ARTICLES OF ASSOCIATION

OF

WENZHOU KANGNING HOSPITAL CO., LTD.

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CHAPTER 1 GENERAL

Article 1 To safeguard the legitimate rights and interests of Wenzhou Kangning Hospital Co., Ltd. (the "Company") and its shareholders and creditors, and to regulate organization and acts of the Company, these Articles of Association are formulated pursuant to the Company Law of PRC (the "Company Law"), the Securities Law of PRC (the "Securities Law"), the Special Provisions of the State Council on the Overseas Offering and Listing of Shares by the Joint Stock Limited Companies (the "Special Provisions"), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Guidelines on Articles of Association of Listed Companies, the Letter of Opinions on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong, the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to the Overseas Listed Companies (Guo Han [2019] No. 97), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), and other relevant provisions.

Article 2 The Company is a joint stock limited company duly incorporated in accordance with the Company Law and other relevant laws, administrative regulations or normative documents of the People's Republic of China (the "PRC").

With all shareholders of the original Wenzhou Kangning Hospital Co., Ltd. as the promoters, through the overall conversion of the audited book net assets of the original Wenzhou Kangning Hospital Co., Ltd. as at 31 July 2014, and conducting overall alteration, the Company was established and registered at Wenzhou Administration for Industry and Commerce on 15 October 2014, with the Business License (registration number 330300000044161) granted.

The promoters of the Company comprise 9 parties, 3 of which are natural person shareholders, namely Guan Weili, Wang Lianyue, Wang Hongyue; 6 of which are non-natural person shareholders, namely Guangzhou GL Capital Investment Fund L.P., Beijing CDH Weixin Venture Capital L.P., Beijing CDH Weisen Venture Capital L.P., Ningbo Xinshi Kangning Investment Management L.P., Ningbo Enci Kangning Investment Management L.P. and Ningbo Renai Kangning Investment Management L.P.

Article 3 The registered Chinese name of the Company is 溫州康寧醫院股份有限公司.

The English name of the Company is Wenzhou Kangning Hospital Co., Ltd.

Article 4 Domicile of the Company: Shengjin Road, Huanglong Residential District, Wenzhou
Postal code: 325000
Telephone number: 0577-88789117
Fax number: 0577-88789117

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

Article 6 The Company is a perpetual joint stock limited company and an independent business entity with independent corporate properties. It enjoys property ownership of legal person and civil rights in accordance with the laws, and shall assume civil liabilities. All the acts of the Company shall be in compliance with the requirements of the laws, regulations and normative documents of the PRC and shall protect the lawful rights and interests of shareholders. The Company is governed and protected by the laws, regulations and normative documents of the PRC.

Article 7 All the Company's assets are divided into equal shares. Each shareholder is responsible to the Company up to his/her/its subscribed shares. The Company is responsible for its debts up to its total assets.

Article 8 These Articles of Association take effect and be implemented on the day when they were approved through a resolution at the general meeting. Any proposed amendment to these Articles of Association should be formulated by the Board and shall come into effect from the date of approval at the general meeting.

Article 9 From the effective date of these Articles of Association, these Articles of Association shall become a legally-binding document which regulates the Company's organization and acts, the rights and obligations between the Company and shareholders and amongst the shareholders.

These Articles of Association shall be legally binding on the Company, its shareholders, directors, supervisors and senior management, with such personnel being entitled to claim for rights on matters relating to the Company, and undertaking corresponding obligations in accordance with these Articles of Association.

Without prejudice to the provisions of Article 244, and according to these Articles of Association, one shareholder may sue the other shareholders, and the shareholders may sue the Company's directors, supervisors and senior management. The shareholders may sue the Company. The Company may sue the shareholders, directors, supervisors and senior management.

For the purposes of the preceding paragraph, the term "sue" shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "senior management" in these Articles of Association refers to the general manager (also known as "president"), executive deputy general manager(s), deputy general manager(s) (also known as "vice president(s)", including "senior vice president(s)"), chief financial officer, secretary to the Board and other personnel expressly appointed by the Board as the Company's senior management. The term "general manager" and "deputy general manager(s)" shall refer to "manager" and "deputy manager(s)" under the Company Law, and "chief financial officer" shall refer to the "person in charge of finance" under the Company Law.

