- (2) The right to request, convene, preside over, attend and vote in person or appoint a proxy to attend and vote correspondingly on their behalf at general meetings in accordance with the laws;
- (3) The right to supervise the Company's operations, and to put forward proposals or raise enquiries;
- (4) The right to transfer, gift or pledge the shares held in accordance with the laws and regulations of the PRC and the Articles of Association;
- (5) Review or copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee, the Company's latest audited financial statements, the reports of the Board of Directors, auditors and the Supervisory Committee and other materials permitted by the laws and regulations of the PRC;
- (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 proportion to the number of shares held;
- (7) With respect to shareholders who voted against any resolution adopted at a general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;
- (8) Any other rights prescribed by the laws and regulations of the PRC, regulatory rules in the place where the Company's shares are listed or the Articles of Association.

Article 45. Holders of the Company shall assume the following obligations:

- (1) To abide by the laws and regulations of the PRC and the Articles of Association;
- (2) To pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) Not to surrender the shares unless required by the laws and regulations of the PRC;
- (4) Not to abuse the shareholders' rights to prejudice the interests of the Company or other shareholders; not to abuse the status of the Company as an independent legal person or the limited liability of the shareholders to prejudice the interests of any creditors of the Company;
- (5) Other obligations imposed by the laws and regulations of the PRC, regulatory rules in the place where the Company's shares are listed and the Articles of Association.

Section 2. General Provisions for General Meetings

Article 46. The general meeting is the organ of authority of the Company and shall exercise the following functions and powers in accordance with the law:

- (1) To elect and replace directors and supervisors who are not staff representatives and to determine matters relating to the remuneration of the directors and supervisors;
- (2) To consider and approve the reports of the Board of Directors;
- (3) To consider and approve the reports of the Supervisory Committee;
- (4) To consider and approve the Company's profit distribution plans and loss recovery plans;
- (5) To make resolutions on increase or reduction of the Company's registered capital;
- (6) To make resolutions on the issue of debentures by the Company;

- (7) To make resolutions on the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (8) To amend the Articles of Association;
- (9) To make resolutions on the appointment, re-appointment or dismissal of the accounting firms;
- (10) To consider and approve the matters in relation to purchase or disposal of material assets or provision of guarantee by the Company of a value exceeding 30% of the Company's total assets within one year as well as other guarantee matters that should be approved by the general meeting in accordance with the laws and regulations of the PRC;
- (11) To consider share incentive plans;
- (12) To consider other matters which are required to be determined at the general meeting as required by the laws and regulations of the PRC and the Articles of Association;
- (13) Any other matters as required by the listing rules of the stock exchange on which the Company's shares are listed.

The aforesaid matters within the scope of duties and powers of the general meeting shall be considered and resolved by the general meeting, but may resolved by the Board of Directors under the authorization of the general meeting. For any authorization granted to the Board of Directors by the general meeting, the matter involved shall be approved by shareholders (including their proxies) representing more than a majority of the voting rights present at the general meeting if it constitutes an ordinary resolution, or by shareholders (including their proxies) representing more than two-thirds of the voting rights present at the general meeting if it constitutes a special resolution. The contents of the authorization shall be clearly specified in details.

Article 47. Unless otherwise required by the laws and regulations of the PRC, the listing rules of the place where the Company's shares are listed, or the Articles of Association, the provision of any external guarantee by the Company shall be considered and approved by the Board of Directors. The guarantee offered by the Company to a shareholder or de facto controller shall be approved at a general meeting.

When the general meeting is considering a resolution on provision of guarantee to any shareholder or de facto controller, the said shareholder or the shareholder(s) controlled by the said de facto controller shall abstain from voting on such resolution, and the resolution shall be subject to approval by other shareholders representing more than half of the voting rights present at the general meeting.

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

Article 48. Unless the Company is in a crisis or other special circumstances, the Company shall not, without the special resolution approval of the general meeting, enter into any contract with any party (other than the directors, supervisors, general manager and other senior management) pursuant to which such party shall be in charge of management of all of the Company's businesses or the Company's major businesses.

Article 49. A general meeting shall either be an annual general meeting or an extraordinary general meeting. Annual general meetings shall be held once every year and within six months from the conclusion of the preceding accounting year.

Extraordinary general meetings shall be convened as and when necessary. The Company shall convene an extraordinary general meeting within two months from the occurrence of any of the following circumstances:

- (1) When the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) When the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (3) When any shareholder individually or jointly holding more than 10% of the Company's shares requests in writing to do so;
- (4) When deemed necessary by the Board of Directors or when proposed by the Supervisory Committee;

- (5) When proposed by two or more of independent non-executive directors;
- (6) Any other circumstance prescribed by the laws and regulations of the PRC, the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed.

In any of the circumstances referred to in items (3), (4) and (5) above, the matter for consideration proposed by the party requesting the convening of the extraordinary general meeting shall be included in the agenda of such meeting.

Section 3. Convening of General Meeting

Article 50. General meetings are convened by the Board of Directors in accordance with laws.

Article 51. The Supervisory Committee has the right to propose to the Board of Directors the convening of an extraordinary general meeting, and shall submit the proposal to the Board of Directors in writing. The Board of Directors shall provide written feedback on whether agrees or disagrees with convening an extraordinary general meeting within ten days after receiving the proposal in accordance with the laws and regulations of the PRC and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary general meeting, it will issue a notice of convening the general meeting within five days after making the resolution of the Board of Directors. Any changes to the original proposal in the notice must obtain the consent of the Supervisory Committee.

If the Board of Directors disagrees with the convening of the extraordinary general meeting, or fails to provide feedback within ten days after receiving the proposal, it will be deemed that the Board of Directors is unable to perform or fails to perform its duty to convene a general meeting, and the Supervisory Committee may convene and preside over it on its own.

Article 52. Shareholders requesting the convening of extraordinary general meetings shall follow the procedures listed below:

- (1) Shareholders individually or jointly holding more 10% of the shares of the Company may sign one or more written requests of identical form and content requesting the Board of Directors to convene an extraordinary general meeting and stating the subject of the meeting. The Board of Directors shall provide written feedback on whether agrees or disagrees with convening an

extraordinary general meeting within ten days after having received the aforesaid written request in accordance with the laws and regulations of the PRC and the Articles of Association. The abovementioned shareholding shall be calculated as of the day on which the written request is made.

- (2) If the Board of Directors agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within five days after making the resolution of the Board of Directors. Any changes to the original request in the notice must obtain the consent of the relevant shareholders. If the Board of Directors disagrees with the convening of the extraordinary general meeting or fails to provide feedback within ten days upon receipt of such written request, the shareholders who made such written request may request the Supervisory Committee to convene the extraordinary general meeting.
- (3) If the Supervisory Committee agrees to convene an extraordinary general meeting, it shall issue a notice to convene the general meeting within five days of receiving the request. Any changes to the original proposal request in the notice must obtain the consent of the relevant shareholders. If the Supervisory Committee disagrees with the convening of the extraordinary general meeting or fails to issue a general meeting notice within the prescribed period upon receipt of such written request, shareholders, for more than ninety consecutive days, individually or jointly holding more than 10% of the shares of the Company may convene the meeting of their own accord. The convening procedures shall, to the greatest extent possible, be identical to procedures according to which general meetings are to be convened by the Board of Directors.

For the avoidance of doubt, on the date of convening the general meeting, the total percentage of shareholding held by the convening shareholders shall not be less than 10% of the Company's shares.

