

ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

Articles of Association

These Articles of Association were considered and approved at the second extraordinary meeting in 2019 held on 29 August 2019, and became effective on the date when the H shares of the Company, permitted by the relevant departments of the PRC and the relevant regulatory authorities, are listed and traded on The Stock Exchange of Hong Kong Limited, considered and amended by a special resolution passed at the 2019 annual general meeting held on 24 June 2020, and considered and amended by a special resolution passed at the 2021 annual general meeting held on 20 May 2022.

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CHAPTER I GENERAL RULES

Article 1

These Articles of Association have been prepared in accordance with the requirements under the Company Law of the People's Republic of China (2018 Revision) (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (2014 Revision) (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies (hereinafter referred to as the "Special Regulations"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (hereinafter referred to as the "Mandatory Provisions"), Reply of the State Council on the Adjustment to the Provisions of the Notice Period for Convening the General Meeting and Other Matters Applicable to the Overseas Listed Companies, and other relevant laws, administrative rules, regulations and directives (hereinafter referred to as the "laws and regulations") as well as the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Listing Rules") in order to safeguard the legitimate rights and interests of the Company, its shareholders and creditors and govern the organization and actions of the Company. In case of any inconsistency between the articles of association and laws, regulations and rules, the provisions of laws, regulations and rules shall prevail.

Article 2

The Company is a joint stock company with limited liability established in accordance with the Company Law, the Securities Law, the Special Regulations and other laws and regulations.

As approved by the Administrative Committee of Zhongguancun Science Park, the Company was converted to a joint stock company with limited liability from its predecessor, namely Zhongguancun Science-Tech Leasing Ltd. (中關村科技租賃有限公司), and established by way of promotion. It is registered with and has obtained a business license from the Market Supervision Administration of Chaoyang District, Beijing (北京市朝陽區市場監督管理局) on 16 August 2019. The Company's uniform social credit code is 91110000057334159N.

The promoters of the Company include Zhongguancun Development Group Co., Ltd.* (中關村發展集團股份有限公司), Beijing Chaoyang State-owned Capital Operation and Management Center * (北京市朝陽區國有資本經營管理中心), Beijing Chaoyang District Wangjing Xinxing Industry Zone Comprehensive Development Company* (北京望京新興產業區綜合開發有限公司), Nanshan Group Capital Investment Co., Ltd.* (南山集團資本投資有限公司), Beijing OriginWater Technology Co., Ltd.* (北京碧水源科技股份有限公司) and Beijing Zhongguancun Finance Group Co., Ltd.* (北京中關村科技創業金融服務集團有限公司).

The promoters of the Company and their types of capital contributions, the number of shares subscribed, the proportion of shares and the time of contribution are as follows:

No.	Name of Promoter	Type of Capital Contribution	the Number of Shares Subscribed (10,000 shares)	proportion of shares	Time of Contribution
1	Zhongguancun Development Group Co., Ltd.*	Net assets converted into shares	60,000	60%	August 13, 2019
2	Beijing Chaoyang State Owned Capital Operation Management Company Limited*	Net assets converted into shares	10,000	10%	August 13, 2019
3	Beijing Chaoyang District Wangjing Xinxing Industry Zone Comprehensive Development Company*	Net assets converted into shares	10,000	10%	August 13, 2019
4	Nanshan Group Capital Investment Co., Ltd.*	Net assets converted into shares	9,990	9.99%	August 13, 2019
5	Beijing OriginWater Technology Co., Ltd.*	Net assets converted into shares	6,010	6.01%	August 13, 2019
6	Beijing Zhongguancun Finance Group Co., Ltd.*	Net assets converted into shares	4,000	4%	August 13, 2019
Total		—	100,000	100%	—

Article 3

The Company's registered Chinese name: 中關村科技租賃股份有限公司

The Company's registered English name: ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

Article 4

Place of domicile of the Company: 1610, 16/F, Building 101 (2-16/F), No. 21 Rongda Road, Chaoyang District, Beijing

Postal code: 100012

Telephone number: 010-8345-3801

Facsimile number: 010-8345-3809

Article 5

The Chairman of the board of Directors of the Company is the legal representative of the Company.

Article 6

The Company is a joint stock company with limited liability in perpetual existence.

The Company is a legal entity with independent legal person properties and rights therein.

All the capital of the Company is divided into shares of equal value. The liability of the shareholders in respect of the Company is limited to the extent of the shares subscribed by them, and the liability of the Company to its indebtedness is limited to the amount of all the properties owned by it.

Article 7

The Articles of Association take effect on the day of establishment of the Company.

From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document governing the Company's organization and actions, and the rights and obligations between the Company and each shareholder and among the shareholders inter se..

Article 8

The Articles of Association are binding on the Company and its shareholders, directors, supervisors, general manager and other senior management, all of whom may assert rights in respect of the Company's affairs in accordance with the Articles of Association.

The shareholders may institute legal proceedings against the Company pursuant to the Articles of Association; the Company may institute legal proceedings against the shareholders pursuant to the Articles of Association; the shareholders may institute legal proceedings against other shareholders pursuant to the Articles of Association; and the shareholders may institute legal proceedings against the directors, the supervisors, the general manager and other senior management members of the Company pursuant to the Articles of Association.

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

Article 9

The Company may invest in other limited liability companies or the joint stock companies with limited liability, and its liability in respect of the invested companies is limited to the extent of the capital contributions made.

Article 10

The senior management members of the Company referred to in the Articles of Association include the general manager, deputy general manager, head of finance team, head of risk management team and Board secretary of the Company.

Article 11

In accordance with the provisions of the Constitution of the Communist Party of China, organizations of the Communist Party of China shall be established by the Company. The Party organization shall play the core leadership and political role to provide directions, manage the overall situation and ensure the implementation. Working organs of the Party shall be established by the Company to deal with Party affairs.

The Company shall provide necessary conditions for the Party organization to implement its normal activities, including the establishment of the Party organization and staffing of Party members into the enterprise's management organization and staffing, and inclusion of the Party organization's working funds into the Company's budget as management expenses.

Article 12

According to the requirements of the Constitution of the People's Republic of China and other relevant laws, the Company exercises democratic management. The Company shall establish trade union in accordance with the laws, carry out trade union activities and safeguard the legitimate rights and interests of its employees. The Company shall provide necessary conditions for the activities of its trade union.

CHAPTER II BUSINESS OBJECTIVES AND SCOPE

Article 13

The business objective of the Company is: with a commitment to the mission of "Facilitating the integration of technology and finance, fulfilling the dreams of technology-based entrepreneurship", to support the development of the real economy by providing professional, efficient, innovative and diversified financial services, primarily in form of finance leases, for technology and new economy companies in the PRC.

Article 14

The business scope of the Company is: finance leases; lease of computer and communication equipment; lease of machineries and equipment; lease of automobiles; leases of vessels and equipment; purchase of leased properties in the PRC and overseas; salvage value disposal of leased properties; consultation for leasing transactions; import and export of goods, import and export of technologies; sale of Class II medical devices; sale of Class III medical devices. (The Company may select operating projects and carry out business activities at its discretion in accordance with laws. For the sale of Class III medical devices and items that are subject to approval according to laws, approvals shall be obtained from the relevant departments prior to the commencement of business activities. The Company shall not engage in operation activities of projects prohibited and restricted by the industrial policy of Beijing.)

The business scope of the Company shall be subject to the items approved by the authority responsible for the Company's registration.

CHAPTER III SHARES AND REGISTERED CAPITAL

Article 15

The Company shall have ordinary shares at all times. The Company may set other types of shares subject to needs, upon approval by approval department authorized by the State Council.

Article 16

All shares issued by the Company are shares with par value, and shall have a par value of RMB1 per share.

RMB mentioned in the preceding paragraph refers to the lawful currency of the People's Republic of China.

Article 17

The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have equal rights.

The issuing conditions and price for each share of the same class issued at the same time shall be the same and each share subscribed for by any entity or individual shall be subscribed at the same price.

Article 18

Upon approval by the securities regulatory authority of the State Council, the Company may offer its shares to both domestic and foreign investors.

Overseas investors referred to in the preceding paragraph means investors located in foreign countries, Hong Kong, Macau and Taiwan, who subscribe for shares issued by the Company. Domestic investors mean investors located in the People's Republic of China, excluding the regions mentioned above, who subscribe for shares issued by the Company.

Article 19

Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign shares. Overseas listed foreign shares are referred to as overseas listed foreign shares. Both domestic shares and overseas listed foreign shares are ordinary shares.

Foreign currency mentioned in the preceding paragraph shall include the legal currencies of other countries or regions, other than Renminbi, which are recognized by the competent foreign exchange authority of the State for payment of share subscription monies to the Company.

The foreign shares issued by the Company and listed on the Hong Kong Stock Exchange shall be referred to as "H shares". H shares belong to overseas listed foreign shares. The domestic shares which are approved by the securities regulatory authority of the State Council to be listed on the Hong Kong Stock Exchange shall be of the same class of shares as the overseas listed foreign share, collectively referred to as the overseas listed shares.

The domestic shares and overseas listed shares issued by the Company shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Article 20

Upon approval by the approval department authorized by the State Council, the Company issued 1 billion shares to its promoters upon its establishment, all of which were subscribed for and held by the promoters of the Company.

Article 21

After its establishment, the Company issued 333,334,000 shares in the initial public offering of H shares. After the completion of the initial public offering, the total share capital will be 1,333,334,000 shares, among which the promoters held 1 billion shares, representing 75% of the total share capital of the Company.

The share capital structure of the Company is as follows: Zhongguancun Development Group Co., Ltd.* (中關村發展集團股份有限公司) held 600,000,000 shares, representing 45% of the total share capital of the Company; Beijing Chaoyang State-owned Capital Operation and Management Center* (北京市朝陽區國有資本經營管理中心) held 100,000,000 shares, representing 7.5% of the total share capital of the Company; Beijing Wangjing Xinxing Industry Zone Comprehensive Development Company* (北京望京新興產業區綜合開發有限公司) held 100,000,000 shares, representing 7.5% of the total share capital of the Company; Nanshan Group Capital Investment Co., Ltd.* (南山集團資本投資有限公司) held 99,900,000 shares, representing 7.49% of the total share capital of the Company; Beijing OriginWater Technology Co., Ltd.* (北京碧水源科技股份有限公司) held 60,100,000 shares, representing 4.51% of the total share capital of the Company; Beijing Zhongguancun Finance Group Co., Ltd.* (北京中關村科技創業金融服務集團有限公司) held 40,000,000 shares, representing 3% of the total share capital of the Company; and H shareholders held 333,334,000 shares, representing 25% of the total share capital of the Company.

Article 22

Subject to the Company's plans to issue overseas listed shares and domestic shares approved by the securities regulatory authority of the State Council, the Board of the Company may make implementation arrangements for separate share issues.

The Company's plans for separate issue of overseas listed shares and domestic shares mentioned in the preceding paragraph may be implemented within 15 months from the date of approval by the securities regulatory authority of the State Council.

With the approval of the securities regulatory authority under the State Council, the shareholders of the Company's domestic shares may transfer their shares to overseas investors, which could be traded on overseas stock exchanges. The Company's domestic shares may be converted into overseas listed shares and traded on overseas stock exchanges. The trading of the transferred or converted shares on overseas stock exchanges should abide by the regulatory procedures, regulations and requirements of overseas securities markets.

The trading of the transferred or converted shares on overseas stock exchanges does not require voting at a shareholders' meeting or classified shareholders' meeting. The transferred domestic shares are of the same category as the original overseas listed foreign shares.

Article 23

If the Company separately issues overseas listed shares and domestic shares within the total number specified in the issue scheme, the respective shares shall be subscribed for in full at one time. If these shares cannot be subscribed for in full at one time under special circumstances, they may be issued in several tranches subject to the approval of the securities regulatory authority of the State Council.

Article 24

The registered capital of the Company was RMB1,333,334,000.