Article 10 The Company may invest in other enterprises. However, it shall not become a capital contributor that shall bear joint liabilities for the debts of the enterprises invested, unless otherwise provided for by law. Based on its business development needs, the Company may, upon approval by relevant government authorities, establish its subsidiaries, branches, representative offices, offices etc. outside of the PRC and in Hong Kong Special Administrative Region ("Hong Kong"), Macao Special Administrative Region ("Macao") and Taiwan.

CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE

Article 11 The operational objectives of the Company are: to integrate advantages of all parties, abide by professional ethics, be disciplined and obey laws, provide and continuously improve psychiatric and psychological treatment and other medical services, and endeavor to enhance both the economic efficiency and social efficiency of the enterprise.

Article 12 As registered according to law, the Company's scope of business covers: medical services; hospital management service, and scientific research of mental health, medical psychology and relevant medical fields and the technology transfer in respect thereof (excluding the technology development and application of human stem cells or gene diagnosis and treatment).

The aforesaid scope of business shall be subject to the items approved by the competent administration for industry and commerce.

CHAPTER 3 SHARES, REGISTERED CAPITAL AND TRANSFER OF SHARES

Article 13 The Company shall have ordinary shares at all times. It may have other classes of shares as needed, upon approval by the authorities authorized by the State Council.

Article 14 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 RMB mentioned in the preceding paragraph refers to the lawful currency of the PRC.

Article 15 Company shares shall be issued based on the principles of openness, fairness and justice. Shares of the same class shall carry equal rights.

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

Article 16 The Company may issue shares to investors inside the PRC and investors outside the PRC upon approval of the securities regulatory authorities under the State Council.

For the purpose of the preceding paragraph, the term "investors outside the PRC" shall refer to investors from foreign countries or Hong Kong, Macao or Taiwan that subscribe for shares issued by the Company. The term "investors inside the PRC" shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 17 The shares issued by the Company to investors inside the PRC for subscription in Renminbi shall be referred to as "domestic shares". The shares issued by the Company to investors outside the PRC for subscription in foreign currency shall be referred to as "foreign shares". The foreign shares that are listed overseas shall be referred to as "overseas-listed foreign shares". A holder of domestic shares and a holder of overseas-listed foreign shares are both holders of ordinary shares and shall have the same obligations and rights.

Article 18 As approved by the approval authorities of the Company authorized by the State Council, 50,000,000 ordinary shares were issued to the promoters of the Company upon establishment of the Company. Promoters and their respective shares subscribed are set out as follows:

No.	Name of promoters	Shareholding (share)	Percentage of shareholding
1.	Guan Weili	19,810,250	39.6205%
2.	Guangzhou GL Capital Investment Fund L.P.	13,416,750	26.8335%
3.	Wang Hongyue	5,304,350	10.6087%
4.	Wang Lianyue	3,794,500	7.5890%
5.	Beijing CDH Weixin Venture Capital L.P.	3,347,750	6.6955%
6.	Beijing CDH Weisen Venture Capital L.P.	2,326,400	4.6528%
7.	Ningbo Xinshi Kangning Investment Management L.P.	1,543,000	3.0860%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.5160%
9.			

Upon the increase in the registered capital in March 2015, the name of shareholders of the Company, number of subscribed shares and their proportion in the share capital are set out as follows:

No.	Name of shareholders	Shareholding (share)	Percentage of shareholding
1.	Guan Weili	19,810,250	37.5194%
2.	Guangzhou GL Capital Investment Fund L.P.	15,384,541	29.1374%
3.	Wang Hongyue	5,304,350	10.0461%
4.	Beijing CDH Weixin Venture Capital L.P.	3,838,754	7.2704%
5.	Wang Lianyue	3,794,500	7.1866%
6.	Beijing CDH Weisen Venture Capital L.P.	2,667,605	5.0523%
7.	Ningbo Xinshi Kangning Investment Management L.P.	1,543,000	2.9223%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.4886%
9.	Ningbo Renai Kangning Investment Management L.P.	199,000	0.3769%
	Total	52,800,000	100%