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

Section 4. Proposal and Notice of General Meeting

Article 53. When the Company convenes a general meeting, the Board of Directors, the Supervisory Committee and shareholders individually or jointly holding more than 1% of the shares of the Company shall be entitled to propose resolutions to the Company. Shareholders individually or jointly holding more than 1% of the shares of the Company may propose and submit new provisional resolutions in writing to the convener ten days prior to the general meeting. The convener of the general meeting shall issue a supplemental notice of general meeting to announce the contents of the provisional proposals and notify other shareholders within two days after the receipt of such resolutions (or within other time limits required by the regulatory rules of the place where the Company's shares are listed) and incorporate the matters falling within the scope of duties of the general meeting into the agenda of such meeting for the consideration.

Article 54. Resolutions for a general meeting shall comply with the following conditions:

- (1) The contents are not in conflict with the provisions of laws, regulations and the Articles of Association, and are within the scope of business of the Company and within the scope of duties and powers of the general meeting;
- (2) The matters have definite topics and specific resolutions;
- (3) The resolutions are submitted to the Board of Directors in writing.

Article 55. Where the Company is to convene an annual general meeting, it shall send written notice twenty days (excluding the date of issue of notice and the date of meeting) prior to the date of the meeting; when the Company is to convene an extraordinary general meeting, it shall send written notice fifteen days (excluding the date of issue of notice and the date of meeting) prior to the date of the meeting. Where the laws and regulations of the PRC, the securities regulatory authorities and the stock exchange in the place where the Company's shares are listed have other provisions, such provisions shall prevail.

Subject to the requirements of laws and regulations of the PRC and the regulatory rules of the place where the shares of the Company are listed and after the performance of the relevant procedures, delivery of notice of general meeting to holders of overseas-listed shares may be made by means of publication on the website of the Hong Kong Stock Exchange and website of the Company. For

shareholders of domestic shares, the general meeting notice can also be made by announcement. Upon the publication of the announcement, all holders shall be deemed to have received the notice of the relevant general meeting.

Article 56. A general meeting shall not transact business not stated in the notice of general meeting.

Article 57. Notice of the general meeting shall:

- (1) specify the time, place and date of the meeting;
- (2) set out the matters and proposals to be considered at the meeting;
- (3) equity registration date of shareholders who are entitled to attend the general meeting;
- (4) contain a clear statement that all shareholders of ordinary shares are entitled to attend the general meetings and have the right to appoint in writing proxies to attend and vote on his or her behalf and that such proxy need not be a shareholder of the Company;
- (5) specify the voting time and the voting procedures online or by other means;
- (6) other matters stipulated by the laws and regulations of the PRC.

Article 58. After the notice of the general meeting is issued, the general meeting shall not be postponed or canceled without justifiable reasons, and the proposals listed in the notice of the general meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons as early as possible before the original scheduled time.

Section 5. Convening of General Meetings

Article 59. All shareholders registered on the record date or their proxies shall be entitled to attend the general meeting of shareholders and to exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association.

Shareholders may attend the general meeting in person or entrust a proxy to attend and vote on their behalf.

Article 60. If an individual shareholder attends the meeting in person, he or she shall show his or her ID card or other valid documents or certificates indicating his or her identity, and the stock account card; if a proxy attends the meeting, he or she shall show his or her valid ID card and the shareholder's proxy form. Corporate shareholders shall attend the meeting through the legal representative or the proxy appointed by the legal representative. If the legal representative attends the meeting, he or she shall present his or her ID card, and a valid certificate that proves his or her status as the legal representative; if the proxy attends the meeting, the proxy shall present his or her ID card, and a written proxy form issued by the legal representative of the corporate shareholder in accordance with the law (except for Recognized Clearing House or its agent).

Article 61. Where the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

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

Where such shareholder is a Recognized Clearing House (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any general meeting and creditor meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which person is so authorized. The power of attorney shall be signed by a person authorized by the Recognized Clearing House. The authorized persons may attend meetings (without presenting proof of shareholding, notarized authorization and/or further evidence to prove they have obtained official authorization) and exercise relevant rights on behalf of the Recognized Clearing House (or its agent), as if the persons are individual shareholders of the Company.

Article 62. Such a form shall contain a statement that the proxy may vote as he or she deems fit in the absence of the shareholder's instruction.

Proxy form issued by the shareholders shall also contain the following: name of the proxy; whether voting power is granted to the proxy; the instructions for voting in favor, against or abstaining from voting on each matter included in the agenda of the general meeting; the date and validity period of the power of attorney; the signature (or seal) of the principal. If it is a legal person shareholder, the seal of the legal person entity shall be affixed.

Article 63. A general meeting shall be convened by the Board of Directors and presided over by the chairman of the Board of Directors. If the chairman of the Board of Directors is unable or fails to perform his or her duties, a director jointly elected by more than half of directors shall preside over the meeting.

If the chairman of the Board of Directors is unable or fails to perform his or her duties, the Supervisory Committee shall convene and preside over the meeting in a timely manner. If the Supervisory Committee fails to convene or preside over the meeting, the shareholders individually or jointly holding more than 10% of the shares of the Company for over ninety consecutive days may convene and preside over the meeting on their own initiative.

A general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his or her duties, one supervisor shall be elected jointly by more than half of the supervisors to preside over the meeting.

The general meeting convened by shareholder(s) itself or themselves shall be presided over by a representative elected by the convener. If no chairman is so elected, the attending shareholders shall elect one person to act as the chairman of the meeting. If for any reason the shareholders fail to elect a meeting chairman, the shareholder (including his or her proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.

When a general meeting is held and the chairman violates the rules of procedure in a way that makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman so as to carry on with the meeting, subject to the approval of more than half of the attending shareholders holding voting rights. If for any reason the shareholders fail to elect a meeting chairman, the shareholder (including his or her proxy) attending the meeting and holding the largest number of shares with voting rights shall chair the meeting.

Section 6. Voting at and the Passing of Resolutions at General Meetings

Article 64. Resolutions of general meetings are classified as ordinary resolutions and special resolutions.

Ordinary resolutions of the general meeting shall be passed by more than one-half of the voting rights represented by the shareholders (including their proxies) present at the meeting.

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

Shareholders (including their proxies) attending the meeting shall vote in favour of or against or abstaining from each matter which has been put to vote at the meeting. Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions". The abstention vote shall be regarded as valid votes when the Company counts the votes in respect of the relevant matter.

Article 65. Voting at the general meeting shall record the names of the voters. Shareholders (including their proxies) shall exercise their voting rights in accordance with the number of shares with voting rights represented by them, and each share entitles the shareholder one voting right at the general meeting.

The shares held by the Company have no voting rights, and are not counted as the total number of shares with voting rights held by shareholders attending the general meeting.

For any connected transaction to be considered at a general meeting, connected shareholders shall abstain from voting on such connected transactions if required by the applicable laws, regulations or the listing rules of the stock exchange on which the shares of the Company are listed, and the number of shares represented by such shareholders carrying voting rights shall not be counted into the total valid votes. The announcement of any resolution made at the general meeting shall adequately disclose information relating to voting by non-connected shareholders.

Where any shareholder is, under the applicable laws and regulations and the regulatory rules of the place where the Company's shares are listed (including the Hong Kong Listing Rules), required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 66. Unless the laws and regulations of the PRC or the regulatory rules of the place where the Company's shares are listed request to vote by ballot, the general meeting shall vote by show of hands.

Article 67. A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matter shall be taken at such time as the chairman deems appropriate, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution passed at that meeting.

Article 68. On a poll taken at a meeting, a shareholder (including his or her proxy) entitled to two or more votes need not cast all his or her votes in the same way.