Article 25

The Company may, subject to its business operation and development requirements, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association.

The Company may increase its capital by the following means:

- (I) the offer of new shares to non-specified investors for subscription;
- (II) placement of new shares to existing shareholders;
- (III) bonus issue of new shares to existing shareholders;
- (IV) capitalization of capital reserve fund;
- (V) other methods as approved under the laws and regulations and by the securities regulatory authority of the State Council.

Any increase in capital of the Company by way of issuing new shares shall be subject to approval under the Articles of Association and completion of the relevant procedures as prescribed by the relevant laws and administrative regulations of the PRC.

Article 26

Unless otherwise provided by laws, administrative regulations and the securities regulatory authority in the place where the Company's shares were listed, the shares of the Company shall be freely transferable and free from any lien.

CHAPTER IV DECREASE OF SHARE CAPITAL AND REPURCHASE OF SHARES

Article 27

In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

Article 28

The Company shall prepare a balance sheet and a list of assets for reduction of registered capital.

The Company shall notify its creditors within ten days from the date on which the resolution on reduction of registered capital was made and shall publish an announcement in a newspaper within thirty days therefrom. The creditors shall, within thirty days from the date of receiving the written notice, or within forty-five days from the date of the public announcement for those who have not received the written notice, be entitled to require the Company to pay off its debts or to provide corresponding security.

The registered capital of the Company after reduction shall not be less than the statutory minimum.

Article 29

The Company may, in accordance with the procedures stipulated in the Articles of Association and with the approval of the relevant competent authority of the PRC, repurchase its outstanding shares in issue for the following purposes:

- (I) cancellation of shares for the purposes of reducing its capital;
- (II) merging with another company that holds shares in the Company;
- (III) utilizing shares for employee stock ownership plan or share incentive scheme;
- (IV) requesting the Company to acquire shares held by Shareholders who vote against any resolution proposed in any shareholders' general meeting on the merger or separation of the Company;
- (V) utilizing shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (VI) manner as necessary for maintenance of the Company's value and shareholders' rights and interests.

Except for the abovementioned circumstances, the Company shall not be engaged in any activities of buying and selling its shares.

Article 30

The Company may repurchase its shares in any of the following ways with approval from the relevant competent authorities of the PRC:

- (I) making a general offer to repurchase shares from all Shareholders in the same proportion to their shareholdings;
- (II) repurchasing shares through open transactions in the stock exchange;
- (III) repurchasing shares based on an off-market agreement;
- (IV) other ways as recognized by the securities regulatory authority of the State Council.

Where the Company has the rights to repurchase the redeemable shares:

- (I) if the repurchases are not made through the market or by tender, it shall be limited to a maximum price;
- (II) if the repurchases are made by tender, the tender shall be available to all shareholders alike.

If the Company repurchases its shares in the situations set out under items (III), (V) and (VI) of Clause 1 of Article 29 of these Articles of Association, the repurchase shall be conducted through public and centralized trading.

Article 31

When repurchasing shares based on an off-market agreement, the Company shall obtain prior approval at the general meeting according to the Articles of Association. Where prior approval has been obtained from the shareholders at a general meeting in the same manner, the Company may release or modify the contract entered into in the aforesaid manner or waive any rights granted under such contract.

“Contract to repurchase shares” referred to in the preceding paragraph includes (but not limiting to) an agreement to become obliged to repurchase or an acquisition of the right to repurchase shares.

The contract to repurchase its shares or any rights provided therein shall not be assigned by the Company.

Article 32

Where the Company purchases its own shares for the purposes of items (I) and (II) of Article 29 of the Articles of Association, it shall obtain approval at the general meeting by way of resolution. Where the Company purchases its own shares for the purposes of items (III), (V) and (VI) of Article 29 of the Articles of Association, it shall obtain approval of more than two-thirds of the directors present at the meeting of the Board by way of resolution as stipulated in the Articles of Association or authorized by the general meeting.

Following the acquisition of its shares in accordance with the provisions of Article 29, such shares shall be cancelled within ten days from the date of acquisition in the case of item (I) and transferred or cancelled within six months in the case of items (II) and (IV). Shares held by the Company in aggregate for the purpose of items (III), (V) and (VI) shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within three years.

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

Article 33

Unless the Company is in the course of liquidation, it must comply with the following requirements in relation to the repurchase of its outstanding shares in issue:

- (I) where the Company repurchases shares at par, payment shall be made out of book surplus of distributable profits of the Company or out of the proceeds from issue of new shares made for the repurchase of old shares;
- (II) where the Company repurchases shares at a premium to par value, payment up to the par value shall be made out of the book surplus of distributable profits of the Company or out of the proceeds from issue of new shares made for the repurchase of old shares. Payment of the portion in excess of the par value shall be effected as follows:
 - (1) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus of distributable profits of the Company;
 - (2) if the shares being repurchased were issued at a premium to par value, payment shall be made out of the book surplus of distributable profits of the Company and out of the proceeds from issue of new shares made for the repurchase of old shares, provided that the amount paid out of the proceeds from issue of new shares shall not exceed the aggregate premiums received on the issue of the old shares repurchased, or the amount of the Company's share premium account (or capital reserve fund account, including the premiums from the issue of new shares);
- (III) payment by the Company for the following purposes shall be made out of the Company's distributable profits:
 - (1) acquire the rights to repurchase its shares;
 - (2) vary the contract to repurchase its shares;
 - (3) release its obligation under the contract to repurchase shares;
- (IV) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits for payment of the par value portion of the shares repurchased shall be transferred to the Company's share premium account (or capital reserve fund account).

CHAPTER V FINANCIAL ASSISTANCE FOR PURCHASING SHARES OF THE COMPANY

Article 34

The Company or its subsidiaries shall not, by any means and at any time, provide any kind of financial assistance to a person who is acquiring or intends to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company or its subsidiaries shall not, by any means and at any time, provide financial assistance to the said obligor for the purpose of reducing or discharging the obligations assumed by him.

This provision does not apply to the circumstances mentioned in Article 36.

Article 35

“Financial assistance” referred to in this chapter includes (without limitation to) the following:

- (I) gift;
- (II) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company’s own default) or release or waiver of any rights;
- (III) provision of loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, and a change in the parties to, or the assignment of rights arising under, such loan or contract;
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The assumption of obligations referred to in this chapter includes the assumption of obligations due to the entering into of contract or arrangement (whether enforceable or not, and whether to be assumed on its own account or jointly with any other persons), or the change of its financial positions in any other ways.

Article 36

Actions listed below shall not be deemed as actions restricted by Article 34 of this chapter:

- (I) the provision of financial assistance by the Company is made in good faith in the interest of the Company, and the principal purpose of providing the financial assistance is not for the acquisition of shares of the Company, or the provision of the financial assistance is ancillary to a master plan of the Company;
- (II) the lawful distribution of the Company’s assets by way of dividend;

- (III) distribution of dividends in the form of shares;
- (IV) reduction of registered capital, repurchase of shares or adjustment of the shareholding structure in accordance with the Articles of Association;
- (V) the lending of money by the Company within its scope of business and in the ordinary course of its business, provided that the net assets of the Company shall not be thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company;
- (VI) the provision of money by the Company for contributions to employee stock ownership plan, provided that the net assets of the Company shall not be thereby reduced or that, although the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company.

CHAPTER VI SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 37

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

In addition to those provided in the Company Law and the Special Regulations, the share certificates of the Company shall contain other items required to be specified by the stock exchange on which the shares of the Company are listed.

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

- (I) the share purchasers and the Company and each of the shareholders, and the Company and each of the shareholders shall agree to observe and comply with the requirements of the Company Law, other relevant laws and administrative regulations and the Articles of Association.
- (II) the share purchasers and each of the shareholders, directors, supervisors and senior management members of the Company shall agree, and the Company acting on its own behalf and for the benefit of each director, supervisor and senior management member shall agree with each shareholder that, all disputes and claims arising from the Articles of Association, or the disputes or assertion of rights arising from the rights and obligations provided by the Company Law or other relevant laws or administrative regulations in the PRC or in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award. Such arbitration shall be final and conclusive.
- (III) the share purchasers and the Company and each of the shareholders agree the shares of the Company may be freely transferred by the holder thereof.

- (IV) the share purchasers authorize the Company to enter into a contract on their behalf with each of the directors and senior management members. Pursuant to the contract, the directors and senior management members undertake to observe and fulfil their responsibilities to the shareholders under the Articles of Association.

The Company shall instruct and cause each of its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a completed and signed form in respect of such shares bearing the above statements.

Article 38

The share certificates shall be signed by the legal representative. Where the signatures of senior management members of the Company are required by the stock exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior management member. The share certificates shall become valid after the company seal is affixed thereto or imprinted thereon. The affixing of the company seal to the share certificates shall be authorized by the Board. The signature of the Chairman or such other senior management member of the Company on the share certificates may also be in printed form.

Article 39

The Company shall keep a register of members containing the following particulars:

- (I) the name, address (place of domicile), occupation or nature of business of each shareholder;
- (II) the class and number of shares held by each shareholder;
- (III) the amount paid-up or payable in respect of the shares held by each shareholder;
- (IV) the share certificate numbers of the shares held by each shareholder;
- (V) the date on which each shareholder was registered as a shareholder;
- (VI) the date on which any shareholder ceased to be a shareholder.

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

The name of transferee, on the premise of compliance with the Articles of Association and other applicable requirements, shall be registered, upon the completion of transfer of the Company's share, in the register of members as the holders of the shares transferred.

All issue or transfer of overseas listed shares shall be registered in the register of holders of overseas listed shares which, in accordance with Article 40 of the Articles of Association, shall be kept in the place where the shares are listed.

The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities and overseas securities regulatory authorities, keep its register of holders of overseas listed shares outside the PRC and appoint overseas agent(s) to manage such register.

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

If two or more persons are registered as the joint shareholders of any shares, they shall be deemed to be joint holders of such shares and be subject to the following provisions:

- (I) the Company is not obliged to register more than four persons as the joint shareholders of any shares;
- (II) all the joint shareholders of any shares shall jointly and severally assume the liability to pay all amounts payable for the relevant shares;
- (III) if one of the joint shareholders deceased, only the surviving joint shareholders shall be deemed by the Company to be the persons owning the relevant shares. Nevertheless, the Board shall, for the purpose of revising the information on the register of members, have the right to demand evidence of death of such shareholder where it deems appropriate; and
- (IV) as to the joint shareholders of any shares, only the joint shareholder whose name appears first in the register of members is entitled to receiving the share certificate for the relevant shares and the notices of the Company, attending the Company's general meeting, or exercising all voting rights in relation to the relevant shares. Any notice served on the aforesaid person shall be deemed to have been served on all joint shareholders of the relevant shares.

Article 40

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

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

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

Article 41

The Company shall maintain a complete register of members.

The register of members shall include the following parts:

- (I) the register of members which is maintained at the Company's place of domicile (other than those registers of members which are described in items (II) and (III) of this Article);
- (II) the register of holders of overseas listed shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (III) the register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 42

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

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

Article 43

All fully paid up share capital of overseas listed shares listed in Hong Kong can be transferred, gifted, inherited or pledged freely pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation, unless such transfer is in compliance with the following conditions:

- (I) a fee as required by the Board from time to time and not exceeding the agreed fee as provided in the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange from time to time has been paid to the Company for registration of any instrument of transfer of shares or other document which is related to or will affect the ownership of the shares;
- (II) the instrument of transfer solely involves the overseas listed shares listed in Hong Kong;
- (III) the stamp duty payable on the instrument of transfer has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (V) if the shares are intended to be transferred to joint holders, the number of such joint holders shall not exceed 4;
- (VI) the Company has not created any lien over the relevant shares;

(VII) no transfer of shares shall be made to minors or persons of unsound mind or under other legal disability.

