

This Appendix sets out summaries of the main clauses of our Articles of Association adopted on December 31, 2021, which shall become effective as at the date on which the H shares are listed on the Stock Exchange. As the main purpose of this Appendix is to provide potential investors with an overview of the Articles of Association, it may not necessarily contain all information that is important for prospective investors. As discussed in the section headed “Documents Delivered to the Registrar of Companies and Available on Display” in Appendix VIII to this prospectus, the full document of the Articles of Association in Chinese is available for examination.

SHARES

Issuance of Shares

The Company shall set up ordinary Shares at any time. According to its needs, the Company may create other classes of Shares upon approval from the authorized department of the State Council.

The Shares of the Company shall be issued by the Company following the principles of open, fairness and justice, and each share in the same class shall have the same rights.

For the same class of Shares issued at the same time, each share shall be issued on the same conditions and at the same price. All entities or individuals subscribing for the Shares shall pay the same price for each share.

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

The Company may issue Shares to domestic and overseas investors upon approval by competent securities department of the State Council.

Increase, Reduction and Repurchase of Shares

The company may, in light of the company’s operational and developmental needs and in accordance with laws and regulations, increase its capital by any of the following methods subject to a separate resolution of the general meeting:

- (a) a public offering of shares;
- (b) a private placement of shares;
- (c) placement of new shares to existing shareholders;
- (d) the payment of a bonus shares to existing shareholders;

- (e) the conversion of reserve funds into shares; or
- (f) any other method stipulated in laws and regulations or approved by the competent securities department of the State Council, the securities regulatory authority where the Company's shares are listed and any other relevant regulatory authority.

The company may reduce its registered capital. Any reduction of its registered capital shall be subject to the procedures prescribed in the Company Law and other applicable provisions, as well as the Articles of Association.

When reducing its registered capital, the company must prepare a balance sheet and an inventory of property.

Within ten (10) days of the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the company and a public announcement shall be made in the information disclosure press within thirty (30) days. A creditor shall, within thirty (30) days of receipt of such a notice or within forty-five (45) days of the first public announcement where the creditor has not received the notice, have the right to require the company to settle its claim or provide a relevant debt repayment guarantee.

The registered capital after its reduction shall not be less than the statutory minimum amount.

The Company may repurchase its issued Shares in the following circumstance, after passing the procedures stipulated in laws, administrative regulations, regulations of ministries and commissions, listing rules for stock exchanges where the Company's Shares are listed and the Articles of Association.

- (a) reduction of the Company's registered capital;
- (b) merging with another company holding Shares in the Company;
- (c) use of its shares for carrying out an employee stock ownership plan or equity incentive;
- (d) requests to the Company for acquiring their Shares from Shareholders who have voted against the resolutions passed at a Shareholders' general meeting on the merger or division of the Company;
- (e) use of shares for conversion of convertible corporate bonds issued by a listed company;
- (f) the share buyback is necessary for a listed company to maintain its company value and protect its shareholders' equity; and
- (g) other circumstances permitted by laws and administrative regulations.

Except for the circumstances set out above, the Company shall not repurchase its Shares.

Approval shall be obtained from general meeting when the Company is to repurchase its own Shares under the circumstances (a) and (b) set out above; for a company's share buyback under any of the circumstances stipulated in item (c), item (e) or item (f) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting.

The shares acquired under the circumstance stipulated in item (a) hereof shall be deregistered within ten days from the date of acquisition of shares; the shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either item (b) or item (d); and the shares held in total by a company after a share buyback under any of the circumstances stipulated in item (c), item (e) or item (f) shall not exceed 10% of the company's total outstanding shares, and shall be assigned or deregistered within three years.

With the approval of the relevant competent authorities of the state, the Company may repurchase its Shares by the following ways:

- (a) making a repurchase offer to all Shareholders in proportion to their shareholdings;
- (b) repurchasing the Shares by public trading on a stock exchange;
- (c) repurchasing the Shares by agreement without involving a stock exchange;
- (d) by other means stipulated by laws or regulations or permitted by competent securities department of the State Council or other competent authorities.

A prior approval shall be obtained from a general meeting in respect of any share repurchase by the Company through an off-market agreement in accordance with the provisions of our Articles. After the general meeting has given its approval in the same way, the Company may rescind or alter any contracts entered into in the said manner or waive any rights under such contracts.

The contract to repurchase Shares as referred to in the preceding paragraph, but is not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase Shares.

The Company shall not assign a contract for repurchasing its Shares or any of its rights thereunder. Listing rules for stock exchanges where the Company's Shares are listed shall apply to the redeemable Shares that the Company has the right to repurchase.

Unless the Company is undergoing liquidation, it shall comply with the following requirements with respect to a repurchase of its issued Shares:

- (a) for repurchases of Shares by the Company at their par value, payment shall be made from the book balance of its distributable profits or from the proceeds of issuance of new Shares for that purpose;

- (b) where the Company repurchases its Shares at a premium to its par value, payment up to the par value shall be made from the book balance of its distributable profits or from the proceeds of issuance of new Shares for that purpose. Payment of the portion which is in excess of the par value shall be made as follows:
 - (i) if the Shares being repurchased are issued at par value, payment shall be made from the book balance of its distributable profits; or
 - (ii) if the Shares being repurchased are issued at a premium to its par value, payment shall be made from the book balance of its distributable profits or from the proceeds of issuance of new Shares for that purpose. However, the amount deducted from the proceeds of issuance of new Shares shall not exceed the aggregate amount of the premium received by the Company from the issuance of the Shares so repurchased, nor shall it exceed the amount in the Company's capital reserve fund account (including premium on the new issue) at the time of such repurchase;
- (c) the Company shall make the following payments from the Company's distributable profits:
 - (i) acquisition of the rights to repurchase its own Shares;
 - (ii) variation of any contracts for the repurchase of its Shares; or
 - (iii) release from its obligations under any repurchase contracts;
- (d) after the aggregate par value of the canceled Shares is deducted from the Company's registered capital in accordance with the relevant provisions, the amount deducted from the distributable profits used for the repurchase of the Shares at par value shall be credited to the Company's capital reserve fund account.

Transfer of Shares

Unless otherwise specified by laws, regulations, regulatory documents and listing rules for stock exchanges where the Company's Shares are listed, the Shares of the Company may be transferred freely without any lien attached.

The transfer of shares shall be conducted at a stock exchange established in accordance with the law, or in other ways prescribed by the State Council.