Article 69. The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) Work reports of the Board of Directors and the Supervisory Committee;
- (2) Profit distribution plans and loss recovery plans prepared by the Board of Directors;
- (3) Appointment or removal of members of the Board of Directors and the Supervisory Committee (except for staff representative supervisors or director), and their remuneration;
- (4) The Company's annual report;
- (5) Any matters other than those required by the laws, administrative regulations, regulatory rules of the place where the Company's shares are listed and the Articles of Association to be approved by special resolution.

Article 70. The following matters shall be approved by special resolutions at a general meeting:

- (1) Increase or reduction of the registered capital, and issue of any class of shares, warrants and other similar securities of the Company;
- (2) Issuance of debentures of the Company;
- (3) Division, merger, dissolution, liquidation or change of corporate form of the Company;
- (4) Amendments to these Articles of Association;
- (5) Purchase or disposal of material assets or provision of guarantee to others by the Company within a year of a value exceeding 30% of the Company's total assets;
- (6) Share incentive plans;
- (7) Any other matters prescribed by the laws and regulations of the PRC or the Articles of Association, and those matters approved by ordinary resolution at a general meeting as having a material impact on the Company and are required to be approved by a special resolution;
- (8) Any other matters required by the regulatory rules of the place where the Company's shares are listed to be approved by special resolution.

Article 71. Where a general meeting requires directors, supervisors and senior management to attend the meeting as non-voting delegates, the directors, supervisors and senior management shall do so and accept enquiries from shareholders.

Article 72. The meeting chairman shall determine based on the voting result whether a resolution at a general meeting has been passed, and the voting result shall be announced at the meeting and recorded in the minutes of the meeting.

- Article 73.** If the meeting chairman has any doubt as to the result of any resolution put to the vote, he or she may have the votes counted. If the meeting chairman does not count the votes counted, any attending shareholder or proxy who objects to the result announced by the meeting chairman may demand that the votes be counted immediately after the declaration of the voting result, and the meeting chairman shall have the votes counted immediately.
- Article 74.** The minutes of the meeting together with the attendance records signed by the attending shareholders and proxy forms shall be kept at the address of the Company.
- Article 75.** Where the proposal on election of directors and supervisors is passed at the general meeting, the new directors and supervisors shall take office immediately after the election proposal is passed at the general meeting, unless the election proposal passed at the general meeting stipulates otherwise regarding the time of taking office.
- Article 76.** At a general meeting, the approach and procedures for nomination of directors and supervisors (except for staff representative supervisors) are as follows:
- (1) Shareholders individually or collectively holding 3% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected.
 - (2) Within the number of members as specified by the Articles of Association and based on the number of proposed candidates for election, directors and supervisors may propose a list of recommended candidates for directors and supervisors, which shall be submitted to the Board of Directors and Supervisory Committee for approval. After the list of candidates for directors and supervisors is determined based on the examination by the Board of Directors and Supervisory Committee and the adoption of a resolution, it should be proposed in writing at a general meeting.
 - (3) At the general meeting, voting for each candidate for a director and supervisor shall be taken separately.

- (4) In the case of ad hoc addition or replacement of any director or supervisor, the Board of Directors and Supervisory Committee shall put forward a proposal to the general meeting for such election or replacement.

Chapter 5. Board of Directors

Section 1. Directors

Article 77. Directors shall be elected or replaced at the general meetings for a term of three years, and are eligible to offer himself or herself for re-election upon expiration of his term of office. The terms of office of independent non-executive directors shall be three years, renewable upon re-election. If there are special provisions in the laws and regulations of the PRC and the regulatory rules of the place where the Company's shares are listed, such provisions shall prevail.

The general manager or other senior management members may concurrently serve as directors, provided that the total number of directors who concurrently serve as the general manager or other senior management members and the total number of directors who are served by employee representatives (if any) shall not exceed half of the total directors of the Company.

Article 78. If any director fails to attend in person or appoint other directors as his or her representative to attend meetings of the Board of Directors for two consecutive times, such director shall be deemed to have failed to perform his duties, and the Board of Directors shall propose to replace such director at the general meeting.

Article 79. A director may resign before expiration of his term of office. The resigning director shall submit a written resignation to the Board of Directors. The Board of Directors will disclose the information within two days (or such other period as may be required by the regulatory rules of the place where the shares are listed).

In the event that a director is not re-elected in time upon the expiration of his or her term of office or if a director resigns during his or her term of office, resulting in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said director shall continue to perform his or her duties in accordance with the laws and regulations of the PRC and the Articles of Association until the newly elected director assume his or her office.

Save for otherwise provided in the Articles of Association, the resignation of a director shall become effective upon submission of his resignation to the Board of Directors.

Article 80. When a director's resignation becomes effective or his or her term of office expires, he or she shall duly carry out all handover procedures with the Board of Directors, his or her fiduciary obligations to the Company and shareholders shall not necessarily terminate by the time his or her term of office ends, and shall remain effective within two years after the expiration of the term.

Article 81. The Company shall have independent non-executive directors. The number of independent non-executive directors shall account for at least one-third of the Board of Directors and shall be no less than three, of whom there shall be at least one independent non-executive director with the appropriate professional qualification in compliance with the regulatory requirement, or with appropriate accounting or related financial management expertise. Independent non-executive directors shall perform their duties honestly and faithfully, safeguard the Company's interest and in particular, preventing encroachment of the lawful rights and interests of public shareholders, so as to ensure the sufficient representation of the interests of all shareholders.

Independent non-executive directors shall act in accordance with the relevant provisions of the laws and regulations of the PRC and the regulatory rules of the place where the Company's shares are listed. Independent non-executive directors may report directly to the general meeting, the China Securities Regulatory Commission and other relevant authorities.

Article 82. Prior to the expiration of his term of office, any director who has withdrawn from his office without permission, or who violates any laws and regulations of the PRC or the Articles of association during the course of performing his duties, and resulting any loss to the Company, such director shall be liable for compensation of such loss.

Article 83. No director shall act on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorized by the Board of Directors. In the event that a director is acting in his personal capacity, but may be reasonably deemed to be acting on behalf of the Company or the Board of Directors by a third party, such director shall state his stance and capacity in advance.

Section 2. Board of Directors

Article 84. The Company has established a Board of Directors, which is accountable to the general meeting. The Board of Directors shall comprise eleven directors. The Board of Directors shall have one chairman.

The chairman of the Board of Directors shall be elected or removed by more than one half of all directors, and shall hold office for a term of three years, who is then eligible to offer himself or herself for re-election and re-appointment.

The general meeting may remove any director before the expiration of his or her term of office by ordinary resolution.

Article 85. The Board of Directors shall be accountable to the general meeting and is dedicated with the following functions and powers:

- (1) To convene general meeting, and report its work to the general meeting;
- (2) To implement the resolutions of the general meeting;
- (3) To determine the business plan and investment plan of the Company;
- (4) To formulate the Company's annual financial budgets and accounts;
- (5) To formulate the Company's profit distribution plan and loss recovery plan;
- (6) To formulate the Company's plan for increasing or reducing registered capital, as well as plan for issuance and listing of corporate debentures or other securities;
- (7) To formulate plans for material acquisition, repurchase of the Company's shares, or merger, split-up, dissolution and change of corporate form of the Company;
- (8) To determine the setup of the Company's internal management structure;

- (9) To decide to appoint or remove the Company's general manager, a secretary to the Board of Directors and other senior management, and to determine their remunerations, rewards and punishments; and to, with the recommendation from the general manager, decide to appoint or remove the vice general manager, chief financial officer and other senior management of the Company, and to determine their remunerations, awards and punishments;
- (10) To formulate the Company's basic management system;
- (11) To formulate the proposed amendments to these Articles of Association;
- (12) To handle external investment, acquisition or disposal of assets, charging of assets, external guarantee, commissioned wealth management, connected transactions and external donations and other matters that shall be decided by the Board of Directors pursuant to the Hong Kong Listing Rules and the Articles of Association or within the scope of authorization by the general meeting;
- (13) To manage information disclosures of the Company pursuant to the laws and regulations of the PRC, Hong Kong Listing Rules and internal rules and regulations of the Company;
- (14) To propose to the shareholders' general meeting to appoint or replace an accounting firm;
- (15) To decide on other major affairs of the Company, save for matters required to be resolved at general meetings as specified under the Company Law and the Articles of Association;
- (16) To dedicate part of the functions and powers to the chairman;
- (17) Any other functions and powers stipulated in and conferred by the laws and regulations of the PRC, regulatory rules of the places where the Company's shares are listed or the Articles of Association.