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

Article 44

Any holder of overseas listed shares may use a written transfer document, generally in use in any place of listing, or any other form accepted by the Board, or the standard transfer form designated by the stock exchange on which the Company's shares are listed, to transfer all or part of his/her shares. The transfer document must be signed, by hand or in printed form, by the transferor and transferee, or where the transferor or transferee is recognized clearing house as defined by the laws of Hong Kong or its nominee (hereinafter referred to as "Recognized Clearing House"), it may sign by hand or in printed form.

All instruments of transfer shall be deposited with the legal address of the Company or such places as the Board may designate from time to time.

If the relevant laws and regulations and the Hong Kong Listing Rules stipulate the period of closure of the register of members prior to the holding of a general meeting or the reference date set by the Company for the purpose of distribution of dividends, those provisions shall prevail.

All transfers of H shares shall be effected by transfer document in writing in a general or common form or in any other form acceptable to the Board, including the standard transfer form or form of transfer specified by the Hong Kong Stock Exchange from time to time. The transfer document in writing may be signed by hand or (where the transferor or transferee is a corporation) stamped with the company's seal. If the transferor or transferee is a recognized clearing house as defined by the relevant provisions that come into effect from time to time according to the laws of Hong Kong (hereinafter referred to as the "Recognized Clearing House") or its nominee, the transfer document in writing may be signed by hand or in printed form. All transfer documents shall be deposited with the legal address of the Company or such places as the Board may designate from time to time.

Article 45

When the Company convenes a general meeting, distributes dividends, enters into liquidation and engages in other activities that involve confirmation of identities of the shareholders, the Board shall determine equity registration day. Registered shareholders by the end of the equity registration day shall be the shareholders of the Company.

Article 46

Any person who objects to the register of members and requests to have his/her name included in or removed from the register of members may apply to the court of relevant jurisdiction to amend the register of members.

Article 47

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

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

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

If a holder of overseas listed shares loses his/her share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

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

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

- (V) if, upon expiration of the 90-day period of announcement and display referred to in items (III) and (IV) of this Article, the Company has not received from any person any objection to the issuance of replacement share certificate, the Company may issue a replacement share certificate to the applicant according to the application.

- (VI) where the Company issues a replacement share certificate in accordance with this Article, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly.
- (VII) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant.

In case the Company was granted the powers to issue share warrants to bearer, no new warrant shall be issued to replace the original warrant that has been lost unless the Company is convinced that the original warrant has been destroyed beyond reasonable doubt.

Article 48

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

Article 49

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

Article 50

The shares of the Company held by the promoter shall not be transferred within one year from the date of establishment of the Company. Shares in issue prior to the public offering of the shares of the Company shall not be transferred within one year from the date of listing and trading of the shares of the Company on the stock exchange.

The Company shall not accept its shares as a pledge.

CHAPTER VII SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 51

A Shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.

A Shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares held by him/her. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Article 52

Holders of ordinary shares of the Company shall be entitled to the following rights:

- (I) to receive dividends and other forms of profit distribution in proportion to their respective shareholdings;
- (II) to demand, call for, preside over, attend or designate a proxy to attend general meetings and exercise voting rights in accordance with laws;
- (III) to supervise the business operation of the Company and give advice or raise inquiries;
- (IV) to transfer, give or pledge the shares of the Company held by them in accordance with the laws, administrative regulations and the Articles of Association;
- (V) to have access to the relevant information in accordance with the laws and the Articles of Association, including:
 - 1. to obtain the Articles of Association at cost;
 - 2. to inspect and make photocopies of the followings at reasonable cost:
 - (1) the register of members, including shareholding information of himself/herself;
 - (2) personal information of directors, supervisors, general manager and other senior management members of the Company, including:
 - (a) present and past names and alias;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) full-time and all concurrently held part-time occupations and positions;
 - (e) identification documents and numbers.
 - (3) share capital status of the Company;
 - (4) reports on the aggregate nominal value, number, highest and lowest prices of each class of shares of the Company repurchased since the preceding financial year and all costs paid by the Company for such repurchase;
 - (5) minutes of general meetings;
 - (6) interim reports and annual reports;

- (7) a copy of the latest annual statements submitted to the Administration for Industry and Commerce of the PRC or other competent authorities (as applicable);
- (8) any special resolutions;
- (9) counterfoils of corporate bonds;
- (10) resolutions of meetings of the Board;
- (11) resolutions of meetings of the Board of Supervisors;
- (12) financial reports;
- (13) the latest audited financial statements, and report of the Board, auditors and the Board of Supervisors.

The documents referred to in the sub clauses (1), (3) to (8) shall be maintained at the residence of the Company in Hong Kong and shall be made available for inspection by the public and the holders of the overseas listed shares free of charge.

- (VI) to participate in the distribution of the Company's remaining assets in proportion to his/her shareholding in the event of termination or liquidation of the Company;
- (VII) to request the Company to acquire shares held by shareholders who vote against any resolution proposed in any general meeting on the merger or separation of the Company;
- (VIII) other rights conferred by the laws, administrative regulations, departmental regulations and the Articles of Association.

The Company shall not exercise any rights to stay or otherwise infringe any rights attached to any shares on the sole basis that the person with direct or indirect interests in such shares have failed to disclose his/her interests to the Company.

Article 53

When requesting access to the relevant information or data mentioned in the preceding Article, the shareholders shall provide the Company with written documents evidencing the class and number of the Company's shares that they hold. The Company, after verifying the identity of the shareholders, may provide them with the said information and data according to the requirements of such shareholders.

Article 54

A resolution of the Company's general meeting or Board meeting shall be void if the content contravenes the laws or administrative regulations.

If the procedures for convening the general meetings and meetings of the Board or the method of voting violate the laws, administrative regulations or the Articles of Association, or the content of any resolution is in breach of the Articles of Association, the shareholders may, within sixty days from the date on which such resolution is made, submit a petition to the people's court to revoke the same.

Article 55

If the Company suffers any losses arising from any breach of laws, administrative regulations or provisions of the Articles of Association by any Director or senior management members in executing the Company's duties, shareholders who have held, separately or in aggregate, more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to make a request in writing to the Board of Supervisors to initiate litigation at the people's court. If the Company suffers any losses arising from any breach of laws, administrative regulations or provisions of the Articles of Association by the Board of Supervisors in executing Company's duties, shareholders may make a request in writing to the Board to institute litigation at the people's court.

If, upon receipt of the written request from the shareholders as stipulated in the preceding paragraph, the Board of Supervisors or the Board refuses to initiate litigation, or fails to initiate litigation within 30 days or if, in case of emergency, failing to institute litigation immediately may cause irreparable damage to the interest of the Company, the shareholders as mentioned in the abovementioned shall have the right to initiate litigation directly at the people's court in their own names for the interest of the Company.

In the event of infringement of the Company's legal interest by a third party resulting in losses to the Company, the shareholders mentioned in the first paragraph of this Article may initiate litigation at the people's court in accordance with the provisions of the two preceding paragraphs.

Article 56

If the interest of shareholders is prejudiced by any breach of laws, administrative regulations or provisions of the Articles of Association by any director, supervisors or senior management members, shareholders may institute litigation at the people's court.

Article 57

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

- (I) to comply with the laws, administrative regulations and the Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) not to withdraw from holding shares unless as required by the laws and regulations;

- (IV) not to abuse the rights of shareholders to damage the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liability of shareholders to impair the interest of creditors of the Company; where the Company or other shareholders suffer any losses resulting from a shareholder's abuse of his/her rights, such shareholder shall be responsible for compensation according to the laws.

Where a shareholder of the Company abuses the independence of the Company as a legal person and the limited liability of shareholders so as to evade the obligation of repayment of debts, which materially damages the interests of creditors of the Company, such shareholder shall bear the joint liability for the debts of the Company.

- (V) to assume other obligations as required by the laws, administrative regulations and the Articles of Association.

Shareholders are not obliged to make any additional contribution to the share capital other than the conditions as agreed with the subscriber of the relevant shares on subscription.

Article 58

Except for the obligations as required by the laws, administrative regulations or the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholders (as defined in the Article below) in exercising their voting rights shall not make any decisions detrimental to the interests of all or part of the shareholders in respect of the following matters:

- (I) exempting the responsibility of any director or supervisor to act in good faith for the best interest of the Company;
- (II) approving any director or supervisor (for the benefit of himself or other persons) to deprive of the property of the Company in any form, including (but not limited to) the opportunities that are favorable to the Company;
- (III) approving any director or supervisor (for the benefit of himself or other persons) to deprive of the individual interests of other shareholders, including (but not limited to) any distribution rights or voting rights, but excluding the reorganization of the Company which is submitted to the general meeting for approval in accordance with the Articles of Association.

Article 59

“Controlling shareholder” referred to in the preceding Article refers to a person that satisfies any of the following conditions:

- (I) he/she, acting alone or in concert with others, has the power to elect half or more of the total number of directors;
- (II) he/she, acting alone or in concert with others, has the power to exercise 30% and above of the Company's voting rights or control the exercise of 30% and above of the Company's voting rights;

- (III) he/she, acting alone or in concert with others, holds 30% and above of the outstanding shares of the Company in issue;
- (IV) he/she, acting alone or in concert with others, has de facto control over the Company in any other manner.

“Acting in concert with others” mentioned in this Article shall mean two or more persons reaching a consensus by way of agreement (either orally or in writing), pursuant to which any one of them shall obtain voting rights of the Company for control or consolidation of control over the Company.

CHAPTER VIII GENERAL MEETING

Article 60

The general meeting is the organ of authority of the Company, which exercises its powers in accordance with laws.

Article 61

The general meeting exercises the following powers:

- (I) to decide on the Company’s operational policies and investment plans;
- (II) to elect and replace the directors and decide on matters relating to the remuneration of directors;
- (III) to elect and replace the supervisors who are shareholder representatives and decide on matters relating to the remuneration of such supervisors;
- (IV) to consider and approve reports of the Board;
- (V) to consider and approve reports of the Board of Supervisors;
- (VI) to consider and approve the Company’s proposed annual financial budget and financial accounts;
- (VII) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (VIII) to decide on any increase or reduction in the Company’s registered capital;
- (IX) to decide on issues such as merger, division, dissolution, liquidation or change of the form of the Company and other matters;
- (X) to decide on the issuance of bonds by the Company;
- (XI) to decide on the engagement, dismissal or non-reappointment of the accountants by the Company;
- (XII) to amend the Articles of Association;

- (XIII) to consider motions raised by shareholders who represent not less than 3% (inclusive) of the shares with voting rights of the Company;
- (XIV) to consider and approve guarantees required to be resolved at the general meeting pursuant to laws, regulations and the Articles of Association;
- (XV) to consider the acquisition or disposal of significant assets which account for more than 30% of the latest audited total assets of the Company within one year;
- (XVI) to consider and approve the change of the use of proceeds;
- (XVII) to consider the share incentive scheme;
- (XVIII) to consider and approve other matters required to be resolved at the general meeting pursuant to laws, administrative regulations, listing rules of the stock exchange on which the shares of the Company are listed and the Articles of Association.

Article 62

Without the approval by way of special resolution at the general meetings, the Company shall not enter into any contract with any party other than the directors, supervisors and senior management members in relation to the authorization of such party to manage all or a material part of the Company's business.

Article 63

General meetings include annual general meetings and extraordinary general meetings. General meetings are convened by the Board. The annual general meeting is held once a year, and shall take place within six months after the end of the previous accounting year.

The Board shall call an extraordinary general meeting within two months upon occurrence of any of the following circumstances:

- (I) where the number of directors falls below the number as specified in the Company Law or is less than two-thirds of the number as required by the Articles of Association;
- (II) where the uncovered losses of the Company represents one-third of its total paid-up capital;
- (III) where Shareholders who hold, separately or in aggregate, 10% or more of the outstanding shares of the Company in issue with voting rights request in writing to convene an extraordinary general meeting;
- (IV) whenever the Board deems necessary or when proposed by the Board of Supervisors;
- (V) other circumstances as required by the laws and regulations or these Articles of Association.