All fully paid H Shares may be freely transferred in accordance with the Company's Articles. However, the Board may refuse to recognize any documents for the transfer of H Shares without stating any reasons unless the conditions stipulated below are met:

- (a) all transfer documents and other documents relating to or affecting the title of any H Shares registered are required to be registered, with registration fees paid to the Company

based on the standards prescribed by the Hong Kong Listing Rules and the fees shall not exceed the highest standard prescribed by the Hong Kong Listing Rules from time to time;

- (b) transfer documents are only in relation to H Shares;
- (c) stamp duty (as stipulated by Hong Kong law) in relation to transfer documents has been duly paid;
- (d) relevant share certificate(s) and any other evidence which the Board may reasonably require to show that the transferor has the right to transfer the Shares have been provided;
- (e) where the Shares are intended to be transferred to joint holders, the number of such joint Shareholders shall not be more than four;
- (f) Shares are free and clear of any lien of the Company.

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

The Company does not accept Shares of the Company as the subject of pledges.

Shares held by promoters shall not be transferred within one year from the date of the establishment of the Company.

The Directors, Supervisors and senior management personnel of the Company shall notify the Company of their holding of Shares (including preferred shares) in the Company and changes of their holdings. The Shares transferrable by them during each year of their tenures shall not exceed twenty-five percent of their total holdings of Shares of the Company. The Shares in the Company held by them are not transferable within one year from the date on which the Company's Shares are listed. The Shares in the Company held by them shall not be transferred within six months of their departure from the Company.

Financial Assistance for the Acquisition of Shares in Our Company

The Company or its subsidiaries shall not offer any financial assistance at any time by any means to purchasers or prospective purchasers who will or who intend to purchase the Company's Shares. The aforementioned purchasers include both persons who have directly or indirectly assumed obligations due to purchasing the Company's Shares.

The Company and its subsidiaries shall not offer any financial assistance at any time by any means in order to reduce or relieve the obligations of the aforesaid obligors.

“Financial assistance” referred to in our Articles of Association shall include, without limitation, the following means:

- (a) financial assistance given as gifts;
- (b) financial assistance given by guarantee (including the assumption of liability by the guarantor or the provision of properties by the guarantor to secure the performance of obligations by the obligor), indemnity (other than an indemnity in respect of the Company’s neglect or default) or the release or waiver of any rights;
- (c) the provision of loans or the entrance into any agreement under which the obligations of the Company are to be fulfilled prior to the obligations of another party, and a change in the parties to, and the assignment of rights arising under such loans or agreement; or
- (d) any other form of financial assistance given by the Company when the Company is insolvent, has no net assets, or under any other situations when its net assets would be reduced to a material extent.

The “obligations” referred to in the Articles shall include the obligations of an obligor which have arisen from entering into an agreement or making an arrangement (regardless of whether such agreement or arrangement is enforceable, or whether such obligations are assumed by the obligor individually or jointly with any other person) or any obligations that arise out of changes made in any other way to the obligor’s financial condition.

The acts listed below are not prohibited by the preceding three paragraphs:

- (a) the financial assistance provided by the Company is either genuinely for the interests of the Company and the main purpose of the financial assistance is not to purchase Shares of the Company, or the financial assistance is an incidental part of an overall plan of the Company;
- (b) the lawful distribution of the Company’s properties in the form of dividends;
- (c) the distribution of dividends in the form of Shares;
- (d) the reduction of registered capital, repurchase of Shares, and adjustment of shareholding structure, etc. in accordance with our Articles;
- (e) the provision of a loan by the Company within its scope of business and in the ordinary course of business (provided that this does not lead to a reduction in the net assets of the Company or that if this causes a reduction, the financial assistance is taken from the Company’s distributable profits); or

- (f) provision of funds by the Company for an employee shareholding scheme (provided that this does not lead to a reduction in the net assets of the Company or that if there causes a reduction, the financial assistance is taken from the Company's distributable profits).

Register of Shareholders

The Company shall have a Shareholders register to record the following matters:

- (a) the name, address (domicile), occupation or nature of each Shareholder;
- (b) the class and number of Shares held by each Shareholder;
- (c) the amount paid or payable for the Shares held by each Shareholder;
- (d) the serial number(s) of the share certificate(s) held by each Shareholder;
- (e) the date on which each Shareholder is registered as a Shareholder;
- (f) the date on which each Shareholder ceases to be a Shareholder.

Unless there is proof to the contrary, the register of Shareholders shall be sufficient evidence to the holding of the Shares of the Company by a Shareholder.

Subject to the Articles of Association and other applicable regulations, once the Shares of the Company are transferred, the name of the transferee shall be listed in the Shareholders' register as the holder of the said Shares.

Transfer of Shares shall be registered at domestic and overseas-listed share transfer register agencies assigned by the Company and recorded in the Shareholders' register.

SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING**Rights and Obligations of Shareholders**

The Shareholders holding ordinary Shares shall enjoy the following rights:

- (a) to receive dividends and other kinds of distributions as determined by the number of Shares held by them;
- (b) to request, convene, host, attend or appoint a proxy to general meetings according to laws, and to exercise voting rights based on the number of the Shares held by them;
- (c) to supervise the operations of the Company, and to make suggestions and enquiries accordingly;

- (d) to transfer, bestow or pledge of the Shares held by them in accordance with the laws, administrative regulations, regulations of ministries and commissions, listing rules for stock exchanges where the Company's Shares are listed and the provisions of the Company's Articles;
- (e) to obtain relevant information in accordance with our Articles, including:
 - (i) to obtain the Company's Articles after paying the production costs thereof;
 - (ii) to acquire the right to inspect and duplicate after paying a reasonable charge:
 - (1) all parts of the register of Shareholders;
 - (2) personal information of the Directors, Supervisors, General manager and other senior management personnel of our Company, including: present and former name or alias; principal address (place of domicile); nationality; primary and all other part-time occupations and duties; identification document and its number;
 - (3) information on the share capital of the Company;
 - (4) reports on the aggregate par value, number of Shares, and highest and lowest prices of each class of Shares in relation to any repurchase by the Company of its own Shares since the last financial year, as well as all the expenses paid by the Company in relation to such repurchases (classified as domestic Shares and foreign-invested Shares);
 - (5) bond stub of the Company;
 - (6) minutes of the Shareholders' general meetings (only for Shareholders to inspect) and special resolutions of the Company, resolutions of the Board and resolutions of the Supervisory Committee;
 - (7) the latest audited financial statements of the Company, and the reports of the Board, auditors and the Board of Supervisors;
 - (8) financial and accounting reports; or
 - (9) the latest issue of annual report already submitted to the Administration for Industry and Commerce of PRC or other competent authorities for filing.