Except for matters specified in items (6), (7) and (11) and laws and regulations of the PRC, regulatory rules of the places where the Company's shares are listed or as otherwise provided herein which shall be passed by two-thirds or more of all the directors, the resolutions of the Board of Directors in respect of any other matters mentioned above may be passed with the consents from more than one half of all directors.

The Board of Directors of the Company shall explain to the general meeting the non-standard opinions on the financial report of the Company contained in the audit report issued by the certified accountant.

Article 86. In respect of the disposal of fixed assets by the Board of Directors, if the sum of the expected value of fixed assets proposed for disposal and the value of fixed assets disposed of within 4 months before the proposed disposal exceeds 33% of the value of fixed assets as shown in the last balance sheet tabled before the general meeting, the Board of Directors shall not, without the approval of shareholders in a general meeting, dispose of or agree to dispose of any fixed assets of the Company.

For the purposes of this Article, the term "disposal of fixed assets" includes acts involving the transfer of interest in certain assets, but does not include the provision of guarantees with fixed assets.

Article 87. The chairman of the Board of Directors shall exercise the following functions and powers:

- (1) To chair the general meetings and to convene and chair the meetings of the Board of Directors;
- (2) To supervise and inspect the implementation of resolutions of the Board of Directors;
- (3) To sign share certificates, debentures and other marketable securities issued by the Company;
- (4) To sign material documents of the Board of Directors and other documents that shall be signed by the legal representative of the Company;

- (5) In the event of any urgent situation due to huge-scale natural disaster and other force majeure, to exercise special powers in relation to the Company's affairs in compliance with legal requirements and in the interests of the Company, and subsequently reports such activities to the Board of Directors and the general meeting;
- (6) Any other functions and powers stipulated in the laws and regulations of the PRC, regulatory rules of the places where the Company's shares are listed or the Articles of Association, as well as those conferred by the Board of Directors.

In the event that the chairman of the Board of Directors is unable to carry out his duties, a director elected by half or more of all directors may perform his duties.

The Board of Directors may, if necessary, authorize the chairman of the Board of Directors to exercise part of the powers of the Board of Directors when it is in recess.

Article 88. The meeting of the Board of Directors can be classified into regular meeting and extraordinary meeting. The Board of Directors shall held at least four meetings a year, and shall be convened by the chairman of the Board of Directors.

Article 89. If an extraordinary meeting of the Board of Directors is proposed to be held by any party below, the chairman of the Board of Directors shall convene and chair such meeting within ten days after receiving the request:

- (1) proposed by shareholders representing more than one tenth of the voting rights;
- (2) proposed by more than one third of the directors;
- (3) proposed by the Supervisory Committee;
- (4) other circumstances as stipulated in the laws and regulations of the PRC or the Articles of Association.

Article 90. Notice shall be given to all directors, supervisors and the general manager at least 14 days prior to a regular meeting of the Board of Directors, and at least 5 days prior to an extraordinary meeting of the Board of Directors. The responsible body of the Company shall serve a written notice of the meeting convened to all directors, supervisors and the general manager by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

In case of emergency and an extraordinary meeting of the Board of Directors is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

Article 91. Regular and extraordinary meeting of the Board of Directors shall contain reasonable details of the agenda of such meetings, which shall at least include the following details:

- (1) date and venue of the meeting;
- (2) duration of the meeting;
- (3) purpose and matters to be discussed;
- (4) form of meeting;
- (5) date of issue of the notice.

Article 92. The notice of meeting shall be deemed to have been issued to a director if he is present at the meeting and does not raise out the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Regular or extraordinary meetings of the Board of Directors may be held by way of teleconference or through other communication devices, and so long as the participating directors can hear and communicate with each other, all participating directors are deemed to have had participated in the meeting in person.

Article 93. The quorum of the meeting of the Board of Directors shall be more than half of the directors (including directors who are entrusted to attend in accordance with the provisions of the Articles of Association).

Each director has one vote. Unless otherwise provided by the law and regulations of the PRC and the Articles of Association, resolutions of the Board of Directors shall be passed by more than half of all directors.

Article 94. A director shall attend the meetings of the Board of Directors in person. If a director is not able to attend the meeting of the Board of Directors for any reason, he may appoint in writing other directors to attend the meeting on his behalf and specify the scope of authorization in the proxy and valid period, the name of the attorney, issues under authorization, which shall be signed or sealed by the appointer.

The director attending the meeting on other's behalf shall only exercise the rights of director within the scope of authorization. If a director fails to attend a meeting of the Board of Directors and do not appoint a representative to attend on his behalf, such director shall be deemed to have waived his right to vote at such meeting.

Article 95. When a director is connected to an enterprise or individual related to a resolution of the meeting of the Board of Directors, such director shall not exercise his or her voting rights in respect of such resolution, nor shall he or she vote on behalf of other directors. The meeting of the board of directors may be held with the presence of more than half of the non-connected directors, resolutions at the meeting of the Board of Directors shall be passed by more than half of the non-connected directors. If the number of non-connected directors attend the meeting of Board of Directors is less than three, the matter shall be submitted to the general meeting for consideration.

Article 96. Any material matters to be decided by the Board of Directors of the Company must be handled in strict accordance with the specified procedure, and notice shall be given to all directors at the time required by the Articles of Association and sufficient information shall be given at the same time. The directors may request additional information. When one-fourth or more of the directors or two or more of the independent non-executive directors consider that the information and materials are not sufficient or they are unable to make a decision on the matters for other reasons, they may jointly propose to postpone the meeting of the Board of Directors or delay the discussion of certain matters to be resolved in the meeting of the Board of Directors, and the Board of Directors shall adopt the relevant proposal.

Article 97. Unless otherwise required by the laws and regulations or the Listing Rules of Hong Kong, the Board of Directors may accept the written proposals in lieu of convening board meetings, but the draft of such proposals shall be delivered to each director through direct delivery, post, fax or e-mail. If a written proposal has been circulated to all directors by the Board of Directors, and the number of directors signed and approved such proposal has reached the required quorum for making a decision, after the signed document for approving such proposal being delivered to has circulated the written proposal to all directors, such proposal will become a resolution of the Board of Directors, and deemed to have the same legal effect as a resolution passed at a meeting of the Board of Directors convened in accordance with the procedures set out in the relevant provisions of the Articles of Association.

Article 98. The Board of Directors shall keep minutes of resolutions on matters discussed at the meeting, all attending directors and the recorder of the minutes shall sign the minutes of such meetings. The minutes of the meeting of the Board of Directors shall be kept as record of the Company for a period of at least 10 years. Directors shall be liable for the resolutions of the Board of Directors. If the resolutions of the Board of Directors violate the laws and regulations of the PRC or the Articles of Association or the general meeting's resolutions, and the Company suffers a material loss as a result thereof, the directors participating in the resolutions are liable to the Company for the losses. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempted from such liability. The attending directors are entitled to request that an explanatory record of their comments made at the meetings be noted in the minutes.