Article 64

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

Article 65

Shareholders who request an extraordinary general meeting or a general meeting of a class of shareholders shall comply with the following procedures:

- (I) two or more shareholders who individually or together hold 10% or more of the shares carrying the right to vote in the meeting to be convened can request the Board to convene an extraordinary general meeting or a class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the extraordinary general meeting or the class meeting as soon as possible upon receiving such written request(s). The shareholdings referred to above shall be calculated as at the date of request made.
- (II) If no notice of convening a general meeting is issued within thirty days after the Board receiving the abovementioned written request(s), the shareholders making the request(s) can convene a meeting by themselves within four months after the Board receiving the abovementioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board as much as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board to convene a meeting as required above shall be borne by the Company and be set off against sums owed by the Company to the defaulting directors.

Article 66

When the Company convenes a general meeting, it shall notify each shareholder of the date and place of the meeting and the matters to be considered twenty days prior to the meeting; for an extraordinary general meeting, it shall notify each shareholder of the same fifteen days prior to the meeting.

Article 67

The content of the proposal shall fall within the scope of authority of the general meeting, carry specific subjects and matters to be resolved and in compliance with the relevant requirements of the laws, administrative regulations and the Articles of Association.

Article 68

As a general meeting is convened, the Board, the Board of Supervisors and any shareholders individually or jointly holding more than 3% of the Company's shares may propose any resolution to the Company.

Such shareholders who individually or together hold more than 3% of the Company's shares may submit an interim proposal in writing to the convener ten days prior to the date of the general meeting. The convener shall then dispatch a supplemental notice of general meeting to announce the interim proposal and submit the interim proposal to the general meeting for consideration, within two days upon receipt of such proposal.

Other than the circumstances mentioned in the preceding paragraph, the convener shall not make any change in the notice of the general meeting to the existing proposals or add any new proposal after the publication of such notice.

The general meeting shall neither vote nor make a resolution on any proposals that are not included in the notice of the general meeting or which do not comply with Article 67 of the Articles of Association.

Article 69

No extraordinary general meeting shall resolve matters not stipulated in the notice.

Article 70

A notice of the general meeting shall meet the following requirements:

- (I) it shall be in written form;
- (II) it shall specify the place, term, date and time of the meeting;
- (III) it shall state the matters to be discussed at the meeting;
- (IV) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but not limited to) the circumstances where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the proposed transactions must be properly explained;
- (V) if any director, supervisor or senior management members have material interests in the matters to be discussed, the nature and extent of such interests shall be disclosed, and if the effect of the matters to be discussed on such director, supervisor and senior management members in their capacity as shareholders is different from that of other shareholders of the same class, the differences shall also be specified;
- (VI) it shall set out the full text of any special resolution proposed to be passed at the meeting;

- (VII) it shall contain a clear written statement that all shareholders shall be entitled to attend the general meeting and a shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies to attend and vote at the meeting on his/her behalf and that such proxies need not to be shareholders;
- (VIII) it shall state the date and place for the delivery of the proxy forms for the meeting;
- (IX) it shall specify the equity registration date for shareholders who are entitled to attend the general meeting;
- (X) it shall provide name and telephone number of the standing contact person for committee administration.

Article 71

A notice of the general meeting shall be sent to shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or prepaid post to the address of the shareholder as shown in the register of members. For the holders of domestic shares, notice of the general meetings may also be given by way of public announcement.

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

Article 72

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

When the Company is required to send, mail, pass, deliver, issue or provide communications of the Company in both English and Chinese according to the relevant requirements of the securities regulatory authorities at the place where the Company's shares are listed, if the Company has made appropriate arrangement to ensure whether its shareholders wish to receive an English copy only or a Chinese copy only, the Company may (based on the intention clearly expressed by its shareholders) send an English copy or Chinese copy only to the relevant shareholders within the scope permitted by applicable laws and regulations and in accordance with such applicable laws and regulations.

Article 73

Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether or not a shareholder) as his/her proxy to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that shareholder:

- (I) the shareholder's right to speak at the general meeting;
- (II) the right to demand, whether on his own or together with others, a poll;
- (III) to exercise the right to vote by a show of hands or by poll; however, if more than one proxy is appointed by a shareholder, such proxies shall only exercise the right to vote on a poll.

Article 74

The instrument appointing a proxy by a shareholder shall be in writing and signed by the appointor or his attorney duly authorized in writing, or if the appointor is a legal person either under seal or signed by its directors or personnel or attorney duly authorized.

The proxy form shall contain the number of the shares to be represented by the proxy. If several persons are authorized as the proxies of the shareholder, the proxy form shall specify the number of the shares to be represented by each proxy.

Article 75

The proxy form shall be deposited at least twenty-four hours prior to the relevant meeting at which the proxy is appointed to vote or twenty-four hours before the time appointed for voting at the domicile of the Company or such other place as the notice of meeting may specify. If the proxy form is signed by a person authorized by the appointor, the powers of attorney or other instruments of authorization shall be notarized. The powers of attorney or other instruments of authorization so notarized shall be deposited at the domicile of the Company or such other place as the notice of meeting may specify at the same time as the proxy form is so deposited.

In the event that the appointor is a legal person, such shareholder shall be represented at the general meeting of the Company by its legal representative or the person authorized by its board of directors or other decision-making body of such appointor.

If the shareholder is a Recognized Clearing House as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or its nominees, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in any general meeting or any class meeting. However, if two or more persons are authorized, the power of attorney shall clearly state the number and the class of shares represented by each of the person so authorized. The powers of attorney shall be signed by the personnel authorized by the Recognized Clearing House. The person so authorized may represent the Recognized Clearing House (or its nominees) in exercising its rights at any meeting (without being required to present share certificate, notarized powers of attorney and/or further evidence of due authorization) as if that person is a natural person shareholder of the Company.

Article 76

The proxy form issued by the Board of the Company to the shareholder for the appointment of proxies shall freely allow the shareholder to instruct his/her proxy to vote as he/she sees fit (voting in the affirmative or negative), and to give separate instructions for each resolution that will be voted on at the meeting. The proxy form should indicate that the proxy may vote at his/her discretion if no instructions have been given by the shareholder.

Article 77

A vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given before the voting, provided that no notice in writing of such matters shall have been received by the Company before the commencement of the meeting.

Article 78

Resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding at least half of the voting rights.

Special resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding at least two-thirds of the voting rights.

Article 79

A shareholder (including his/her proxy) may exercise voting rights on poll at the general meeting according to the number of shares which carry the right to vote held by him/her and each share shall have one vote.

The Company's shares held by the Company neither have the right to vote nor will be counted into the total number of the voting shares attending the general meeting.

If any shareholder shall abstain from exercising his/her voting rights in respect of a certain resolution or is limited to casting of affirmative or negative votes thereon, any votes cast by the shareholder or his/her proxy in violation of the aforesaid requirements or restrictions shall not be included in the voting results.

Article 80

When a connected transaction is considered at a general meeting, the connected shareholders shall abstain from voting. The voting shares held by the connected shareholders shall not be counted in the total number of effective votes. The announcement on the resolutions of the general meeting shall fully disclose the voting of the shareholders who are not connected parties.

Article 81

Voting at general meetings shall be conducted by show of hands unless the listing rules of the stock exchange on which the Company's shares are listed specifically require voting by poll or unless the following persons require voting by poll before or after voting by show of hands:

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

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

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

When proposals are to be voted at the general meeting, the Company shall appoint its auditors, share registrar or external accountants who are qualified to serve as auditors as scrutineer for the vote-taking and state the identity of the scrutineer in the announcement.

Article 82

If the matter demanded to be resolved by a poll is the election of the chairman or the termination of the meeting, a poll shall be taken immediately. The chairman can decide when a poll will be taken if it is demanded for any other matters, and the meeting may continue and other matters may be discussed. The results of that poll shall be considered as resolutions passed at the meeting.

Article 83

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

Article 84

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 85

The following matters shall be passed as ordinary resolutions in a general meeting:

- (I) work reports of the Board of Directors and the Board of Supervisors;
- (II) profit distribution plans and plans for making up losses proposed by the Board;

- (III) dismissal and remuneration of the members of the Board of Directors and the Board of Supervisors and methods of payment of their remuneration;
- (IV) annual financial budgets and final accounts, balance sheets, income statements and other financial statements of the Company;
- (V) matters other than those required to be passed as special resolutions pursuant to laws, administrative regulations, the listing rules of the stock exchange on which the shares of the Company are listed or the Articles of Association.

Article 86

The following matters shall be passed as special resolutions in a general meeting:

- (I) increase or reduction in share capital of the Company and issuance of shares of any class, warrants and other similar securities;
- (II) issuance of bonds by the Company;
- (III) division, merger, dissolution and liquidation of the Company;
- (IV) amendments to the Articles of Association;
- (V) any purchase, sale of material assets or guarantee by the Company within one year with an amount exceeding 30% of the Company's latest audited total assets;
- (VI) other matters specified by laws, administrative regulations or the Articles of Association and matters specified by ordinary resolutions of general meeting that are considered to be significant to the Company and shall be passed as special resolutions.

Article 87

A general meeting shall be chaired by the Chairman. If the Chairman is unable to attend the meeting for any reasons, such meeting shall be chaired by a director jointly recommended by the majority of the directors. If chairman of the meeting has not been recommended, shareholders present at the meeting may elect one person to act as chairman of the meeting; and if the shareholders are unable to elect the chairman due to any reasons, the shareholder who holds the largest number of shares with voting rights (including his/her proxy) among the present shareholders shall act as chairman of the meeting (other than HKSCC Nominees).

A general meeting convened by the Board of Supervisors shall be presided over and chaired by the chairman of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his/her duties, a supervisor jointly recommended by no less than half of the supervisors shall preside over the meeting.

A general meeting convened by the shareholders shall be presided over and chaired by a representative recommended by the conveners.

During the course of a general meeting, if the chairman of the meeting violates the rules of procedures such that the general meeting cannot be continued, shareholders may elect one person to act as chairman of the meeting to continue the meeting so long as the proposed chairman has the consent of shareholders holding more than half of the voting rights present at the meeting.

Article 88

The chairman of the meeting shall decide whether or not a resolution is passed. His/her decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 89

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

Article 90

If ballots are counted at a general meeting, the counting results shall be recorded in the minutes of the meeting.

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

The chairman of the meeting and the directors present at the meeting shall sign the minutes of the meeting.

Article 91

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

CHAPTER IX SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 92

Shareholders of different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and provisions of the Articles of Association.

Article 93

If the Company proposes to change or nullify the rights of a certain class of shareholders, such proposal shall be passed by a special resolution at a general meeting and be passed at the meeting convened according to Article 95 to Article 99 for the affected class of shareholders.

Article 94

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

- (I) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of other class which enjoy the same or more voting rights, distribution rights or other privileges;
- (II) to convert all or part of the shares of that class into another class, convert all or part of the shares of another class into that class, or grant such conversion rights;
- (III) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;
- (IV) to reduce or nullify the privileged rights of that class of shares to acquire dividends or to obtain distribution of assets during liquidation of the Company;
- (V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Company;
- (VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Company in a particular currency;
- (VII) to create a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges as compared with that class of shares;
- (VIII) to restrict the transfer or ownership of that class of shares, or increase the restrictions;
- (IX) to grant the share subscription options or share conversion options of that class or another class of shares;
- (X) to increase the rights and privileges of another class of shares;
- (XI) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring;
- (XII) to revise or nullify the provisions in this chapter.

Article 95

Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters referred to in items (II) to (VIII) and (XI) to (XII) of Article 94, but interested shareholders shall not be entitled to vote at such shareholders' class meetings.