The Company shall keep documents and any other applicable documents related to Item (1), (3), (4), (6) (7), (8) and (9) at the Company's Hong Kong domicile for public and Shareholders to inspect free of charge according to provisions of Hong Kong Listing Rules;

- (f) to participate in the distribution of the remaining assets of the Company based on the number of Shares held in the event of the Company's dissolution or liquidation;
- (g) to demand the Company to acquire their Shares (for Shareholders who disagree with the resolutions adopted at a Shareholders' general meeting in relation to the merger or division of the Company);
- (h) on the basis of one share, one vote, the shareholders holding more than 3% of the voting rights attached to the Company's share capital, individually or in the aggregate, shall have the right to make an interim proposal and submit it in writing to the convener 10 business days prior to the shareholders' meeting; and
- (i) to have other rights conferred in accordance with the law, administrative regulations, regulations of ministries and commissions, regulatory documents or listing rules for stock exchanges where the Company's Shares are listed and our Articles.

Company shareholders holding ordinary Shares shall have the following obligations:

- (a) to abide by laws, administrative regulations, regulations of ministries and commissions, regulatory documents or listing rules for stock exchanges where the Company's Shares are listed and our Articles of Association;
- (b) to provide share capital according to the shares subscribed for and share participation methods;
- (c) not to return shares unless prescribed otherwise in laws and administrative regulations;
- (d) not to abuse shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the company's creditors;

Any company shareholder who abuses shareholders' rights and causes the company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the law.

Any company shareholder who abuses the status of the company as an independent legal entity or the limited liability of shareholders to evade debts and seriously damages the interests of the company's creditors shall assume joint and several liability for the company's debts.

- (e) Other duties prescribed in the law, administrative regulations, regulations of ministries and commissions, regulatory documents or listing rules for stock exchanges where the Company's Shares are listed and our Articles of Association.

Shareholders shall not be liable for any subsequent increase in share capital other than those conditions agreed to by the subscriber of the shares at the time of subscription.

In addition to obligations as required by laws, administrative regulations or the listing rules of the stock exchange on which the company's shares are listed, a controlling shareholder when exercising its shareholding rights shall not exercise its voting rights to make decisions on the following matters which harm the interests of all or some shareholders:

- (a) To exempt a director or supervisor from his/her responsibility for acting in good faith for the best interests of the company;
- (b) To approve the expropriation of the company's property by a director or supervisor (for his/her own interests or another's interests) through any means including (but not limited to) any opportunity which is beneficial to the company; or
- (c) To approve the divestment of other shareholders' individual rights and interests by a director or supervisor (for his/her own interests or another's interests), including (but not limited to) any distribution rights and voting rights, but not including where the matter is submitted to the shareholders' meeting for adoption in accordance with the company's Articles of Association that there be reorganization of the company.

Power of the Meeting and Matters to be Determined

The Shareholders' general meeting shall be the governing organ of the Company. It may exercise the following powers in accordance with the law:

- (a) to decide on the business policies and investment plans of the Company;
- (b) to elect and replace Directors and Supervisors which are not appointed as representatives of the employees and to decide on the remuneration of the relevant Directors and Supervisors;
- (c) to review and approve reports made by the Board;
- (d) to review and approve reports made by the Supervisory Committee;
- (e) to review and approve the Company's proposed annual financial budget and final accounts;
- (f) to review and approve the Company's plans for profit distribution and loss recovery plans;
- (g) to adopt resolutions concerning the increase or reduction of the Company's share capital;
- (h) to adopt resolutions on the issuance of bond;
- (i) to adopt resolutions on the merger, division, dissolution, liquidation or change in corporate form of the Company;

- (j) amendment of the Articles of Association;
- (k) to adopt resolutions on the engagement, dismissal or discontinuation of the appointment of accounting firms;
- (l) to review and approve the guarantees stated in the Article 67 of the Articles of Association;
- (m) to review and approve the issues that the Company purchases or sells any major assets of which the amount exceeds 30% of its latest audited total assets;
- (n) to review and approve matters relating to the modification of raised fund purpose;
- (o) to review and approve the share incentive schemes;
- (p) to review the proposals raised by the Shareholders severally or jointly representing above three percent of the Company's Shares with voting rights;
- (q) to review and approve other issues which should be decided by the Shareholders' general meeting as stipulated by laws, administrative regulations, regulations of ministries and commissions and listing rules for stock exchanges where the Company's Shares are listed or our Articles of Association.

Resolutions at the general meeting shall be divided into ordinary resolutions and special resolutions.

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

Special resolutions of the general meeting shall be passed by more than two thirds of the total voting rights of shareholders present and voting in person or by proxy at the general meeting (including shareholders' proxies).

The following matters shall be approved by general meeting by ordinary resolutions:

- (a) work report of the Board of directors and the Board of supervisors;
- (b) profit distribution plan and loss recovery plan formulated by the Board of Directors;
- (c) appointment and removal of members of the Board of Directors and members of the Board of supervisors, their remuneration and method of payment thereof;

- (d) Proposed annual preliminary financial budgets, final account proposals, statements of financial position, statements of profit or loss and other comprehensive income and other financial statements of the Company;
- (e) Annual reports of the Company;
- (f) Other matters other than those provided by laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed or special resolutions which shall be approved by the provisions of the Articles of Association.

The following matters shall be approved by general meeting by special resolutions:

- (a) increasing or reducing the share capital of the Company and issuing Shares of any class, equity warrants and other similar securities;
- (b) the issuance of corporate bonds;
- (c) division, merger, dissolution, liquidation (including voluntary winding-up) of the Company;
- (d) amendment to the Articles of Association;
- (e) any purchase or disposal of substantial assets made, or guarantee provided by the Company within one year, with an amount exceeding 30% of the latest audited total assets of the Company;
- (f) share incentive schemes;
- (g) to repurchase the Company's shares under the circumstances stated in Articles of Association;
- (h) other matters stipulated by laws, administrative regulations, listing rules for stock exchanges where the Company's Shares are listed or the Articles of Association, or matters which are determined by an ordinary resolution of the general meeting to be of material significance to the Company and are required to be approved by way of special resolutions.

If the chairman of the meeting decides to vote on a show of hands, the general meeting shall vote on a show of hands unless a vote is demanded by the following persons before or after the show of hands:

- (a) chairman of the meeting;

- (b) at least two voting shareholders or agents of voting shareholders;
- (c) one or more shareholders (including shareholder's agent) holding more than 10% (including 10%) of the voting shares at the meeting shall be calculated separately or jointly.

If the chairman of the meeting decides to vote on a show of hands, unless a poll is proposed, the chairman of the meeting shall, on the basis of the result of the show of hands, announce the adoption of the proposal and record it in the minutes of the meeting as the final basis, without proving the number or proportion of votes for or against the resolution passed at the meeting.