Section 3. Special Committees of the Board of Directors

Article 99. The Board of Directors shall establish Strategy and Development Committee, Audit Committee, Nomination Committee and Remuneration and Appraisal Committee. The duties, composition and rules of procedure of the special committees shall be resolved separately by the Board of Directors. Where necessary, the Board of Directors may establish other special committees. These special committees are special working body under the Board of Directors which provide advice or advisory opinions for the Board of Directors on material decisions. The special committees shall not make any decision in the name of the Board of Directors,

however, the committees may exercise decision-making power in respect to the authorized matters in accordance with special mandate granted by the Board of Directors.

Article 100. Each special committee is responsible to the Board of Directors, and its members are all directors, of which, the Audit Committee can only comprise non-executive directors and has at least three members, more than half of which shall be independent non-executive directors, with at least one member with the proper qualification as required by the Hong Kong Listing Rules, or appropriate accounting or related financial management expertise, and the convener (i.e. chairman) must be an independent non-executive director.

Article 101. The Remuneration and Appraisal Committee shall have more than half of independent non-executive directors, and the convener (i.e. chairman) must be an independent non-executive director. The convener (i.e. chairman) of the Nomination Committee must be the chairman of the Board of Directors or an independent non-executive director, and shall have a majority of independent non-executive directors.

Article 102. Where necessary, the Board of Directors may also establish other committees or make adjustment to the existing committees. The Board of Directors shall separately formulate the term of reference of each special committee to set out the respective responsibilities and procedures.

Chapter 6. Secretary to the Board of Directors of the Company

Article 103. The Company shall have a secretary to the Board of Directors. The secretary to the Board of Directors is a senior management officer of the Company.

Article 104. The secretary to the Board of Directors of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed or removed by the Board of Directors. His or her primary duties include:

- (1) To organize and arrange for the shareholders' general meetings and board meetings;
- (2) To ensure that the Company has a complete set of organizational documents and records;

- (3) To prepare and submit the report and document required by competent authority according to the laws;
- (4) To ensure the proper maintenance of the Company's register of shareholders, so as to ensure the persons who are entitled to obtain the relevant records and documents of the Company are able to obtain the same on a timely basis;
- (5) To act as the contact person of the Company with the securities regulatory authorities, to be responsible for organizing and preparing for prompt submission of the documents required by the regulatory authorities, and accept and organize the implementation of any assignment issued by the regulatory authorities;
- (6) To handle information disclosure matters, to be responsible for coordinating and organizing the Company's disclosure of information, establish and improve the information disclosure system, participate in all of the Company's meetings involving the disclosure of information, and keep informed of the Company's material operation decisions and related information in a timely manner;
- (7) To ensure the proper maintenance of the register of members and that the persons who have the rights of access to the relevant documents and records of the Company can obtain those records and documents in a timely manner;
- (8) To exercise other functions and powers as conferred by the Board of Directors, as well as other functions and powers as required by laws and regulations and the stock exchange in the place where the Company's shares are listed.

Article 105. A director or other senior management officers of the Company may act as the secretary to the Board of Directors. The accountants of the accounting firm which has been appointed by the Company and the management members of controlling shareholders shall not concurrently act as the secretary to the Board of Directors.

If a director of the company concurrently serves as secretary to the Board of Directors, in the event that an action must be separately carried out by a director and a secretary to the Board of Directors, the person who holds the offices of director and secretary to the Board of Directors shall not act in dual capacity.

Chapter 7. General Manager and Other Senior Management

Article 106. The Company shall have one general manager, one deputy general manager, a number of senior management, who shall be appointed and removed by the Board of Directors.

The general manager, deputy general manager, chief financial officer, secretary to the Board of Directors and other staff authorized by the Board of Directors are the senior management of the Company. The deputy general manager shall assist the general manager in his work and be accountable to the general manager.

Article 107. The term of general manager shall be three years, and can be reappointed by the Board of Directors upon expiry.

The term of office of a general manager shall start from the date his appointment is resolved by the Board of Directors, and shall end upon the expiry of the current term of the Board of Directors.

Article 108. The general manager shall be accountable to the Board of Directors and is dedicated with the following functions and powers:

- (1) To be in charge of the production, operation and management of the Company, implementation of the resolution of the Board of Directors, and to report to the Board of Directors;
- (2) To arrange and implement the annual business plan and investment plan of the Company;
- (3) To formulate proposal for the setup of the Company's internal management structure;
- (4) To formulate the Company's basic management system;
- (5) To formulate the rules and regulations of the Company;
- (6) To propose the appointment and removal of the deputy general manager, chief financial officer and other senior management;

- (7) To appoint or remove the management officers other than those required to be appoint or remove by the Board of Directors;
- (8) To decide on other matters of the Company within the authorization of the Board of Directors;
- (9) To decide on investment, acquisition or disposal, financing and other projects other than those that must be decided by the Board of Directors or general meeting;
- (10) Other duties and powers authorized by the Articles of Association or the Board of Directors.

Article 109. The general manager shall attend the meetings of the Board of Directors and, if the general manager is not a director, he shall not have voting right thereat.

Article 110. The Company shall have one financial officer, who shall be appointed or dismissed by the Board of Directors, and shall be accountable to the Board of Directors and the general manager.

Article 111. In the exercise of his powers, the senior management shall comply with the laws and regulations of the PRC and the Articles of Association, and fulfil his duties in good faith and with due diligence, he/she shall indemnify the Company against losses incurred due to such violation.

Chapter 8. Supervisor and Supervisory Committee

Article 112. The Company shall establish the Supervisory Committee, which shall exercise its supervisory powers in accordance with the law and regulations of the PRC and the Articles of Association.

Article 113. The Supervisory Committee is comprised of three supervisors, one of whom shall act as the chairman of the Supervisory Committee. The term of office of supervisors shall be three years, and are eligible for re-election and re-appointment.

The appointment and removal of the chairman of the Supervisory Committee shall be subject to the approval of more than half of its members by voting.

Article 114. The Supervisory Committee shall comprise shareholder representative supervisors and staff representative supervisors, of which staff representative supervisors shall account for not less than one third of the members of the Supervisory Committee. The shareholder representative supervisor shall be elected and removed by the general meeting, while staff representative supervisor shall be elected by the employee representatives' meeting, employees union and other democratic means.

Article 115. The directors and senior management of the Company shall not concurrently act as supervisors.

Article 116. The Supervisory Committee shall be accountable to the general meeting and is dedicated with the following functions and powers:

- (1) To review the periodic reports of the Company prepared by the Board of Directors;
- (2) To inspect the Company's financial position;
- (3) To monitor any acts on the part of directors and senior management in their performance of duties and propose dismissal of directors and senior management that may violate the laws and regulations of the PRC and the Articles of Association or the resolutions of general meetings;
- (4) To demand directors and senior management to make rectification if their act has damaged the Company's interest;
- (5) To review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the general meetings; if there is any doubt, it can engage certified public accountants and practicing auditors in the name of the Company to assist their second review;
- (6) To propose the convening of an extraordinary general meeting, and convene and chair the general meeting when the Board of Directors fails to perform such duties as required by the Company Law;
- (7) To submit proposals to the general meeting;
- (8) To propose the convening of an extraordinary board meeting;

- (9) To deal with the directors on behalf of the Company or bring an action against a director and senior management in accordance with the Company Law;
- (10) To conduct investigation if there is any unusual circumstance in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;
- (11) To exercise other functions and powers specified in the laws and regulations of the PRC and the Articles of Association.

Supervisors shall attend the board meetings as non-voting participants.