Article 19 Upon the establishment of the Company, as approved by China Securities Regulatory Commission S4(Hi)0.5(o)0.5(n)0.5(g)0.5(Ki)0.5(o)0.5(n)0.5(g)0.5(S)0.5toec(E

In August 2018, the Company completed a non-public issue of 2,460,000 domestic shares to Wenzhou Zhenyan Kangning Investment Management L.P. (溫州箴言康寧投資管理合夥企業 (有限合夥)), Wenzhou Jiamei Kangning Investment Management L.P. (溫州迦美康寧投資管理合夥企業 (有限合夥)), Wenzhou Enquan Kangning Investment Management L.P. (溫州恩泉康寧投資管理合夥企業 (有限合夥)), Wenzhou Jiate Kangning Investment Management L.P. (溫州迦特康寧投資管理合夥企業 (有限合夥

No.	Name of shareholders	Shareholding (shares)	Percentage of shareholding
10.	Ningbo Renai Kangning Investment Management L.P (寧波仁愛康寧投資管理合夥企業(有限合夥))	199,000	0.2636%
11.	Wenzhou Zhenyan Kangning Investment Management L.P. (溫州箴言康寧投資管理合夥企業 (有限合夥))	804,794	1.0660%
12.	Wenzhou Jiamei Kangning Investment Management L.P. (溫州迦美康寧投資管理合夥企業 (有限合夥))	788,921	1.0449%
13.	Wenzhou Enquan Kangning Investment Management L.P. (溫州恩泉康寧投資管理合夥企業(有限合夥))	407,832	0.5402%
14.	Wenzhou Jiate Kangning Investment Management L.P. (溫州迦特康寧投資管理合夥企業 (有限合夥))	267,431	0.3542%
15.	Wenzhou Shouwang Kangning Investment Management L.P. (溫州守望康寧投資管理合夥企業(有限合夥))	191,022	0.2530%
16.	Public shareholders of H shares	20,240,000	26.8079%
	Total	75,500,000	100.00%

Article 20 The domestic shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The H shares of the Company are mainly under the central depository's custody, which belongs to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual names.

Article 21 After the plans for issuing overseas-listed foreign shares and domestic shares have been approved by the securities regulatory authorities under the State Council, the Company's Board may arrange for implementation of such plans by means of separate issuances.

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

Article 22 Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issuance plans, such shares shall be fully subscribed in one single issuance. Where special circumstances make it impossible for every such single issuance to be fully subscribed, the shares may be issued in tranches, subject to the approval of the securities regulatory authorities under the State Council.

Article 23 At its establishment, the Company had a registered capital of RMB50,000,000. Upon completion of the issue of H shares, the registered capital of the Company is RMB73,040,000. Prior to non-public issue of domestic shares in August 2018, the Company had a registered capital of RMB73,040,000.

Upon completion of the aforesaid non-public issue of domestic shares, the registered capital of the Company is RMB75,500,000.

III. Proposal on Adjustment on the Incentive Share Plan Granted to the Participants

Reference is made to the announcement of the Company dated June 29, 2018, in accordance with the actual circumstance which the participants subscribe the incentive shares, part of adjustments on Proposal on Granting Incentive Shares to Participants considered and approved by the Company at the seventh meeting of the second session of the Board are made as follows:

1. Adjustments on the participants and number of shares to be granted under the first grant

   Under actual circumstance of subscription by the participants, the participants of the 2018 Equity Incentive Scheme of the Company under the first grant was adjusted to 165 persons, which involved in 1,818,529 incentive shares, the details are shown in the following table:

Category of personnel	Number of persons granted (person)	Number of Shares granted (shares)	Number of grant representing total issued share capital of the Company
Senior management	4	133,715	0.1831%
Core technical personnel	169(n)0.5(i)0.5(n)0.5(3)0.5(3)0.5(,)0.5(7)0.5(1)	1,684,814	2.3069%

Article 24 Unless otherwise stipulated in the laws, administrative regulations, listing rules of the place(s) in which the shares of the Company are listed, or these Articles of Association, the shares of the Company may be freely transferred according to the laws without any lien. The transfer of shares of the Company shall be registered with registration agency appointed by the Company.