The demand for a poll can be withdrawn by the proposer.

If the matter required to be voted by way of a poll relates to election of chairman or adjournment of meeting, a poll shall be conducted immediately; in respect of other matters required to be voted by way of a poll, the chairman may decide the time of a poll, and the meeting may proceed to consider other matters. The voting results shall still be deemed as resolutions passed at the said meeting.

When voting by a poll, Shareholders (including their proxies) entitled to two or more votes need not cast all their votes for or against in the same way.

When the number of votes against and in favor are equal, the chairman of the meeting shall be entitled to an additional vote.

Where relevant laws and regulations and the Listing Rules requires any shareholder to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Notice of the Meeting

The Shareholders' general meetings shall be divided into annual general meetings and extraordinary general meetings. The annual general meeting shall be convened once an accounting year, and be held within six months after the end of each accounting year.

An extraordinary general meeting shall be convened within two months from the date of occurrence of any of the following events:

- (a) the number of Directors is less than the minimum number required by the PRC Company Law or less than two-thirds of the number stipulated in our Articles;
- (b) the outstanding loss of the Company is at least one-third of the Company's total paid-up share capital;

- (c) on the basis of one share, one vote, when Shareholders who individually or jointly holding more than ten percent of the voting rights attached to the Company's share capital request to convene an extraordinary general meeting;
- (d) the Board deems it necessary to convene the meeting;
- (e) the Supervisory Committee proposes to convene the meeting; or
- (f) any other circumstances as stipulated by laws, administrative regulations, regulations of ministries and commissions and the listing rules for stock exchanges where the Company's Shares are listed or our Articles.

In item (c) above, the number of Shares held by the Shareholders shall be calculated as at the date of request in writing made by him/her.

The conveners shall notify all shareholders by way of announcement prior to twenty days from the date of annual general meetings. All shareholders shall be informed by way of announcement prior to fifteen days from the date of extraordinary general meetings. In determining the commencement date and the period, the Company shall not include the date on which the meeting is held and the date on which the notice is given.

The notice of a Shareholders' general meeting shall:

- (a) be issued in writing;
- (b) specify the time, venue and duration of the meeting;
- (c) state the matters and proposals to be deliberated at the meeting;
- (d) provide to Shareholders with all necessary information and explanation to enable Shareholders to make informed decisions on the matters to be discussed. This means that when (including but not limited to) any merger, share repurchase, share capital reorganization or any proposals relating to change in the structure of the Company are involved, the detailed terms of the proposed transaction, copies of the proposed agreement (if any) and detailed explanation as to the cause and effect of such a proposal transaction shall be provided;
- (e) if any of the Directors, Supervisors, General manager and other senior management personnel have material interest in the matters to be discussed, they shall disclose the nature and extent of such interest; and if the effects of the matters to be discussed have a different effect on a Director, Supervisor, General manager and other senior management personnel as Shareholders compared to other Shareholders of that same class, they shall explain this difference;

- (f) the full text of any proposed special resolution to be voted on at the meeting;
- (g) a prominent statement stating that Shareholders entitled to attend the meeting and vote can appoint proxy by written to attend and vote on his/her behalf, and such proxy need not be a Shareholder of the Company;
- (h) the time and venue for delivering the proxy form authorizing the proxy to vote of the relevant meeting;
- (i) specify the date of registration of shareholdings of Shareholders who are entitled to attend the Shareholders' general meeting;
- (j) the name and phone number of the contact person of the meeting.

Unless otherwise stipulated by laws, administrative regulations, listing rules for stock exchanges where the Company's Shares are listed or the Articles, the notice of a Shareholders' general meeting shall be delivered by hand or prepaid mail to all Shareholders (regardless of whether they have voting rights at the Shareholders' general meeting). The address of the recipients shall be the address registered in the register of Shareholders. For holders of domestic Shares, the notice of a Shareholders' general meeting may be in the form of an announcement.

The aforesaid announcement shall be published in one or more newspapers, specified by competent securities department of the State Council, and all holders of domestic Shares shall be deemed as having been notified of the forthcoming Shareholders' general meeting once the announcement is published.

Provided that such action is complied with relevant laws and regulations and the listing rules for stock exchanges where the Company's Shares are listed and fulfills relevant procedures, the Company may also send or dispatch the aforesaid notices of general meeting to the holders of H Shares through the websites of the Company and website specified by the Hong Kong Stock Exchange or by other methods approved by Hong Kong Listing Rules and our Articles to replace the approach of delivery by hand or pre-paid post.

Shareholder Proxies

Any Shareholder entitled to attend and vote at the general meeting shall have the right to appoint one or several persons (who may not be Shareholders) to act as his or her proxy to attend and vote at the meeting on his or her behalf.

The proxy(ies) so appointed by the Shareholder(s) may, pursuant to the instructions of the Shareholder(s), exercise the following rights:

- (a) the Shareholders' right to speak at the general meeting;

- (b) the right to demand a poll by himself/herself or jointly with others;
- (c) the right to exercise voting rights by a show of hands or by a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights by a poll.

The appointment of a proxy shall be in writing and signed by the appointing Shareholder or his/her attorney duly authorised in writing; where the appointing Shareholder is a legal person, such appointment shall be affixed with its seal or signed by its Director or attorney duly authorised.

The instrument of proxy shall be lodged at the address of the Company or at other places specified in the notice of meeting at least twenty-four (24) hours prior to the relevant meeting at which the proxy is authorized to vote, or within twenty-four (24) hours prior to the specified time of voting. Where the instrument of proxy is signed by a person authorized by the appointing shareholder, the power of attorney or other documents authorizing such person to sign the instrument of proxy shall be notarized. The notarized power of attorney or other authorization documents, together with the instrument of proxy, shall be lodged at the address of the Company or at other places specified in the notice of meeting.

Where the appointing shareholder is a legal person, its legal representative or the person authorized by the resolution of its board of directors or other governing bodies may attend the shareholders' general meetings of the Company as a representative of such appointing shareholder.

Any blank instrument of proxy or proxy form issued to a shareholder by the board of directors for the shareholder to appoint a proxy shall allow the shareholder to freely instruct the proxy to cast vote for, against or abstain from voting and enable the shareholder to give separate instructions on each matter to be voted at the meeting.

Such instrument of proxy shall contain a statement that in the absence of instructions from the shareholders, his proxy may vote at his discretion.

Where the appointing shareholder has deceased, lost capacity, revoked the appointment or the signed instrument of authorization prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of instrument of proxy shall remain valid as long as the Company did not receive a written notice of such event prior to the commencement of the relevant meeting.