Article 117. The Supervisory Committee shall convene at least once meeting every six months, which shall be convened and presided by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor who has been elected by more than half of the supervisors shall convene and preside over the meeting of the Supervisory Committee. A supervisor may propose to convene an extraordinary meeting of the Supervisory Committee.

Notice shall be given to all supervisors at least 14 days prior to a regular meeting of the Supervisory Committee, and at least 5 days prior to an extraordinary meeting of the Board of Directors. The staff working for the Supervisory Committee shall serve a written notice of the meeting convened to all supervisors by hand, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

In case of emergency and an extraordinary meeting of the Supervisory Committee is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

Regular and extraordinary meeting of the Supervisory Committee shall contain reasonable details of the agenda of such meetings, which shall at least include the following details:

- (1) date and venue of the meeting;

- (2) duration of the meeting;
- (3) purpose and matters to be discussed;
- (4) date of issue of the notice.

Article 118. The notice of meeting shall be deemed to have been issued to a supervisor if he is present at the meeting and does not raise out the issue of non-receipt of such notice prior to or at the time of his arrival at the meeting.

Regular or extraordinary meetings of the Supervisory Committee may be held by way of teleconference or through other communication devices, and so long as the participating supervisors can hear and communicate with each other, all participating supervisors are deemed to have had participated in the meeting in person.

Article 119. The method for resolving matters by the Supervisory Committee: resolutions of the Supervisory Committee shall be made by way of voting with one vote for each supervisor by way of open and written ballot.

The voting procedure: a supervisor may vote for, against or abstain from voting. Each attending supervisor shall indicate his intention by casting his vote as one of the above, for those who fail to cast his vote with one of the option above or cast his vote with two or more options stated above, the chairman of the meeting shall request such supervisor to vote again, and those refuse to do so shall be regarded as having waived the voting rights at such meeting. Any supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having waived the voting rights at such meeting.

The resolution of the chairman of the Supervisory Committee shall be subject to the approval of more than half of its members by voting.

Article 120. The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, all attending supervisors shall sign the minutes of such meetings. A supervisor is entitled to request that an explanatory note be made with regard to his speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept at the address of the Company, and minutes of the meeting of the Supervisory Committee shall be kept as the Company's record at least 10 years.

Article 121. A supervisor shall carry out his supervisory duties honestly and faithfully in accordance with the laws and regulations of the PRC and the Articles of Association.

Chapter 9. Qualifications and Obligations of Directors, Supervisors and Senior Management of the Company

Article 122. The directors, supervisors, general manager or other senior management personnel of the Company are natural persons. The following persons may not serve as a director, supervisor, the general manager, or other senior management of the Company:

- (1) A person without or with limited capacity for civil conduct;
- (2) A person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or damaging the social economic order, where less than five years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than five years have elapsed since the sentence was served, and less than two years have elapsed since the date of the completion of the probation period if probation is announced;
- (3) A person who is a former director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than three years have elapsed since the date of 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 the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than three years have elapsed since the date of the revocation of business license and the closure ordered of such company or enterprise;
- (5) A person who is listed as a defaulter by a people's court since he has a relatively large amount of debts which have become overdue;
- (6) A person who is under a penalty of prohibited access to the securities market imposed by the CSRC, which is still effective;

- (7) A person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (8) A person who, according to laws and regulations of the PRC, is not permitted to be the leader of an enterprise;
- (9) Other persons stipulated in the relevant laws and regulations of the place where the Company's shares are listed.

For director, supervisor, general manager, or other senior management elected, appointed and engaged in violation of this provision, such election, appointment and engagement will be void. If the above situation exists for a director, supervisor, general manager, or other senior management during his term of office, the Company will discharge him or her from duty.

Article 123. The remuneration assessment mechanism for the Company's directors, supervisors and senior management shall be formulated and assessed by the Board of Directors and the Supervisory Committee respectively.

Article 124. The controlling shareholders, de facto controllers, directors, supervisors and senior management of the Company shall not use their related-party relationship to harm the interest of the Company.

In the event of any violation against the provisions of the preceding paragraph which causes losses to the Company, they shall be liable for compensation.

Article 125. Directors, supervisors and senior management of the Company who violates any laws and regulations of the PRC or the provisions of the Articles of Association during the course of performing their duties, resulting in any loss to the Company, they shall be liable for compensation.

In the event that the directors and senior management of the Company violate any laws and regulations of the PRC or the provisions of the Articles of Association and damage the interests of the shareholders, the shareholders may file a lawsuit with the People's Court.

Article 126. The fiduciary duties of a director, supervisor, general manager and other senior management of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. Other duties may continue for such period

as the principle of fairness may require, depending on the length of time that has elapsed between termination and the act concerned and the circumstances and terms under which their relationship with the Company have been terminated.

Chapter 10. Financial and Accounting System, Profit Distribution and Audit

Section 1. Financial and Accounting System

Article 127. The Company shall establish its financial and accounting system in accordance with the laws and regulations of the PRC, listing rules of the place where the shares of the Company are listed and the accounting standards requirements stipulated by the competent financial authorities.

Article 128. The Company shall adopt the Gregorian calendar year for its accounting year, namely that the accounting year shall be from 1 January to 31 December.

At the end of each accounting year, the Company shall prepare a financial report which shall be audited and verified according to law. The financial statements of the Company shall be prepared in accordance with China Accounting Standards for Business Enterprises and requirements of applicable laws and regulations of the PRC as well as the requirements of securities regulatory authorities in the place where the Company's shares are listed.

Article 129. The Company's Board of Directors shall make available before the shareholders at every annual general meeting such financial reports prepared by the Company in accordance with the relevant provisions of laws and regulations of the PRC.

Article 130. The Company shall not maintain books of accounts other than those provided for by law. The Company's funds shall not be deposited in an account maintained in the name of any individual.

Article 131. The Company's financial reports shall comprise the directors' report, together with the balance sheet (including all other documents to be annexed as required by the People's Republic of China or other nations and regions' laws and administrative regulations) and the profit and loss statement (the profit statement) or the statement of income and expense (the statement of cash flow), or (subject to the relevant laws and regulations of the People's Republic of China) the summary financial report as approved by The Stock Exchange of Hong Kong Limited.

- Article 132.** The Company shall, at least 21 days before convening of the annual general meeting, provide the aforesaid financial reports (including each document to be attached to the balance sheet as prescribed by applicable provisions) to the shareholders. The Company may also do the same by announcement (including through the Company's website) in accordance with the laws and regulations of the PRC, the regulatory rules of the place where the Company's shares are listed.
- Article 133.** The Company shall publish its financial reports twice every accounting year, i.e. to publish its interim financial report within three months after the end of the first six months of the accounting year, and to publish its annual financial report within four months after the end of each accounting year.
- Article 134.** The Company shall file, disclose and/or submit financial reports and other documents to shareholders in accordance with the requirements of the securities regulatory authorities in the place where the shares are listed.
- Article 135.** In distributing the profit after tax of the current year, the Company shall allocate 10% of its profit into its statutory reserve fund. When the aggregate amount of the statutory reserve fund of the Company is more than 50% of its registered capital, further appropriations are not required.

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

After allocation of its profits after tax to its statutory reserve fund, the Company may, subject to the approval of the general meeting, allocate its profits after tax to its discretionary reserve fund.

After making up for the losses and making allocations to the reserve fund, any remaining profits after tax shall be distributed to shareholders in proportion to their respective shareholdings. After the general meeting has resolved on the plan to allocate profits, or after the Board of Directors of the Company has formulated a specific plan according to the interim dividend conditions and caps for the next year reviewed and approved at the annual general meeting, the distribution of dividends (or bonus shares) shall be completed within 2 months (or such other period as may be prescribed by the laws and regulations of the PRC and the regulatory rules of the place where the Company's shares are listed).