The "Interested Shareholder" mentioned in the preceding paragraph means:

- (I) in the case of a repurchase of the Company's own shares by offers to all shareholders in the same proportion or public dealing on a stock exchange in accordance with the provisions of Article 30 of the Articles of Association, a controlling shareholder within the meaning of Article 58 of the Articles of Association;
- (II) in the case of a repurchase of the Company's own shares by an off-market agreement under Article 30 of the Articles of Association, a shareholder to whom the agreement is related;
- (III) in the case of a proposal of restructuring of the Company, a shareholder who bears less than a proportionate amount of obligations imposed on the shareholders of that class or who has an interest different from that of the other shareholders of that class.

Article 96

A resolution of the meeting for a certain class of shareholders shall be passed by at least two-thirds of the voting shares represented by shareholders of that class present at the meeting in accordance with Article 95.

Article 97

Written notice of a class meeting shall be given by the Company twenty days prior to the date of the general meeting or fifteen days prior to the date of the extraordinary general meeting to notify all the registered shareholders holding shares of that class of the matters to be considered at the meeting and the date and place of the meeting.

Article 98

Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a similar way as closely as possible to the procedures for general meetings. The provisions of the Articles of Association relating to the conduct of any general meeting shall apply to any class meeting.

Article 99

In addition to holders of other class of shares, holders of domestic shares and overseas listed shares are deemed to be shareholders of different classes.

The special voting procedures for class shareholders shall not apply to the following circumstances:

- (I) the Company, upon the approval by way of special resolution at general meeting, issues solely domestic shares or overseas listed shares or both every twelve months, provided that each of the amount of the domestic shares and overseas listed shares intended to be issued accounts not more than twenty per cent. of the outstanding shares in issue of the respective class;
- (II) the Company's plan on issuing domestic shares and overseas listed shares at time of its establishment, which is completed within fifteen months upon the date of approval from the securities regulatory authorities of the State Council;
- (III) As approved by the securities regulatory authority of the State Council, the conversion of the domestic shares to overseas listed shares, or domestic shareholders transfer their shares to foreign investors and these shares may be listed and traded on overseas stock exchange(s).

CHAPTER X THE BOARD

SECTION 1 DIRECTORS

Article 100

The Company shall establish the Board of Directors. The Board shall consist of 9 directors and have one chairman. Directors shall comprise executive directors, non-executive directors and independent non-executive directors (hereinafter referred to as the "Independent Directors").

The "Independent Directors" mentioned in the preceding paragraph refer to the directors who hold no position in the Company other than the position of director and have no relationship with the Company and its substantial shareholder(s) that may prevent them from making independent and objective judgment. At least one-third of members of the Board shall be Independent Directors, and the total number shall not be fewer than three, among which at least one Independent Director must have appropriate professional qualification or appropriate accounting or relevant financial management expertise.

Rules relating to Independent Directors which are not stipulated in these Articles of Association shall be subject to the relevant laws, regulations and the relevant provisions of the listing rules of the stock exchange on which the Company's shares are listed.

Article 101

Directors shall be elected by general meeting, for a term of three years. A director may be re-elected upon expiry of his/her term of office. Before a director's term of office expires, the general meeting shall not dismiss him/her from his/her position without due cause.

The term of office of a director shall commence from the date on which he/she takes his/her position to the expiration of the session of the Board he/she serves. Where re-election is not carried out promptly after a director's term of office expires, the existing director shall continue to perform the duties owed by a director subject to the laws, administrative regulations, departmental rules and the Article of Association before a new director is elected to take up the office.

The Chairman shall be appointed and removed by a majority of all members of the Board. The Chairman shall serve a term of 3 years subject to re-election.

A director is not required to hold any share of the Company.

Article 102

Generally, the candidates for directorship are proposed at general meetings of the Company by the Board of the Company. Shareholders and the Board of Supervisors of the Company can nominate candidates for directorship according to the Articles of Association.

Written notice containing the intention to nominate a candidate for directorship and the candidate's express willingness to accept the nomination shall be delivered to the Company not earlier than the day when the notice of the general meeting has been dispatched and not later than seven days prior to the convening of such general meeting. The period between nomination and the acceptance of nomination shall not be less than seven days.

Article 103

A director may resign before the expiry of his/her term of office. The resigning director shall submit to the Board a written resignation.

In case that the number of directors of the Board of the Company falls below the minimum quorum as a result of the resignation of a director, the existing director shall continue to perform the duties owed by a director subject to the laws, administrative regulations, departmental rules and the Article of Association before a new director is elected to take up the office.

Other than the circumstances specified in the preceding paragraph, the resignation of a director shall take effect upon receipt of the written resignation by the Board.

Article 104

Any director who causes the Company to sustain a loss due to his/her unauthorized absence from office before his/her term expires shall be liable for compensation.

Subject to the relevant laws and administrative regulations, directors can be removed before the expiration of his/her term of office (but without prejudice to any claim for damages under any contracts) by an ordinary resolution passed at a general meeting.

A director shall guarantee that he/she devotes sufficient time and efforts to perform his/her duties. Where a director fails to attend the meetings of the Board in person twice consecutively and does not appoint another director to attend the meetings on his/her behalf, the director will be deemed as failing to perform his/her duties and the Board can propose to the general meeting to remove and replace the director.

SECTION 2 THE BOARD

Article 105

The Board may set up special committees such as audit committee, remuneration committee and nomination committee as necessary. The Board may set up other special committees and adjust existing committees based on its needs. The Board shall seek the opinion of the special committees before passing any relevant resolutions.

Members of each special committee under the Board shall only be directors and be elected by the Board. Each special committee may appoint intermediary institution for provision of professional opinion and the relevant costs shall be borne by the Company.

Members of the audit committee can only be comprised of non-executive directors, and at least one of whom is an Independent Director with appropriate qualifications or appropriate accounting or related financial management expertise as required under the Hong Kong Listing Rules. Independent Directors shall form the majority of the remuneration committee, and the chairman of the committee shall be an Independent Director. The chairman of the nomination committee shall be the chairman of the Board or an independent non-executive director; and independent non-executive directors shall form the majority of the committee.

Each of the special committee of the Board shall be accountable to the Board, and their respective proposals shall be submitted to the Board for consideration and approval.

Article 106

The Board shall be accountable to the general meeting and perform the following duties and powers:

- (I) to convene the general meeting and report its performance at the general meetings;
- (II) to implement resolutions adopted at the general meetings;
- (III) to make decisions on the Company's business plans and investment plans;
- (IV) to formulate the Company's annual financial budgets and annual final accounting plans;
- (V) to formulate the Company's profit distribution plans and loss recovery plans;
- (VI) to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of corporate bonds or other securities and listing plans;
- (VII) to formulate the plans for merger, division, dissolution and other changes in corporate form of the Company;

- (VIII) to determine the establishment of internal management departments of the Company;
- (IX) to appoint or dismiss the general manager and the Board Secretary of the Company, and to appoint or dismiss other senior management members of the Company as nominated by the general manager and to determine their remunerations;
- (X) to formulate the basic management system of the Company;
- (XI) to formulate the proposals for any amendment to the Articles of Association;
- (XII) to propose the engagement or replacement of accounting firm which undertakes the audit business of the Company to the general meeting;
- (XIII) to determine the external guarantee matter of the Company other than those to be considered by the general meeting;
- (XIV) to determine the purchase or sale of major assets of the Company within one year, or the amount of guarantee, which does not exceed 30% of the most recently audited total assets of the Company;
- (XV) to approve the connected transaction which shall be approved by the Board in accordance with the requirements of the laws, administrative regulations, the listing rules of the stock exchange on which the Shares of the Company are listed and the Articles of Association;
- (XVI) other duties and powers granted by the requirements of the laws, regulations, the listing rules of the stock exchange on which the Shares of the Company are listed and the general meeting;

Saved as otherwise provided by the laws, administrative regulations and the Articles of Association, resolutions by the Board on the matters referred to in the preceding paragraph shall be passed by the affirmative vote of more than one half of all of the Directors with the exception of resolutions to formulate the proposals on the increase or reduction of the Company's registered capital and the proposals on the issuance of corporate bonds, to formulate the plans for merger, division and dissolution of the Company and to formulate the proposals for any amendment to the Articles of Association, which shall require the affirmative vote of at least two-thirds of all of the directors for adoption.

Article 107

In case of disposal of fixed assets by the Board, the Board shall not, without the approval by general meeting, dispose or agree to dispose of any fixed assets if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of consideration from fixed assets disposed of in the four months immediately preceding the proposed disposal exceeds 33% of the value of fixed assets as shown in the most recently audited balance sheet placed before the general meeting.

For the purposes of this Article, disposal of fixed assets includes an act involving a transfer of an interest in assets; however excludes the provision of security by way of fixed assets.

The validity of a transaction for the disposal of fixed assets by the Company shall not be affected by a breach of the first paragraph of this Article.

Article 108

The Chairman shall perform the following duties and powers:

- (I) to preside over the general meetings, and to convene and preside over Board meetings;
- (II) to inspect the implementation of the resolutions of the Board;
- (III) to sign the securities issued by the Company;
- (IV) to sign the legally binding and important documents with external parties on behalf of the Company;
- (V) other duties and powers granted by the Board.

If the Chairman is unable to perform his/her duties and powers, a director jointly elected by at least half of the directors shall perform his/her duties and powers.

Article 109

Board meetings shall be convened at least four times a year, and it shall be convened by the Chairman. Notices of Board meetings shall be sent to all directors and supervisors fourteen days prior to the date of the meeting. An extraordinary Board meeting may be convened in one of the following circumstances:

- (I) when proposed by shareholders representing more than one-tenth of the total number of shares carrying voting rights;
- (II) jointly proposed by at least one-third of the directors;
- (III) proposed by the Board of Supervisors;
- (IV) proposed by the general manager.

Article 110

Notice of Board meetings and extraordinary Board meetings shall be delivered in person, by facsimile, by express delivery service, by registered mail, by electronic mail or paperless office system. The time limit for the delivery of such notices shall be at least fourteen days before the date of a regular Board meeting and at least three days before the date of an extraordinary Board meeting. Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be delivered by telephone or by other verbal means, but the convener shall make explanations at the meeting.

The notice of Board meeting shall contain the following:

- (I) date and venue of the meeting;
- (II) duration of the meeting;
- (III) the reasons for and matters to be considered at the meeting;
- (IV) the date on which such notice is dispatched.

Article 111

The meeting notice shall be deemed to be delivered to such Director if he/she presents at the meeting and does not raise the issue of the non-receipt of such notice prior to his/her arrival at the meeting or the commencement of the meeting.

Article 112

Board meetings and extraordinary Board meetings may be held by way of telephone conference or similar communication equipment so long as all directors present can clearly hear and communicate with each other. All such directors shall be deemed present in person at the meeting.

Article 113

A Board meeting shall not be convened unless more than half of the directors (including directors appointed to attend on his/her behalf) are present.

Each director shall have one vote. Unless otherwise required by the Articles of Association, resolutions of the Board shall be passed by a majority vote of all directors.

When the number of dissenting votes is equal to affirmative votes, the Chairman may cast another vote.

When any director or any associate (as defined by the definition of the Listing Rules of The Stock Exchange of Hong Kong Limited) of the director is interested in the matters to be resolved at the Board meetings (including approval of any contracts, transactions and arrangements) or any director is connected with enterprises involving the matters to be resolved at the Board meetings, such director shall not be present at such meeting and shall not have the right to vote. Such director shall not be counted in the quorum of such meeting. The Board meeting can be convened with the attendance of over half of the non-connected directors. The resolution of Board meeting shall be passed by a majority vote of the non-connected directors. If less than three non-connected directors attend the Board meeting, the matters shall be submitted for consideration by the general meeting.

Article 114

Directors shall attend the Board meeting in person and shall express clear opinion on matters considered. If for any reason the directors are unable to attend, they may authorize other directors in writing to vote as their wish, but the scope of authorization shall be stated in the power of attorney.

The representatives of the directors attending the meeting shall exercise the rights of directors within the scope as authorised. Any director absent from the Board meeting who fails to appoint a representative is deemed to have waived their voting rights at such meeting.