Special Procedures for Voting by Class Shareholders

Shareholders who hold different classes of Shares shall be class Shareholders.

Class Shareholders shall have rights and obligations in accordance with the laws, administrative regulations and the Articles of Association.

Apart from holders of other classes of Shares, holders of domestic Shares and H Shares are regarded as Shareholders of different classes.

If the Company proposes to change or nullify certain rights of a certain class of Shareholders, this proposal should be passed by a special resolution at the Shareholders' general meeting and passed at the meeting convened according to Article 131 to 135 of the Articles by the related class of Shareholders.

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

- (a) to increase or reduce in the number of the Shares of such class, or increase or reduce the number of the Shares of other class which enjoy the same or more voting rights, distribution rights or other privileges;
- (b) to convert part or whole of the Shares of such class into other class(es), convert part or whole of the Shares of other class(es) into such class, or grant such conversion rights;
- (c) to nullify or reduce the rights of such class of Shares to receive payable dividends or cumulative dividends;
- (d) to reduce or nullify the privileged rights of such class of Shares to acquire dividends or obtain distribution of assets during liquidation of the Company;
- (e) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of such class of Shares or the rights of such class of Shares to obtain securities issued by the Company;
- (f) to nullify or reduce the rights of such class of Shares to receive amounts payable by the Company in a particular currency;
- (g) to establish new class(es) of Shares with the same or more voting rights, distribution rights or other privileges as compared with those enjoyed by such class of Shares;
- (h) to impose restriction or additional restrictions on the transfer of ownership of such class of Shares;
- (i) to grant the share subscription options or share conversion options of such class or another class of Shares;
- (j) to increase the rights or privileges of other class(es) of Shares;

- (k) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of Shareholders during the restructuring; or
- (l) to revise or nullify the provisions under this section.

Where issues specified in (b) to (h), (k) to (l) of the preceding provisions are involved, the affected class Shareholders, whether or not they are entitled to vote at Shareholders' general meetings originally, shall have the right to vote at class general meetings. However, the Shareholders with conflicts of interests shall have no voting rights at the meeting for such class of Shareholders.

A resolution of the meeting for a certain class of Shareholders shall be adopted by above two-thirds of the voting Shares represented by Shareholders of such class present at the meeting.

The special voting procedure at a Shareholders' general meeting for class Shareholders shall not apply for the following cases:

- (a) upon the approval by way of a special resolution passed by a Shareholders' general meeting, the Company issues overseas listed foreign Shares every twelve months, provided that the amount of Shares intended to be issued is not more than twenty percent of the issued and outstanding Shares of the class;
- (b) the Company's plan on issuing overseas listed foreign Shares at the time of establishment, which is completed within fifteen months from the date of approval from competent securities department under the State Council, or
- (c) where with the approval by the security's regulatory authorities of the State Council the shareholders who hold the domestic shares of the Company transfer the shares held by them to foreign investors and cause these shares to be listed and traded on an overseas stock exchange.

DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

Power to allocate and issue shares

The Articles of Association does not contain clauses that authorize the Board of Directors to allocate or issue shares. The Board of Directors shall prepare suggestions for share allotment or issue, which are subject to approval by the Shareholders at the general Shareholders' meeting in the form of a special resolution. Any such allotment or issue shall be in accordance with the procedures stipulated in appropriate laws, administrative regulations and supervision rules of shares listed region.

Appointment, Removal and Retirement

Directors shall be elected or removed from office by Shareholders at a Shareholders' general meeting. Each term of office of a Director shall be three years, and a Director may be re-elected and re-appointed upon expiry of his/her term of office.

The Board of the Company consists of nine Directors, including three independent Directors. A Director is not required to hold any Shares of the Company.

The Board shall have one chairman, which shall be elected or removed from office by more than half of all Directors.

Candidates for Directors, excluding the candidates for independent Directors, shall be nominated by the Board or Shareholders individually or jointly holding above three percent of the Company's total Shares with voting rights and be selected by the Shareholders' general meeting.

A person may not serve as a Director, Supervisor, General manager or other senior management of the Company if such person:

- (a) has no civil capacity or has limited civil capacity;
- (b) was sentenced for the offense of corruption, bribery, expropriation, misappropriation of property or for disrupting the socialist market economic order, and less than five years has elapsed since the sentence was served, or has been deprived of political rights due to such crimes, and less than five years has elapsed since the deprivation was completed;
- (c) has served as a director, factory manager or general manager of a company or enterprise that was bankrupted and liquidated, and was personally liable for the bankruptcy of such company or enterprise, and less than three years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (d) was a former legal representative of a company or an enterprise which has had its business license revoked and been ordered to close down its business for violating the laws, and was personally liable for that revocation, and less than three years has elapsed since the date of revocation;
- (e) has comparatively large amount of individual debts that have become overdue and have not been settled;
- (f) has been currently under investigation for criminal offense and which investigation is not yet concluded;
- (g) is prohibited from acting as leader of an enterprise by virtue of any laws and administrative regulations;

- (h) is not a natural person;
- (i) has been prohibited to enter the capital market by competent securities department of the State Council and the period has not expired;
- (j) has been convicted by relevant competent authorities for violation of securities related laws and regulations, where such violation involved fraudulent or dishonest acts, and less than five years has elapsed since the date of such conviction; or
- (k) other contents stipulated by laws, administrative regulations, regulations of ministries and commissions or listing rules for stock exchanges where the Company's Shares are listed.

Power to Dispose of the Assets of Our Company or Any Subsidiary

For the disposal of fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within four months preceding such proposal for disposal exceeds thirty-three percent of the fixed assets value shown in the most recent balance sheet reviewed at a Shareholders' general meeting, the Board shall not dispose of or approve of the disposal of such fixed assets without the approval of the Shareholders' general meeting.

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

A breach of the above paragraph shall not affect the validity of transactions entered into by the Company in disposing of fixed assets.

Borrowing Powers

The Articles of Association do not contain any special provision in respect of the manner in which borrowing powers may be exercised by the Directors, other than provisions which require the issuance of corporate bonds to be approved by the Shareholders in general meeting by way of a special resolution.

Disclosure of Interests in Contracts with Our Company

The Directors, Supervisors, General manager (President, CEO) and other senior management personnel of the Company having any direct or indirect material conflict of interests in any executed or proposed contracts, transactions or arrangements (except the employment contracts between the Company and its Directors, Supervisors, General manager (President, CEO) and other senior management personnel), regardless of whether such interests are usually subject to the approval and consent of the Board, such persons shall disclose the nature and extent of the interests to the Board as soon as possible.