If the general meeting has, in violation of the provision of the preceding paragraph, distributed profits to shareholders before the Company has made up for its losses and made allocations to its statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of the provision; if it causes losses to the Company, the shareholders and the responsible directors, supervisors and senior management shall be liable for compensation.

The Company's shares held by the Company are not entitled to any profit distribution.

Article 136. Capital reserve fund includes the following items:

- (1) Premium received when shares are issued at a premium to their par value;
- (2) The proceeds from the issuance of no-par shares are not credited to the registered capital;
- (3) Any other income required by the finance regulatory department of the State Council to be included in the capital reserve fund.

Article 137. The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or increasing the capital of the Company. If the reserve fund is applied for making up for losses of the Company, it should first utilize the discretionary reserve fund and the legal reserve fund; if the losses still cannot be made up, the Company may utilize the capital reserve fund in accordance with the regulations.

Where the statutory reserve fund is converted into increased registered capital, distribution of new shares in proportion to shareholders' original shares, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

Article 138. The Company may distribute dividends in the form of (or a combination of both):

- (1) Cash;
- (2) Shares;
- (3) Any other means permitted by laws and regulations of the PRC or regulatory rules in the place where the shares of the Company are listed.

Article 139. The Company shall appoint a receiving agent for holders of overseas-listed shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect to the overseas-listed shares, and such payment shall be kept by the receiving agent on such shareholders' behalf for any payment to them.

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

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

Subject to the laws and regulations of the People's Republic of China, the Company may exercise its right to claim over unclaimed dividends, provided that such right shall not be exercised until after the expiration of the applicable limitations period.

If the Company ceases sending dividend warrants by post to a holder of overseas-listed foreign shares, it shall be stipulated that such warrants have been left uncashed. The Company shall only exercise such power until such 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 relation to the exercise of right to issue warrants to bearer, no new warrant shall be issued to replace one that has been lost unless the Company is satisfied beyond a reasonable doubt that the original warrant has been destroyed. The Company has the right to sell, by means considered appropriate by the Board of Directors, the shares of a holder of the overseas-listed foreign shares who is untraceable under the following circumstances:

- (1) During a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and

- (2) Upon expiry of the 12 years, the Company gives notice of its intention to sell the shares by way of an announcement published in one or more newspapers in the place where the Company's shares are listed and notifies Hong Kong Stock Exchange of such intention.

Article 140. The cash dividend and other amount paid by the Company to the holders of domestic shares shall be paid in Renminbi. The cash dividend and other amounts paid by the Company to the holders of overseas-listed foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong Dollars. The foreign currency required for the payment of cash dividends and other amount by the Company to the holders of overseas-listed foreign shares shall be arranged in accordance with the provisions of the People's Republic of China in relation to foreign exchange administration.

Section 2. Appointment of Accountant Firm

Article 141. The Company shall appoint an independent accounting firm which is qualified under the relevant national regulations to audit accounting statements and others reports.

Article 142. The accounting firm appointed by the Company shall hold their position for one year, from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual general meeting, and can be reappointed.

The appointment, dismissal or no longer re-appointment of an accounting firm by the company must be decided by the general meeting of shareholders, and the board of directors shall not appoint an accounting firm before the decision of the general meeting of shareholders.

Article 143. The accounting firm appointed by the Company shall have the following rights:

- (1) The right to review the books, records and documents of the Company at any time, the right to require the directors, general managers or other senior management officers of the Company to provide relevant information and explanation;
- (2) The right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as necessary for discharging its duties;

- (3) The right to attend general meetings and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

The Company shall provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

Article 144. If there is a vacancy in the position of accounting firm of the Company, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the general meeting. If there is any other accounting firm appointed by the Company during the period in which a vacancy exists, such accounting firm may continue to act in this capacity.

Article 145. The general meeting may, by ordinary resolution, remove an accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the firm and the Company. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

Article 146. The remuneration of an accounting firm or the manner in which such remuneration is to be decided shall be determined by the general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.

Article 147. If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it shall notify the accounting firm 10 days in advance, and the latter has the right to state its opinions at the general meeting. If the accounting firm resigns, it shall make clear at the general meeting whether there is any impropriety on the part of the Company.

Chapter 11. Notices and Announcement

Article 148. Notices of the Company may be delivered through the following means:

- (1) By hand;
- (2) By fax, email or post;

- (3) By way of publishing information on websites designated by the Company and the stock exchange, subject to the laws and regulations of the PRC and the listing rules of stock exchange of the places where the Company's shares are listed;
- (4) By way of announcement;
- (5) By any other means as agreed by the Company or the recipient or as accepted by the recipient after the notice is received;
- (6) By any other means as approved by the relevant regulatory authorities in the places where the Company's shares are listed or as specified in the Articles of Association.

For notices issued by the Company to the holders of overseas-listed shares by way of announcement, the Company shall submit a ready to release electronic version to the Hong Kong Stock Exchange through the e-submission system of the Hong Kong Stock Exchange on the website of the Hong Kong Stock Exchange in accordance with the local listing rules. The announcement shall at the same time also be published on the Company's website. For shareholders of domestic shares, the notice may also be sent out in form of announcement.

As for the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by means provided in item (3) above. Corporate communication includes, but not limited to, circulars, annual reports, interim reports, notices of general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

Holders of overseas-listed foreign shares of the Company may also elect in writing to receive a printed copy of the aforesaid corporate communications by post.

Article 149. Unless otherwise specified in the Articles of Association, the various means of sending notices specified in the preceding paragraph shall apply to the notices of general meetings, board meetings and meetings of the Supervisory Committee convened by the Company.

Article 150. For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serve. If the notice is delivered by post, it shall be deemed to have been received after 48 hours from the date the notice is delivered to the post office. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to have been received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to have been received on the date on which the announcement is first published, the notice shall be deemed as received by all relevant persons once the said notice is announced. Such announcement shall be published on the media for information disclosure that satisfy the relevant requirements.

Article 151. In the event that the listing rules of the stock exchange in the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable law and regulations and pursuant to the applicable laws and regulations.

Article 152. The accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, any person entitled to receive notice shall not invalidate the meeting or the resolutions passed at the meeting.

Chapter 12. Merger and Split-up of the Company, Capital Increase, Capital Decrease, Dissolution and Liquidation

Section 1. Merger and Split-up, Capital Increase, Capital Decrease

Article 153. In the event of the merger or split-up of the Company, the Company's Board of Directors shall put forward a proposal for approval in accordance with the procedures stipulated in the articles of association, and go through the relevant approval formalities required by the law after the proposal is being approved. Shareholders who oppose the plan of merger or split-up of the Company shall have the right to request the Company to purchase their shares at a reasonable price. The content of the resolution of the merger or split-up of the Company shall be documented separately and made available for inspection by the shareholders.

The aforesaid documents shall also be sent to each holder of overseas-listed foreign shares in accordance with the relevant requirements of the place where the shares of the Company are listed.

Article 154. The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days from the date of the Company pass the resolution in respect of the merger and shall publish an announcement in a newspaper or National Enterprise Credit Information Publicity System within thirty days from the date of such resolution. A creditor shall have the right to require the Company to repay its debts or to provide a corresponding guarantee within thirty days from the date it receives the relevant notice or, in the case of a creditor who did not receive such notice, within forty-five days from the date of the relevant announcement.

During the merger, claims and debts of each of the merged parties shall be assumed by the company survives the merger or the newly established company.