Article 115

For resolutions required to be passed at extraordinary Board meetings by poll, if the Board has sent the proposals to be voted on in writing (including by the way of fax) to all of the directors and the number of the directors who agreed to sign reached the requirement as provided in Article 113 of this chapter, the resolution shall be an effective resolution and there is no need to convene a Board meeting.

Article 116

The Board shall maintain minutes to record its decisions on the matters it has considered. Directors present at the meeting and the recorder shall sign on the minutes. The directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the Articles of Association or resolutions of general meeting, resulting in serious losses to the Company, the directors involved in approving the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution during voting and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of the Board meeting shall be true, accurate and complete, and contain the followings:

- (I) the date and place of, and the name of the convener of the meeting;
- (II) names of directors present and such directors present as proxy at the meeting;
- (III) meeting agenda;
- (IV) main points of speeches of the directors;
- (V) the voting method and the results of each resolution (the numbers of affirmative votes, negative votes and abstentions shall all be clearly indicated).

The minutes of the Board meetings shall be kept as archives of the Company for at least 10 years.

CHAPTER XI PARTY ORGANIZATIONS

Article 117

The Company shall establish branch committee of the Communist Party of China of Zhongguancun Science-Tech Leasing Co., Ltd. (hereinafter referred to as “Party Branch of the Company”). The positions of chairman and the Party branch secretary shall be assumed by the same individual in principle. Eligible members of the Party Branch of the Company are entitled to be admitted to the Board, the Board of Supervisors and the management according to legal procedures; while the eligible Party members from the Board, the Board of Supervisors and the management are entitled to be admitted to the Party Branch according to the relevant provisions and procedures.

The number of positions of secretary, deputy secretary and committee members of the Party Branch of the Company shall be established in accordance with the reply given by the Party committee of Zhongguancun Development Group Co., Ltd., and members for all positions shall be selected by election. During the adjournment of the Party representative congress, the superior Party committee may appoint the secretary and deputy secretary of the Party Branch as necessary.

Article 118

The Party Branch of the Company shall perform its duties in accordance with the relevant requirements of the Party including the Constitution of the Communist Party of China:

- (I) to ensure and supervise the Company's consistent implementation of guidelines and policies of the Party and the State, as well as the decisions and deployment of the Municipal Committees and Municipal governments;
- (II) the Party Branch of the Company shall, uphold a principle combining (a) the principle of management of cadres by the Party, (b) the Board's legitimate right to appoint the operational management, and (c) the operational management's legitimate right to staffing, recommend nominees to the Board or the general manager; consider and opine on the candidates nominated by the Board or the general manager; evaluate the proposed candidates in conjunction with the Board, and collectively consider and provide relevant suggestions. It shall also discharge the duties of talents management of the Party and implement the strategy of prospering the enterprise by relying on talents;
- (III) to consider and discuss matters on the reform, development and stability of the Company, major operation and management matters as well as key issues involving the vital interests of employees, and provide relevant suggestions;
- (IV) to take responsibility for comprehensive and strict management of the Party; to lead the ideological and political work, united front work, construction of spiritual civilization, cultivation of corporate culture, and the work of the trade union, the Communist Youth League and other mass groups of the Company; to lead the improvement of conduct and uphold the integrity of the Party, and to perform its supervisory duties in a pragmatic manner.

Article 119

The Board shall seek opinions from the Party Branch of the Company before making decisions on the material issues of the Company.

CHAPTER XII BOARD SECRETARY OF THE COMPANY

Article 120

The Company shall have a Board Secretary who shall be a senior management member of the Company and shall be accountable to the Board.

Article 121

The Board Secretary shall be a natural person with necessary professional knowledge and experience, and shall be appointed by the Board. The primary duties of the Board Secretary are:

- (I) to keep the Company's organizational documents and records intact;
- (II) to ensure that the Company prepares and submits the reports and documents required by the competent institutions in accordance with laws;
- (III) to ensure the proper maintenance of the Company's register of members, and 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.

Article 122

A director or a senior management member of the Company may concurrently serve as the Board Secretary of the Company. No accountant of the accounting firm engaged by the Company shall concurrently serve as the Board Secretary of the Company.

Where a director concurrently serves as the Board Secretary of the Company and a certain matter is required to be done by directors and the Board Secretary of the Company respectively, he/she shall not do the act in his/her double capacities.

CHAPTER XIII GENERAL MANAGER OF THE COMPANY

Article 123

The Company shall have one general manager, who shall be appointed or dismissed by the Board.

Article 124

The general manager of the Company shall be accountable to the Board and may exercise the following powers:

- (I) to be in charge of the management of production and operation of the Company and to organize the implementation of the resolutions of the Board;
- (II) to organize the implementation of the annual business plans and investment plans of the Company;
- (III) to draft proposals for the establishment of internal management bodies of the Company;
- (IV) to draft the basis management system of the Company;
- (V) to formulate the basic rules and regulations of the Company;
- (VI) to propose the appointment or dismissal of the deputy general manager, head of finance team and head of risk management team of the Company;

(VII) to appoint or dismiss the management personnel other than those required to be appointed or dismissed by the Board;

(VIII) other duties and powers granted by the Articles of Association and the Board.

Article 125

The general manager of the Company shall sit in on Board meetings; the general manager who is not a Director of the Company has no voting right at the Board meetings.

Article 126

The general manager, in performing his/her functions, shall act honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association.

CHAPTER XIV BOARD OF SUPERVISORS

Article 127

The Company shall have a Board of Supervisors. The Board of Supervisors shall exercise supervision function in accordance with the laws, administrative regulations and these Articles of Association.

Article 128

The Board of Supervisors shall be composed of 7 supervisors, with one of which serving as chairman of the Board of Supervisors. The election or removal of the chairman of the Board of Supervisors shall be determined by at least two-thirds of the members of the Board of Supervisors. All supervisors shall serve for a term of three years, and are eligible for re-election.

Article 129

The members of the Board of Supervisors shall be composed of shareholder representatives and employee representatives. The ratio of shareholder representative supervisors to employee representative supervisors is 4:3. The shareholder representatives shall be elected and dismissed at the general meeting, while the employee representatives shall be elected and dismissed through democratic elections organized by the Company's employees. The number of the Company's employee representative supervisors shall be not less than one-third of the total number of supervisors.

Article 130

Neither a director nor a senior management member of the Company shall serve concurrently as a supervisor.

Article 131

Where re-election is not carried out promptly after a supervisor's term of office expires, or in case that the number of supervisors of the Board of Supervisor falls below the minimum quorum as a result of the resignation of a supervisor during his/her term of office, the existing supervisor shall continue to perform the duties owed by a supervisor subject to the laws, administrative regulations and the Article of Association before a new supervisor is elected to take up the office.

Article 132

The supervisors' meetings shall be convened at least once every six months, and it shall be convened by the chairman of the Board of Supervisors. A supervisor may propose for the convening of an extraordinary supervisors' meeting.

Where the chairman of the Board of Supervisors is unable or fails to perform his/her duties, the majority of the supervisors may jointly elect a supervisor to convene and preside over such supervisors' meetings.

Any supervisor who fails to attend supervisors' meetings in person for two consecutive times shall be deemed incapable of performing his/her duties and shall be removed and replaced at the general meeting or the employee representatives' meeting.

Article 133

The Board of Supervisors shall be accountable to the general meeting and shall exercise the following duties and powers in accordance with the laws:

- (I) to monitor the Company's financial affairs;
- (II) to supervise the Company's directors, general manager and other senior management members to see whether they violate any laws, administrative regulations or the Articles of Association in performing the Company's duties;
- (III) to demand the directors, general manager and other senior management members to rectify their error if they have acted in a harmful manner to the Company's interest;
- (IV) to check financial information such as financial reports, operation reports and profit distribution proposals submitted by the Board to the general meeting, and may engage, in the Company's name, certified public accountants and auditors to review such information should any doubt arise in respect thereof;
- (V) to propose to convene an extraordinary general meeting;
- (VI) to represent the Company in negotiations with directors or to bring a lawsuit against directors, general manager and other senior management members in accordance with the requirements of the Company Law;
- (VII) other duties and powers granted by the Articles of Association.

Supervisors shall sit in on the Board meetings and make inquiries or suggestions on matters to be resolved by the Board.

Article 134

Notice of meetings and extraordinary meetings of the Board of Supervisors shall be delivered in person, by facsimile, by express delivery service, by registered mail, by electronic mail or paperless office system. The time limit for the delivery of such notices shall be at least ten days before the date of meeting of the Board of Supervisors and at least three days before the date of an extraordinary meeting of the Board of Supervisors. Where an extraordinary meeting of the Board of Supervisors needs to be convened in emergency, the notice of meeting may be delivered by telephone or by other verbal means, but the convener shall make explanations at the meeting.

The notice of the meeting of the Board of Supervisors shall contain the followings: date and venue of the meeting; duration of the meeting; the reasons for and matters to be considered at the meeting; and the date on which such notice is dispatched.

The supervisors' meetings can only be convened at the presence of two-thirds or more of the supervisors.

Each Supervisor shall have one vote. The making of resolutions by the Board of Supervisors shall be subject to the approval of at least two-thirds of all the Supervisors.

The Board of Supervisors shall maintain minutes to record its decisions on the matters it has considered. Supervisors present at the meeting shall sign on the minutes.

Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meetings of the Board of Supervisors shall be kept as archives of the Company for at least 10 years.

Article 135

The reasonable expenses incurred in engaging a professional, such as a lawyer, certified public accountant, professional auditor, etc., by the Board of Supervisors in exercising its duties and powers shall be borne by the Company.

Article 136

The supervisors shall fulfill their obligations of supervision in good faith in accordance with the laws, administrative regulations and the Articles of Association.

CHAPTER XV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 137

A person may not serve as a director, supervisor or senior management member of the Company if any of the following circumstances applies:

- (I) a person without civil capacity or with restricted civil capacity;
- (II) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his/her political rights on committing an offence, in each case where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- (III) a person who is a former director, factory manager or president (manager) of a company or enterprise which has entered into insolvent liquidation due to mismanagement and he/she is personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of law and he/she is personally liable for that, where less than three years has elapsed since the date of the revocation of the business license of the company or enterprise;
- (V) a person who has a relatively large amount of debts outstanding and past due;
- (VI) a person who is under criminal investigation or prosecution by a judicial authority for violation of the criminal law where the said investigation or prosecution is not yet concluded;
- (VII) a person who is not eligible for enterprise leadership according to the laws and administrative regulations;
- (VIII) not a natural person;
- (IX) a person convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five years have elapsed since the date of the conviction;
- (X) other circumstances as prescribed by the laws and regulations of the place where the shares of the Company are listed.

Article 138

The validity of the conduct of directors or senior management members of the Company who act on behalf of the Company with respect to bona fide third parties shall not be affected by any irregularity in their appointment, election or qualification.

Article 139

Besides the obligations as stipulated in laws, administrative regulations or the listing rules of the stock exchange where the stocks of the Company are listed, the directors, supervisors and senior management members of the Company shall perform the following obligations on each shareholder when exercising the powers conferred on them by the Company:

- (I) not to allow the Company to operate beyond the scope stated in its business license;
- (II) to act honestly in the best interest of the Company;
- (III) not to deprive in any way the properties of the Company, including but not limited to opportunities advantageous to the Company;
- (IV) not to deprive the personal interests of shareholders, including but not limited to the right to distributions and the right to vote; however, corporate restructuring proposed to the general meeting for approval in accordance with the Articles of Association is excluded.