Unless the Directors, Supervisors, General manager (President, CEO) and other senior management personnel of the Company with conflicts of interest have disclosed their interests to the Board in accordance with the requirements of the preceding paragraph, and the Board has approved the matter without counting the interested persons into the quorum and without their participation in the vote, the Company shall have the right to rescind such contracts, transactions or arrangements, except in circumstances where the counterparty is acting in good faith and unaware of that the Directors, Supervisors, General manager and other senior management personnel are in breach of their obligations.

Where the related persons of the company's directors, supervisors, general manager (President, CEO) and other senior managers have interests in a contract, transaction or arrangement, the relevant directors, supervisors, general manager (President, CEO) and other management personnel shall also be regarded as having interests.

Loans to Directors, Supervisors and Senior Management

The Company shall not, directly or indirectly, provide loans or loan guarantees to the Directors, Supervisors, General manager (President, CEO) and other senior management personnel of the Company and its parent company, nor shall the Company provide the same to their connected persons. The preceding provision shall not apply to the following circumstances:

- (a) loans or loan guarantees provided by the Company to its subsidiaries;
- (b) loans, loan guarantees or other funds provided by the Company to the Directors, Supervisors, General manager (President, CEO) and other senior management personnel of the Company pursuant to their employment contracts which were adopted by the Shareholders' general meeting, with which the foregoing persons can make payments in the interests of the Company or for the expenses incurred in performing their duties and responsibilities for the Company;
- (c) where the normal scope of business of the Company includes the provisions of loans and loan guarantees, loans and loan guarantees can be provided by the Company to the relevant Directors, Supervisors, General manager (President, CEO) and other senior management personnel of the Company and their connected persons, provided that the loans and loan guarantees are provided on normal commercial terms and conditions.

If the Company provides a loan in breach of the provisions above, the person who has received the loan shall repay it immediately regardless of the terms of the loan.

Remunerations and Compensation for Loss of Office

The Company shall enter into written contracts with the Directors and the Supervisors regarding remuneration which are subject to the prior approval from the Shareholders' general meeting. The written contracts shall include at least the following provisions:

- (a) An undertaking by the directors, supervisors, general manager and other senior management to the Company that they will comply with the Company Law, the Special Regulations, the Articles of Association, the Code on Takeovers and Mergers, the Code on Share Repurchases and other requirements established by the Hong Kong Stock Exchange, and an agreement that the Company will have the remedies provided for in the Articles of Association, and that neither such contracts nor their positions are transferable;
- (b) An undertaking by the directors, supervisors, general manager and other senior management to the Company that they will observe and perform their duties to the shareholders as set out in the Articles of Association; and
- (c) The arbitration clause stipulated in Article 265 of the Articles of Association.

The aforesaid "remunerations" include:

- (a) remuneration for the Directors, Supervisors or senior management personnel of the Company;
- (b) remuneration for the Directors, Supervisors or senior management personnel of the subsidiaries of the Company;
- (c) remuneration for those providing other services for managing the Company and its subsidiaries; and
- (d) compensation to Directors or Supervisors for loss of office or upon retirement.

Except for the contracts mentioned above, the Directors and Supervisors shall not initiate litigation against the Company and claim benefits due to them for the foregoing matters.

The remuneration contracts between the Company and its Directors or Supervisors shall stipulate that if the Company is to be acquired, the Directors and Supervisors of the Company shall, subject to prior approval from the Shareholders' general meeting, be entitled to compensation or other funds for loss of their positions or upon retirement. Such compensation shall be in accordance with the principle of fairness and shall not damage the legitimate rights and interests of the Company or carry out transfer of benefits. The "acquisition of the Company" mentioned in this paragraph refers to one of the following circumstances:

- (a) a takeover offer made by any person to all Shareholders; and

- (b) a takeover offer made by any person with the intent of becoming a “Controlling Shareholder”. See the definition of “Controlling Shareholder” in Article 266 of our Articles of Association.

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

FINANCIAL, PROFIT DISTRIBUTION AND ACCOUNTING SYSTEM

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions of competent departments. The Company shall prepare financial reports at the end of each fiscal year and submit it for examination and verification in accordance with the law.

The Company shall prepare its financial statements in accordance with PRC accounting standards and regulations, as well as in accordance with international accounting standards or the accounting standards of the overseas locality in which the Company’s Shares are listed. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements. When distributing the after-tax profits of a given fiscal year, the Company shall take as final the smaller amount of after-tax profits out of the aforesaid two kinds of financial statements.

The 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 the international accounting standards or the accounting standards of the overseas locality where the Company’s Shares are listed.

Profit Distribution

The Company shall withdraw 10% of the annual profits as the statutory reserve fund the Company. Such withdrawal may be stopped when the statutory reserve fund of the Company has accumulated to at least 50% of the registered capital of the Company.

If the statutory reserve fund is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory reserve fund is withdrawn as per the preceding paragraph.

After statutory reserve fund is withdrawn out of the after-tax profits, discretionary reserve fund may also be withdrawn out of the same as per a resolution made at a general meeting.

The after-tax profits remaining after makeup of losses and withdrawal of capital reserves shall be profits distributable to shareholders, which shall be distributed by the Company to the shareholders in proportion to their shareholding according to the resolution of the general meeting.

The Company may distribute dividends in one of the following forms (or in more than two forms simultaneously):

- (a) Cash;
- (b) Shares.

Our Company shall appoint receiving agents on behalf of shareholders holding overseas listed foreign shares. Receiving agents shall receive dividends and other payable funds that are distributed with respect to our overseas listed foreign shares for relevant shareholders. Receiving agents appointed by our Company shall on behalf of shareholders of shares listed in Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

After the shareholders' meeting of our Company make a resolution on dividends distribution plan, the Board of Directors shall complete the distribution within 2 months after the convening of the shareholders' meeting.

If the general meeting, in violation of the provision in the preceding paragraph, distributes profits to shareholders before recovering losses and withdrawing statutory reserve fund, the profits thus distributed shall be returned to the Company.

Distribution of profits shall not apply to the Shares in the Company held by the Company itself.

The capital reserve of the Company shall be used to make up for the losses, enhance the operating scale or increase the capital of the Company. However, the capital reserve shall not be used to recover the losses of the Company.

The capital reserve shall include:

- (a) Premium arising from issue above the par value of the stock; and
- (b) Other revenue required by the financial authority under the State Council to be stated as capital reserve.

When statutory reserve fund is converted into capital, the amount of the said fund left shall not be less than 25% of the registered capital of the Company before such conversion.