Article 155. When the Company merges with a company more than 90% shares of which is held by it, the merged company does not need to pass a resolution at the general meeting, but it shall notify other shareholders, who have the right to request the Company to acquire their shares at a reasonable price.

If the price paid for the company merger does not exceed 10% of the Company's net assets, it can be done without a resolution at the general meeting, unless otherwise provided by the laws and regulations of the PRC or the regulatory rules of the place where the Company's shares are listed.

If the merger of the Company in accordance with the provisions of the preceding two paragraphs does not require a resolution at the general meeting, it shall be subject to a resolution by the Board of Directors.

Article 156. In the event of a split-up of the Company, its properties shall be divided up accordingly.

In the event of a split-up, the Company shall prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten days from the date of the Company pass the resolution in respect of the split-up and shall publish an announcement in a newspaper or National Enterprise Credit Information Publicity System within thirty days from the date of such resolution.

Unless otherwise agreed in writing between the Company and its creditors in relation to the repayment of debts before the split-up, the surviving companies after the split-up shall assume the indebtedness of the Company incurred before such split-up.

Article 157. The Company shall, in accordance with law, apply for change in registration with the company registration authority where there is a change in any item in its registration as a result of any merger or split-up; in case of the Company is dissolved, the Company shall apply for deregistration in accordance with the laws; in case of establishment of a new company, the Company shall apply for registration thereof in accordance with the laws.

Increase or decrease of the registered capital of the Company shall apply for change in registration with the company registration authority according to law.

Section 2. Dissolution and Liquidation of the Company

Article 158. Under any of the following circumstances, the Company shall be dissolved:

- (1) the operating period stipulated in the Articles of Association expires or the occurrence of other events for dissolution stipulated in the Articles of Association;
- (2) the general meeting resolved to dissolve the Company;
- (3) the Company is required to dissolve as a result of a merger or split-up;
- (4) its business license has been revoked, or it is ordered to close down or is deregister according to the laws;

- (5) the Company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters, shareholders holding 10% or more of the total voting rights of the Company may appeal to the People's Court for dissolution of the Company.

If the Company has any grounds for dissolution specified in the preceding paragraph, it shall publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 159. If the Company is under the circumstance stated in item (1) and (2) of Article 156 of the Articles of Association, and has not yet distributed property to shareholders, the Company can continue operation by amending the Articles of Association or through the general meeting's resolutions.

The amendments to the Articles of Association or the general meeting's resolutions pursuant to the aforesaid provision are subject to the approval by shareholders holding more than two-thirds of the voting rights of the shareholders presented at the general meeting.

Article 160. Where the Company is dissolved pursuant to items (1), (2), (4) and (5) of Article 156, it shall be liquidated. The directors shall be the Company's liquidation obligor, and a liquidation committee shall be formed within 15 days from the date of occurrence of such grounds for dissolution, to carry out the liquidation process.

Article 161. The composition of the liquidation committee shall be determined by directors or the general meeting. In case no such committee is established within the required timeframe or such committee does not carry out liquidation after the establishment, the interested person may make an application to the People's Court for appointing relevant persons to form the liquidation committee for liquidation. If the liquidation obligor fails to perform the liquidation obligation in time and causes losses to the Company or creditors, it shall be liable for compensation.

Article 162. During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) To sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) To notify creditors by sending notice and making public announcement;

- (3) To deal with and settle any outstanding businesses of the Company;
- (4) To pay outstanding taxes as well as taxes arising in the course of liquidation;
- (5) To settle claims and debts;
- (6) To distribute of the remaining assets of the Company after the repayment of debts;
- (7) To represent the Company in any civil proceedings.

Article 163. The liquidation committee shall notify creditors within 10 days from the date of its establishment and publish announcements in newspapers or National Enterprise Credit Information Publicity System within 60 days. The creditors may declare their claims to the liquidation committee within 30 days from the date it receives the above notice or within 45 days from the date of announcement if no such notice is received.

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

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

Article 164. After sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the shareholders' general meeting or to the competent authorities for confirmation.

The assets of the Company shall be used to pay liquidation expenses, staff wages and social insurance expenses and statutory compensation, outstanding taxes, and repay the Company's debts, and the remaining assets of the Company after repayment of its debts shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist, but it shall not engage in any operation activities irrelevant to the liquidation. Before using for liquidation in accordance with the previous provision, the assets of the Company will not be distributed to the shareholders.

Article 165. Where the Company is liquidated for dissolution, if, after sorting out the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, it shall apply to the People's Court for bankruptcy and liquidation.

After the People's Court accepts the petition for bankrupt, the liquidation committee shall handover the liquidation matters to bankruptcy administrator appointed by the People's Court.

Article 166. Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, submit the same to the general meeting or the competent authorities for confirmation, shall then be submitted to the company registration authority for cancellation of the registration of the Company and make an announcement on the termination of the Company.

Chapter 13. Amendments to the Articles of Association

Article 167. The Company may amend the Articles of Association according to the provisions of laws and regulations of the PRC, the listing rules in the place where the Company's shares are listed and the Articles of Association.

Article 168. Unless otherwise provided by the laws and regulations of the PRC or the Articles of Association, the following procedures shall be followed when amending the Articles of Association:

- (1) The Board of Directors shall pass a resolution in respect of the amendment to the Articles of Association first and prepare a proposal for amending the Articles of Association;
- (2) The Board of Directors shall convene a general meeting for voting on such proposals thereat;
- (3) The general meeting approves such proposals by special resolution;
- (4) The Company shall submit the amended Articles of Association to the company registration authority for filing.

Article 169. Amendments to the Articles of Association which are subject to the examination and approval of the competent authorities shall be submitted to the competent authorities for approval. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the law.

Article 170. The Board of Directors shall amend the Articles of Association in accordance with the resolution of the general meetings on amendment to the Articles of Association and the examination and approval opinions from relevant competent authorities.

Chapter 14. Supplementary Provisions

Article 171. In the Articles of Association, the meaning of the term “accounting firm” is the same as that of “auditor”.

In the Articles of Association, “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment, agreement or other arrangement.

In the Articles of Association, “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.

The term “general meeting” in the Articles of Association shall be same as the “shareholders’ meeting” of a joint stock company stipulated in the Company Law.

In the Articles of Association, “connected transaction” has the same meaning ascribed to it under the Hong Kong Listing Rules.

In the Articles of Association, “general manager” and “vice general manager” refer to the president and vice president of the Company respectively. In the Articles of Association and internal control system of the Company, president and general manager has the same meaning, while vice president and vice general manager also has the same meaning.

In the Articles of Association, “Renminbi” means the lawful currency of the People’s Republic of China.

In the Articles of Association, “laws and regulations of China” means the laws, regulations, rules and orders promulgated by the legislative, judicial and governmental authorities, which include act, statutory law or other legislative measures and regulations, rules, treaty, orders and decree.

Article 172. The Articles of Association are written in Chinese. Should there be any discrepancy between the versions in other languages and the Chinese version, the Chinese version most recently approved and registered by the Market Supervision Administration Department shall prevail.

Article 173. The Articles of Association shall be interpreted by the Board of Directors of the Company.

Article 174. The Board of Directors may formulate articles of association in accordance with the provisions of the Articles of Association. The articles of association shall not conflict with the provisions of the Articles of Association. The Procedures of General Meetings, Procedures of the Board of Directors and the Procedures of the Supervisory Committee are included in the annex of the Articles of Association.

Article 175. Unless otherwise provided by the laws and regulations of the PRC or the Articles of Association, the Articles of Association submitted to the general meeting by the Board of Directors shall come into effect upon the approval by the general meeting. The articles of association of the Company that are currently in force shall automatically lapse from the effective date of the Articles of Association.