Article 140

The directors, supervisors and senior management members of the Company owe a duty, in the exercise of their rights or discharge of their duties, to exercise care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Article 141

The directors, supervisors and senior management members of the Company shall perform their duties in accordance with the principle of fiduciary and shall not put themselves in a position where their duties and their interests may be in conflict. This principle includes, without limitation, the discharge of the following obligations:

- (I) to comply with the relevant provisions of laws and regulations and the Articles of Association, and work honestly and diligently, perform duties prudently, and fulfill relevant undertakings;
- (II) to act in good faith in the best interest of the Company;
- (III) to exercise powers within the scope of their duties and powers and not to exceed;
- (IV) to exercise the discretion vested in them in person and not to act under the control of another and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders given at a general meeting, not to delegate the exercise of their discretion;

- (V) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (VI) unless otherwise provided in the Articles of Association or with the informed consent of shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VII) without the informed consent of shareholders given at a general meeting, not to use the Company's property for their own benefit by any means;
- (VIII) not to exploit their position to accept bribes or other illegal income or infringe the property of the Company by any means, including, without limitation, opportunities advantageous to the Company;
- (IX) without the informed consent of shareholders given at a general meeting, not to accept commissions in connection with the Company's transactions;
- (X) to abide by the Articles of Association, faithfully execute their duties and protect the Company's interests, and not to exploit their position and functions and powers in the Company to advance their own private interests;
- (XI) not to compete with the Company in any form without the informed consent of shareholders given at a general meeting;
- (XII) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in their own names or other names for the deposit of the Company's assets and not to provide guarantee for the debts of shareholder(s) of the Company or other individual(s) with the Company's assets;
- (XIII) without the informed consent of shareholders given at a general meeting, not to leak out confidential information relating to the Company acquired by them in the course of and during their tenures and not to use such information in purposes other than in furtherance of the interests of the Company, provided that disclosure of such information to the court or other governmental authorities is permitted if it is:
 - 1. by order of the laws;
 - 2. in the interests of the public; or
 - 3. in the interest of the relevant director, supervisor or senior management member.

Article 142

The directors, supervisors or senior management members of the Company shall not direct the following persons or bodies (hereinafter referred to as the “Relevant Person”) to do anything to which such directors, supervisors or senior management members are not permitted:

- (I) the spouse or minor children of the directors or senior management members of the Company;
- (II) the trustee of the directors, supervisors or senior management members of the Company or of the persons stated in (I) of this Article;
- (III) the partners of the directors, supervisors or senior management members of the Company or of the persons stated in (I) and (II) of this Article;
- (IV) the company(ies) de facto solely controlled by the directors, supervisors or senior management member of the Company or the company(ies) de facto jointly controlled by the persons mentioned in (I), (II) and (III) of this Article or other directors, supervisors, general manager and other senior management members of the Company; and
- (V) the directors, supervisors or senior management members of the company(ies) so controlled as referred to in (IV) of this Article.

Article 143

The fiduciary duties of the directors, supervisors and other senior management members of the Company do not necessarily cease with the termination of their tenure while their obligation to treat such trade secrets of the Company confidential survives the termination of their tenure. Other obligations may continue for such period as fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstances and conditions under which the relationship between them and the Company is terminated.

Article 144

Except for such circumstances provided in Article 58 of the Articles of Association, any director, supervisor, or senior management member of the Company may be relieved from such liability for the violation of his/her specific obligation with the informed consent of shareholders given at a general meeting.

Article 145

Where a director, supervisor or senior management member of the Company has significant interests, directly or indirectly, in any contract, transaction or arrangement entered into or contemplated by the Company (other than the service contract between a director, supervisor or senior management member of the Company and the Company), he/she shall disclose the nature and extent of such interests to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

Unless the interested director, supervisor or senior management member of the Company has disclosed such interests to the Board as required under the preceding paragraph of this Article and the matter has been approved by the Board at a meeting where he/she was not counted in the quorum and had refrained from voting, the Company shall have the right to revoke the contract, transaction or arrangement, except where the other party is a bona fide party acting without knowledge of the breach of obligation by the relevant director, supervisor or senior management member concerned.

A director, supervisor or senior management member of the Company shall be deemed to have interests in the contract, transaction or arrangement in which a Connected Person of such director, supervisor or senior management member has interests.

Article 146

In the event that a director, supervisor or a senior management member of the Company gives a written notice to the Board before the Company considers to enter into the contract, transaction or arrangement for the first time, stating that due to the contents set out in the notice, such director, supervisor or senior management member has interests in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor and senior management member shall be deemed to have made such disclosure required under the preceding Article of the Articles of Association within the scope stated in the notice.

Article 147

The Company shall not, in any manner, pay tax for its directors, supervisors and senior management members.

Article 148

The Company shall not directly or indirectly provide a loan or loan security to a director, supervisor or senior management member of the Company and its parent company nor to the Connected Persons of the foregoing persons.

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

- (I) the Company provides a loan to its subsidiary or a loan security to its subsidiary;
- (II) the Company provides a loan, loan security or other funds to the directors, supervisors, general manager and other senior management members of the Company pursuant to letters of appointment approved at a general meeting, so as to enable such directors, supervisors, general manager and senior management members to pay the expenses incurred for the purposes of the Company or in performing their duties; and
- (III) In the event that the normal business scope of the Company expands to provision of loans and loan security, the Company can provide loans and loan security to the relevant directors, supervisors, general manager and other senior management members of the Company or their Connected Persons, provided that the conditions for the provision of loans and loan security shall be on normal commercial terms.

Article 149

The recipient of any loan provided by the Company in breach of the preceding Article shall immediately repay such loan regardless of the terms of the loan.

Article 150

No enforcement shall be imposed upon the Company for any loan guarantee provided by the Company in breach of clause (I) of Article 148, except for the following circumstances:

- (I) the loan provider has no knowledge that the loan is provided to a Connected Person of a director, supervisor, general manager and other senior management of the Company or its parent company; and
- (II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 151

For the purposes of the preceding Articles of this Chapter, the term “security” shall include an act whereby a guarantor assumes its liability or provides property to guarantee in order to secure the performance of obligations by an obligator.

Article 152

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

- (I) claim from such director, supervisor and senior management member for compensation of any loss incurred by the Company as a result of such breach;
- (II) rescind any contract or transaction entered into by the Company with such director, supervisor and senior management member or with a third party (where such third party knows or should know the breach of duties to the Company by such director, supervisor and senior management member representing the Company);
- (III) demand such director, supervisor and senior management member to surrender the profits received as a result of breaching his/her duties;
- (IV) recover any monies received by such director, supervisor and senior management member which should have been otherwise received by the Company, including, without limitation, commissions; and
- (V) demand payment of the interest earned or may be earned by such director, supervisor and senior management member on the monies that should have been surrendered to the Company.

Article 153

The Company shall enter into contracts in writing with regards to remuneration of its directors and supervisors and obtain prior approval at the general meeting. The foregoing remuneration shall include:

- (I) emoluments in respect of his/her service as a director, supervisor or senior management member of the Company;
- (II) emoluments in respect of his/her service as a director, supervisor or senior management member of a subsidiary of the Company;
- (III) emoluments in connection with the provision of other services for the management of the Company and its subsidiaries; and
- (IV) funds received by such directors or supervisors as compensation for their loss of office or for their retirement.

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

Article 154

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

- (I) anyone makes a tender offer to all the shareholders;
- (II) anyone makes a tender offer to make the offeror become a controlling shareholder as defined in Article 59 of the Articles of Association.

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

CHAPTER XVI FINANCIAL AND ACCOUNTING POLICY AND PROFIT DISTRIBUTION

Article 155

The Company shall establish its financial and accounting policy in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 156

At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by law.

Article 157

The board of directors of the Company shall present before the shareholders at every annual general meeting such financial reports as required by any laws, administrative regulations or directives promulgated by regional government and competent governmental authorities to be prepared by the Company.

Article 158

The Company's financial reports shall be made available for shareholders' inspection at the Company twenty days prior to the date of each annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this chapter.

The Company shall deliver to each shareholder of overseas listed shares by prepaid mail, the directors' report, along with the balance sheet (including all the documents required to be attached by laws) and the statement of profit and loss or a copy of financial summary report not later than twenty one days prior to the date of each annual general meeting. The address of the recipient shall be those registered in the register of members.

Article 159

In addition to the PRC accounting standards and regulations, the financial statements of the Company shall also be prepared in accordance with the international accounting standards or the accounting standards of the place outside the PRC where the shares of the Company are listed. Any material discrepancy between the financial statements prepared in accordance with two different accounting standards shall be explained in the notes to the financial statements. Distribution of profits after tax of the relevant fiscal year shall be based on the lower of the profits after tax shown in the two financial statements mentioned above.

Article 160

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

Article 161

The Company shall publish two financial reports each fiscal year, i.e. an interim financial report to be published within 60 days after the end of the first six months of the fiscal year and the annual financial report to be published within 120 days after the end of the fiscal year.

Article 162

The Company shall not keep accounts other than those required by laws.

Article 163

The Company's after-tax profit shall be allocated in the following order:

- (I) making up of any loss;
- (II) allocation of ten percent of its after-tax profits to the statutory reserve fund of the Company;
- (III) allocation to the discretionary reserve fund as approved by resolution of the general meeting;
- (IV) payment of dividend from ordinary shares to shareholders.

The shares of the Company held by the Company shall not be subject to profit distribution.

When the aggregate balance in the statutory reserve fund of the Company exceeds fifty percent of the registered capital of the Company, the Company may not make any further allocations.

The Company shall not distribute dividends or make any other allocations by way of bonus shares prior to the making up for any loss and allocations to the statutory reserve fund.

Any payment for shares by shareholders before the call shall be entitled to interest, but shall not be entitled to dividends declared after the call with respect to the advance payment for shares.

The Company shall appoint receiving agents for the shareholders of overseas listed shares. The receiving agents shall receive, on behalf of such shareholders, any dividends distributed by and other payables of the Company in respect of the overseas listed shares, and keep the same on behalf of such shareholders before payment to them. The receiving agents so appointed by the Company shall meet the requirements under laws or relevant stock exchange regulations in the place of listing. The receiving agents appointed for shareholders of overseas listed shares listed in the Hong Kong Stock Exchange shall be a registered trust company under the Trustee Ordinance of Hong Kong.

Where power is given to forfeit unclaimed dividends, that power shall not be exercised until the expiry of the applicable effective period. The Company has the right to terminate the despatch of dividend warrants to holders of overseas listed shares by mail, provided the dividend warrants have not been cashed for two consecutive occasions. Where the dividend warrants are failed to be delivered to the addressee and returned for the first time, the Company may also exercise such right.

The Company is entitled to sell, in such manner as the board of directors thinks fit, any shares of any uncontactable overseas listed shareholder, subject to the following conditions:

- (I) The Company has distributed dividends for at least 3 times in respect of such shares within 12 years, during which, however, none of such dividends was claimed and received; and
- (II) The Company, after the termination of the 12-year period, makes a public announcement on the newspaper(s) at the place where the shares of the Company are listed, stating its intention to sell such shares, and notified the stock exchange(s) on which such shares are listed.

Article 164

Capital reserve fund includes the following:

- (I) premium proceeds from the shares issued over their par value;
- (II) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

Article 165

The reserve fund of the Company shall only apply for the following purposes:

- (I) making up of any loss;
- (II) expanding the Company's operations;
- (III) converting the reserve fund into capital. The Company may convert its reserve fund into its share capital upon approval by the shareholders at a general meeting. When such conversion occurs, the Company shall either distribute new shares to the shareholders in proportion to their original shareholdings, or increase the par value of each share, provided that, upon capitalization of the reserve fund, the amount remaining in the reserve fund may not fall below 25% of the registered capital of the Company prior to capitalization. The capital reserve fund shall not be used to compensate any losses made by the Company.

Article 166

The Company may distribute dividend in the form of:

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

Article 167

The Company shall appoint receiving agents for the shareholders of overseas listed shares to receive, on behalf of the relevant shareholders, the dividends declared by and other receivables of the Company in respect of the overseas listed shares, and to keep such payment on behalf of the shareholders.

The receiving agents appointed by the Company shall meet the requirements under laws or relevant stock exchange regulations in the place of listing.