Accounting Firm

The company shall appoint an accounting firm qualified to engage in securities-related business to undertake matters including audits of accounting statements, the verification of net assets and other relevant consultancy services. The term of appointment shall be one year which commence on the date of conclusion of the current shareholders' meeting and end on the date of conclusion of the subsequent shareholders' meeting, and may be renewed.

The company's appointment of an accounting firm shall be decided by an ordinary resolution of the general meeting. The board of directors shall not appoint any accounting firm prior to a decision being made by the general meeting.

An accounting firm appointed by the company shall have the following rights:

- (a) To inspect, at any time, the company's account books, records or vouchers, and shall have the right to require the directors, managers or other senior officers to provide relevant data and explanations;
- (b) To require the company to adopt all reasonable measures to obtain from its subsidiaries data and explanations which the accounting firm requires for the performance of its duties; and
- (c) To attend shareholders' meetings and to obtain information which is available to any shareholder who has the right to receive notice of a meeting or on other matters related to the meeting, and to speak at any shareholders' meeting about matters related to its functions as accounting firm to the company.

The remuneration of an accounting firm or methods for determining remuneration shall be decided by an ordinary resolution of the general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

In the case of the consolidation or division of the company, a consolidation or division plan shall be drafted by the board of directors and after the plan is adopted according to the procedures stipulated in the company's Articles of Association, the relevant procedures for examination and approval shall then be carried out in accordance with the law. If a shareholder objects to the consolidation or division plan, that shareholder shall have the right to require the company or those shareholders who approve the consolidation or division plan to purchase his/her shares at a fair price. The content of a resolution on the consolidation or division of the company shall be made into a special document to be available for inspection by shareholders.

For holders of foreign shares of the company listed in Hong Kong the aforesaid document shall be delivered by mail to each of them.

In a merger of companies, the companies shall execute a merger agreement and prepare their respective balance sheets and schedules of assets. The companies shall notify their creditors within ten days of adopting merger resolutions, and shall publish notices more than three times in information disclosure press within 30 days. Creditors shall be entitled to claim full repayment of all debts owed by the companies or require that appropriate assurances are provided within 30 days of receiving the notice, or within 45 days of publication of the first notice if any such creditor does not receive the notice.

If the company is to be divided, its assets shall be divided accordingly.

In a division of the company, a balance sheet and a schedule of assets shall be prepared. The company shall notify its creditors within ten days of the date on which the division resolution is made, and shall make announcements more than three times in the information disclosure press within 30 days.

The Company shall be dissolved in any of the following circumstances:

- (a) expiry of term of business stipulated in the Articles of Association of the Company;
- (b) if the Shareholders' general meeting resolves to do so;
- (c) if a dissolution is necessary as a result of a merger or division of the Company;
- (d) the Company is declared bankrupt pursuant to the law as a result of its inability to pay due;
- (e) the business license of the Company is revoked or if it is ordered to close down its business; or deregistered;
- (f) where the operation and management of the Company falls into serious difficulties and its continued existence would cause material losses to Shareholders, the Shareholders holding above ten percent of the total voting rights of the Company may apply to the people's court to dissolve the Company if there are no other solutions.

If the Board decides that the Company shall be liquidated (except for liquidation resulting from the Company's declaration of bankruptcy), it shall state in the notice of Shareholders' general meeting convened for such purpose that the Board have conducted a comprehensive investigation into the situation of the Company and believes that the Company is able to pay off all its debts within twelve months following the commencement of the liquidation.

After the Shareholders' general meeting adopts a resolution in favor of the liquidation, the functions and powers of the Board of the Company shall be terminated immediately.

The liquidation committee shall follow the instructions of the Shareholders' general meetings and shall report to the Shareholders' general meeting at least once a year on the income and expenditure of the liquidation committee, the business of the Company and the progress of the liquidation, and shall make a final report to the Shareholders' general meeting at the end of the liquidation.

POWER FOR ANY SUBSIDIARY OF OUR COMPANY TO OWN SHARES IN ITS PARENT

There are no provisions in the Articles of Association relating to ownership by subsidiary of our Company of shares in its parent.

AMENDMENTS TO THE ARTICLES

In any of the following circumstances, the Company shall amend the Articles:

- (a) if upon amendments to the PRC Company Law or relevant laws and administrative regulations, any terms contained in the Articles become inconsistent with the provisions of the amended laws and administrative regulations;
- (b) a change in the Company causes inconsistency with those contained in the Articles; or
- (c) a resolution being passed by the Shareholders' general meeting to amend our Articles.

If the amendments to our Articles are subject to approval by relevant competent authorities, the amendments to our Articles adopted at the Shareholders' general meeting shall be reported to the competent authority for approval; if registration matters are involved, the Company shall apply for registration of the changes in accordance with the law.

OTHER PROVISIONS MATERIAL TO OUR COMPANY AND OUR SHAREHOLDERS**General Provisions**

The Company is a joint stock company with limited liability and permanently surviving.

From the date on which the Articles of Association come into effect, the Articles shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders inter se.

From the date on which the Articles of Association come into effect, the Articles shall constitute a legally binding document to the Company, Shareholders, Directors, Supervisors and senior management personnel. The aforesaid persons are entitled to claim for their rights based on the Articles of Association.

The Company may, based on its operating and development needs, increase its share capital pursuant to laws, subject to the resolution on general meeting. The Company may increase its capital by the following ways:

- (a) public offering of Shares;
- (b) non-public offering of Shares;
- (c) placing Shares to existing Shareholders;
- (d) distributing bonus Shares to existing Shareholders;
- (e) transferring reserve funds to increase share capital; or
- (f) other methods permitted by laws, administrative regulations, competent securities department and other relevant competent authorities of the State Council.

Board of Directors

The Board of Directors shall exercise the following functions and powers:

- (a) convening Shareholders' general meetings and reporting its performance at the Shareholders' general meetings;
- (b) implementing resolutions of the Shareholders' general meetings;
- (c) determining or making significant amendment to the Company's business plans and investment plans;
- (d) formulating annual financial budget plans and final account plans;
- (e) formulating profit distribution plans and plans for recovery of losses of the Company;
- (f) formulating proposals for the increase or reduction of the Company's registered capital, and for the issuance of the Company's debentures or other securities and the listing;
- (g) drafting proposals for the Company's major acquisition, purchase of the Company's Shares according to article 27(1), (2) of the Articles of Association or merger, division, dissolving and change in corporate form of the Company;
- (h) determining the purchase of the Company's Shares according to article 27 (3), (5), (6) of the Articles of Association;
- (i) determining investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted investments, connected transactions and other matters within the authorization scope of Shareholders' general meeting;
- (j) deciding on the Company's internal management structure;
- (k) appointing or dismissing the General manager and the secretary to the Board of the Company based on the nominations of the chairman of the Board; appointing or dismissing Vice General manager, Chief Financial Officer and other senior management of the Company based on the nominations of the General manager, and determining their emoluments, rewards and penalties;
- (l) establishing the basic management system of the Company;
- (m) drafting proposals for the amendment to the Articles;
- (n) managing the information disclosures of the Company;

- (o) proposing the engagement or change of the appointment of accounting firms to the Shareholders' general meeting;
- (p) reviewing work reports of the General manager of the Company and examine his or her work;
- (q) other duties and powers stipulated by laws, administrative regulations, regulations of ministries and commissions, listing rules for stock exchanges where the Company's Shares are listed and the Company's Articles of Association.