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

CHAPTER XVII APPOINTMENT OF ACCOUNTING FIRM

Article 168

The Company shall engage an independent accounting firm in compliance with the relevant regulations of the PRC to audit the Company's annual financial report and review the Company's other financial reports.

The appointment of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting of shareholders.

In case of failure to exercise such functions and powers at the inauguration meeting provided in the preceding paragraph, the board of directors shall exercise instead.

Article 169

The accounting firm appointed by the Company shall hold office commencing from the end of the annual general meeting of the Company and expiring upon the end of the next annual general meeting.

Article 170

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

- (I) the right to inspect at any time the books, records and vouchers of the Company, and to require the directors, general manager and other senior management members of the Company to provide any relevant information and explanation thereof;
- (II) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accounting firm;
- (III) the right to sit in on general meetings and receive all notices of, and other communications relating to, the meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the accounting firm of the Company.

Article 171

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

Article 172

Notwithstanding the terms set out in the contract between the Company and the accounting firm, shareholders at a general meeting may, by way of ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the right of the firm to claim for damages in respect of such removal.

Article 173

The remuneration of the accounting firm or the way in which the firm is to be remunerated shall be determined by the general meeting. The remuneration of the accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 174

Appointment, dismissal or non-reappointment of accounting firm by the Company shall be subject to decision at the general meeting and shall be filed with the securities regulatory authority under the State Council.

Where a resolution is passed at a general meeting concerning the appointment of a new accounting firm to fill the casual vacancy of accounting firm or reappointment of the retiring accounting firm appointed by the board of directors to fill a casual vacancy or removal of an accounting firm before the expiration of its term of office, the following provisions shall be complied with:

- (I) a copy of the proposal about appointment or removal shall be sent to the accounting firm proposed to be appointed or leave its office or the accounting firm which has left its office in the relevant fiscal year before giving the notice of general meeting. Leaving a position includes removal, resignation and retirement.
- (II) if a leaving accounting firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):
 - 1. in any notice given to shareholders about the resolution to be made, state the representations made by the leaving accounting firm;
 - 2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

(III) If the relevant accounting firm's representations are not sent in accordance with clause (II) herein, such accounting firm may require that the representations be read out at the general meeting and may lodge further complaints.

(IV) An accounting firm which is leaving its office shall be entitled to attend:

1. any general meeting relating to the expiry of its term of office;
2. any general meeting to fill the vacancy caused by its removal;
3. any general meeting convened due to its resignation.

The leaving accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former accounting firm of the Company.

Article 175

A thirty days' prior notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment. The accounting firm shall be entitled to make representations at a general meeting. If an accounting firm resigns from its position, it shall make representations at a general meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign its office by depositing a written resignation notice at the legal address of the Company. Resignation of the accounting firm shall become effective on the date of such deposit or on such later date stipulated in such notice. Such notice shall contain the following statements:

1. a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
2. a statement of any other circumstances requiring an explanation.

Where the above notice is deposited, the Company shall within fourteen days send a copy of the notice to the relevant competent authority. If the notice contains a statement under Clause (2) aforesaid, a copy of such statement shall be kept at the Company available for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every shareholder of overseas listed shares at the address registered in the register of members.

If the notice of resignation of an accounting firm contains a statement in respect of any circumstances requiring an explanation, it may require the Board to convene an extraordinary general meeting for the purpose of receiving an explanation of the circumstances in connection with its resignation.

CHAPTER XVIII MERGER AND DIVISION OF THE COMPANY

Article 176

The merger or division of the Company can only be effective upon duly completion of relevant examination and approval procedures regarding the proposal put forward by the Board after being passed in accordance with the procedures specified in the Articles of Association. Shareholders objecting to such proposal on the merger or division of the Company are entitled to require the Company or shareholders who are in favor of such proposal on merger or division to purchase their shares at a fair price. The contents of such resolutions approving the merger or division of the Company shall be compiled into a special document available for shareholders' inspection.

For shareholders of H shares, the foregoing documents shall also be served by post.

Article 177

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

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within ten days of, and shall make newspaper announcement within thirty days of, the date of the Company's resolution on merger. The creditors may, within thirty days after receiving such notice, or within forty-five days of the date of the announcement if fail to receive such notice, demand the Company to repay their debts or provide corresponding guarantees for such debts.

Upon merger, creditors' rights and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 178

In a division, the assets of the Company shall be split in an appropriate manner.

In the event of division of the Company, the parties concerned shall enter into a division agreement and prepare balance sheets and a list of assets. The Company shall notify its creditors within ten days after the date of the resolution on division and shall make a newspaper announcement within thirty days.

The debts of the Company before division shall be borne by the companies established after division jointly and severally, unless otherwise agreed in writing between the Company and the creditors in respect of debt settlement before division.

Article 179

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

CHAPTER XIX DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 180

The Company shall be lawfully dissolved and liquidated under any of the following circumstances:

- (I) the general meeting adopts a resolution to dissolve the Company;
- (II) the Company needs to be dissolved for the purpose of merger or division;
- (III) the business license is revoked or it is ordered to close down or be dissolved in accordance with the law;
- (IV) where the Company encounters significant difficulties in business and management, its subsistence may be significantly detrimental to the interests of the shareholders, and the difficulties may not be overcome by other means, shareholder(s) who hold(s) more than 10% of the shares of the Company carrying voting rights may request the people's court to dissolve the Company;
- (V) other circumstances in which the Company is required to be dissolved according to laws and regulations.

Article 181

If the Company is dissolved under provisions in clause (I), (III) or (IV) of Article 180, it shall establish a liquidation committee within fifteen days after the dissolution circumstance arises to start liquidation works. The liquidation committee shall comprise members determined by the directors or the general meeting. If the liquidation committee is not duly set up, the creditors may request the people's court to designate related persons to form a liquidation committee to carry out liquidation.

Article 182

If the board of directors decides to perform the liquidation, other than a liquidation due to the Company's declaration of bankruptcy, it shall state in the notice for convening a general meeting in this regard that a thorough inspection in respect of the Company's status has been made and that all the Company's debts can be settled within twelve months upon commencement of the liquidation.

The duties and powers of the Board of the Company shall be terminated immediately after the resolution for liquidation is passed at the general meeting.

In compliance with the instructions of the general meeting, the liquidation committee shall report to the general meeting at least once annually the income and expenses of the committee, the business operations of the Company and the progress of the liquidation, and to make a final report to the general meeting when the liquidation is completed.

Article 183

The liquidation committee shall notify creditors within ten days from the date of its establishment and make newspaper announcement within sixty days of that date.

The creditors shall, within thirty days upon receiving the notice, or for creditors who have not received such notice in person, shall within forty-five days after the date of the first announcement, declare their creditors' rights to the liquidation committee. In declaring their creditors' rights, the creditors shall explain matters relating to their rights and provide evidence with respect thereof. The liquidation committee shall register creditor's rights. The liquidation committee shall not make any settlement with the creditors during the period of declaration.

Article 184

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

- (I) to liquidate the Company's assets and separately prepare a balance sheet and a list of assets;
- (II) to notify creditors or issue public announcements;
- (III) to deal with the Company's outstanding business in relation to the liquidation;
- (IV) to settle outstanding taxes;
- (V) to settle all creditors' rights and debts;
- (VI) to dispose of the surplus assets of the Company after its debts have been paid off;
- (VII) to represent the Company in civil lawsuits.

Article 185

Upon liquidation of the Company's properties and the preparation of the balance sheet and list of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the general meeting or relevant competent authorities for confirmation.

The assets of the Company shall be distributed in the order required under laws and regulations or, if no applicable laws, in a fair and reasonable order determined by the liquidation committee.

The surplus assets shall be allocated to the shareholders of the Company according to the class of shares held by them and on pro rata basis after the distribution of assets as provided in the preceding paragraph.

During the liquidation, the Company shall not carry out any new operating activities.

Article 186

In the event of the Company's liquidation due to dissolution, if the liquidation committee, after liquidating the Company's assets and preparing the balance sheet and list of assets, finds that the Company's assets are insufficient to settle its debts, it shall immediately apply to the people's court to declare the Company's bankruptcy.

After the Company is declared bankrupt by a ruling from the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

Article 187

Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and a statement of the receipts and payments and the financial accounts for the liquidation period which shall be submitted to the general meeting or the relevant competent authorities for confirmation after being verified by a certified public accountant in the PRC.

The liquidation committee shall, within 30 days after the confirmation by the general meeting or the relevant competent authorities, submit the foregoing documents to business registration authority and apply for cancellation of the Company, and publish an announcement relating to the termination of the Company.

Article 188

The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation in accordance with laws.

The members of the liquidation committee shall not accept any bribes or other illegal income by making use of their powers, nor may they embezzle any assets of the company.

Where members of the liquidation committee cause any loss to the Company or any creditor due to deliberate acts or gross negligence of such members, they shall be liable to pay compensations.

Article 189

Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with the laws relating to corporate bankruptcy.

CHAPTER XX PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

Article 190

The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations, the listing rules of the stock exchange in which the Company's shares are listed, and its Articles of Association.

Article 191

The Articles of Association shall be amended in the following manner:

- (I) the board of directors shall propose a resolution to amend the Articles of Association;
- (II) the foregoing resolution shall be furnished to the shareholders in writing for the purpose of convening a general meeting;
- (III) the resolution shall be passed by votes representing more than two-thirds of all voting rights held by the shareholders present at the meeting.

Article 192

No amendment to the Articles of Association involving the Mandatory Provisions shall come into effect until it is approved by the department in charge of company approval authorized by the State Council and by the securities regulatory authorities under the State Council. If such amendment involves registration of the Company, the involved change shall be registered pursuant to laws.

CHAPTER XXI SETTLEMENT OF DISPUTES

Article 193

The Company shall comply with the following rules in settlement of disputes:

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

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

Disputes in relation to the identification of shareholders or the register of members may not be referred to arbitration.

- (II) A claimant may select arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body selected by the claimant.

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

- (III) If any disputes or claims prescribed in clause (I) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in the laws and administrative regulations.
- (IV) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER XXII BY-LAWS

Article 194

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

Article 195

Notices of the Company shall be delivered:

- (I) by hand;
- (II) by post, e-mail, telex or fax;
- (III) by way of an announcement published in the newspaper or other designated media;
- (IV) subject to the compliance with the laws, regulations and the listing rules of the stock exchange in the place where the Company's shares are listed, by way of posting on the website of the Company and the website designated by the stock exchange;
- (V) by such ways as agreed in advance between the Company and the party to be notified or any other way which is recognized by the party to be notified after having received such notice; and
- (VI) other ways which are recognized by the securities regulatory authority in the place where the Company's shares are listed or stipulated in the Articles of Association.

Even if these Articles of Association have otherwise provided for the methods of announcement or notification for any documents, notices, or other corporate communications, subject to relevant provisions of the securities regulatory authority in the place where the Company's shares are listed, the Company may choose to publish its communications by the means specified in item (IV) of the first paragraph in this Article, to replace the means of sending written documents to each shareholder of overseas listed shares by hand or by prepaid mail. The abovementioned corporate communications refer to any documents sent or to be sent by the Company to the shareholders for reference or for taking action, which include but not limited to annual reports (including annual financial reports), interim reports (including interim financial reports), Directors' report (together with the balance sheets and profit and loss statements), notice of the general meetings, circulars and other communication documents.

Article 196

"No less than", "within", "no more than" as referred to in the Articles of Association are inclusive of the stated figure, while "more than", "other than" are not inclusive of the stated figure.

Article 197

The Articles of Association is written in Chinese and in English, both of which shall be equally valid. Should there be any discrepancy between the Chinese and English version, the Chinese version shall prevail.

Article 198

The Board of the Company shall be responsible for the interpretation of the Articles of Association. The Rules of Procedures for the Shareholders' General Meetings, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Board of Supervisors formulated by the Company shall be approved or amended at the general meeting of the Company.