The Board of Directors shall hold a regular meeting at least four times a year, and the Board meeting shall be convened by the chairman of the Board. Notices of the regular Board meeting shall be sent to all Directors and Supervisors at least fourteen days prior to the date of the meeting.

A meeting of the Board of Directors shall only be held if it has a quorum of more than one half of the directors. Resolutions adopted at the Board meeting must be approved by more than one half of all members of the Directors unless otherwise required in the Company's Articles of Association.

Resolutions of the Board shall be passed on a "one person one vote" basis. Where there is an equality of votes cast both for and against a resolution, the chairman shall have the right to cast one more vote.

General manager

The Company shall have one General manager (President, CEO), appointed and removed by the Board of Directors.

General manager (President, CEO) shall be accountable to the Board and shall exercise the following powers:

- (a) to be in charge of the Company's operation and management and to implement the solutions of the Board, and report work to the Board;
- (b) to formulate and implement the Company's annual business plan and investment plan;
- (c) to formulate the Company's internal management structure;
- (d) to draft the basic management scheme of the Company;
- (e) to formulate the Company's concrete bylaws;
- (f) to propose the appointment or dismissal of the Company's Vice General Manager, Chief Financial Officer, Secretary of the Board and other senior management personnel;

- (g) to determine the appointment or dismissal of responsible management personnel except for whom should be appointed or dismissed by the Board of Directors;
- (h) to exercise other powers conferred by the Articles of Association and the Board.

The general manager (President, CEO) may be present at a meeting of the Board. The general manager has no voting rights at the Board meetings unless he is also a director.

Secretary of the Board

There shall be a secretary of the Board. The secretary to the Board shall have necessary professional knowledge and experience. The secretary to the Board shall be responsible for the preparations for general meetings and Board meetings, keeping of documentation and shareholders' data, matters relating to information disclosure of the Company, etc., to ensure:

- (a) complete organizational documents and records are available for the Company;
- (b) the Company prepares and submits documents and reports required by relevant authorities pursuant to the law; and
- (c) the register of Shareholders of the Company is properly established, and that persons entitled to receive relevant records and documents of the Company are given timely access to such records and documents.

Supervisory Committee

The Directors, General manager (President, CEO) and other senior managements shall not act concurrently as Supervisors.

Each Supervisor shall serve for a term of three years, which may be re-elected upon the expiration of his/her term.

The Company shall have a Supervisory Committee. The Board of Supervisors shall consist of three supervisors. The Supervisory Committee shall have one chairman.

The Board of Supervisors shall consist of an appropriate proportion of shareholders representative supervisors and employee representative supervisors, and the percentage of employee representative supervisors shall not be less than 1/3. The employee representative supervisors shall be elected by employees of the Company at the employee representatives' meeting, the employee meeting or otherwise democratically.

The appointment and removal of the chairman shall be made with a resolution passed by over two-thirds of all members of the Supervisory Committee.

The Supervisory Committee shall be accountable to the Shareholders' general meeting and shall exercise the following powers:

- (a) to review and give written comments to regular reports of the Company formulated by the Board;
- (b) to monitor financial situations of the Company;
- (c) to supervise the related acts of any of the Directors and senior management personnel and propose the removal of who violates any laws, administrative regulations, the Articles of Association or resolutions passed by the Shareholders' meeting;
- (d) to demand any Director or senior management personnel who acts in a manner which is detrimental to the Company's interest to rectify such behaviors;
- (e) to propose the convening of extraordinary general meeting and to convene and preside over extraordinary general meeting when the Board fails to perform the duty of convening and presiding Shareholders' general meetings;
- (f) to make proposal to the Shareholders' general meeting;
- (g) to bringing actions against Directors and senior management members according to Article 151 of the Company Law; and
- (h) to investigate the Company should any abnormal operation situation arise; to authorize accounting firms, law firms and other professional institutions to assist the investigation and the fees shall be borne by the Company.

Meetings of the Supervisory Committee shall be convened at least once each six months and be convened and presided by its chairman. The notice of the meeting shall be delivered to all supervisors in writing within 10 days before the meeting.

Meetings of the Supervisory Committee shall be convened and presided by its chairman; A Supervisor shall be elected by more than half of all Supervisors to convene and host the meetings of Supervisory Committee when the chairman fails or refuses to perform the duty.

Calls On Shares and Forfeiture of Shares

There are no provisions in the Articles relating to calls on Shares.

Subject to compliance with the relevant laws and administrative regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiry of the relevant time frame.

Resolution of Disputes

The Company shall abide by the following rules for dispute resolution:

- (a) If any disputes or claims in relation to the Company's business, with respect to any rights or obligations under our Articles, the PRC Company Law or any other relevant laws and administrative regulations, arise between Shareholders of overseas listed foreign Shares and the Company, between Shareholders of overseas listed foreign Shares and the Company's Directors, Supervisors, or senior management personnel of the Company, or between Shareholders of overseas listed foreign Shares and Shareholders of domestic Shares, the parties concerned shall submit such disputes or claims to arbitration.

When the aforementioned disputes or claims are submitted to arbitration, such disputes or claims shall be submitted in their entirety, and all persons that have a cause of action based on the same grounds or the persons whose participation is necessary for the resolution of such disputes or claims, shall comply with the arbitration.

Disputes with respect to the definition of Shareholders and disputes concerning the register of Shareholders need not be resolved by arbitration.

- (b) An applicant may choose for the arbitration to be arbitrated either by the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. Once a claimant submits a dispute or claim to arbitration, the other party must carry out the arbitration at the arbitration institution selected by the claimant.

If an applicant opts for arbitration by the Hong Kong International Arbitration Center, either party may request for the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center.

- (c) Unless otherwise provided by laws and administrative regulations, the laws of the PRC shall apply to the settlement of any disputes or claims that are resolved by arbitration described in item (a) above.
- (d) The award of the arbitration institution shall be final and binding upon all parties.