Article 25 The Company shall not accept its shares as the subject of a pledge.

Article 26 The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the Company public issuances of any shares shall not be transferred within one year from the date after the shares of the Company are listed and traded in a stock exchange.

The directors, supervisors and senior management of the Company shall report to the Company the shares held by them and the changes thereof. During the term of their office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the Company that he holds. The shares of the Company held by the aforesaid persons shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforesaid persons leaves from his post, he shall not transfer the shares of the Company that he holds within six months from such departure. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

Article 27 If a director, supervisor or senior management of the Company, or a shareholder holding more than 5% of the shares of the Company sells the shares of the Company within six months after buying those shares, or buys the shares within six months after selling those shares, all the gains arising thereof shall belong to the Company, and such gains shall be collected by the Board of the Company. But if a securities company underwrites unsold shares, thereby holding more than 5% of the shares, the sale of these shares shall not be subject to the said six-month restriction. If listing rules of the stock exchange of the place(s) in which the shares of the Company are listed provide otherwise on restrictions on transfers of H shares, such rules shall prevail.

If the Company's Board does not execute in compliance with the preceding paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholders are entitled to commence litigations in court in their own names for the interest of the Company.

If the Company's Board does not execute in compliance with the first paragraph, the director(s) liable shall assume (r)0.5(d)12.9(do)h2636 TD[(s

(4) Converting the reserve funds into share capital;

(5) Other means prescribed by the laws, administrative regulations or approved by the relevant regulatory authorities.

Increasing stock capital by the Company through issuance of new shares shall be carried out in accordance with the procedures specified in relevant State laws, administrative regulations as well as the governing rules which prevail in the place where the shares are listed, after having been approved in accordance with these Articles of Association.

Article 29 The Company may reduce its registered capital. If the Company reduces its registered capital, such reduction shall be in accordance with the requirements of the Company Law, other related regulations and these Articles of Association.

Article 30 If the Company reduces its registered capital, a balance sheet and an inventory of assets shall be prepared.

Where the Company reduces its registered capital, the Company shall notify the creditors, make an announcement in accordance with provisions of the Company Law, repay its debts or provide corresponding guarantees as required by the creditors.

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

Article 31 The Company may, in the following circumstances, repurchase its own issued outstanding shares according to legal procedures and in accordance with the procedures provided for in these Articles of Association, and submit the same to the relevant state authorities for approval:

(1) Reduce the Company's registered capital;

(2) Merger with another company holding shares in the Company;

(3) Utilising its shares in the employee share ownership scheme or for share incentive;

(4) Acquisition of shares held by shareholders (upon their request) who dissent from any resolution proposed in any general meeting on the merger or division of the Company;

(5) Utilising the shares for conversion to corporate bonds which are convertible into shares issued by the listed company;

(6) Where it is necessary to safeguard the value of the listed company and the interests of its shareholders.

Article 32 With approval from relevant state authorities to repurchase its own shares, the Company may proceed in any one of the following manners:

(1) Making of a repurchase offer in the same proportion to all shareholders;

(2) Repurchase through open transactions on a stock exchange;

(3) Repurchase by agreement outside of a stock exchange;

(4) Other methods recognized by relevant regulatory authorities.

Article 33 In the event of a repurchase of shares by the Company by an agreement outside of a stock exchange, prior approval shall be obtained from the shareholders at a general meeting in accordance with the procedures stipulated in the Company's Articles of Association. Upon obtaining further prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights under such contracts.

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

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

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

Article 34 bTT*5(a)0.5mar, ten(e)0.5( )0.5(m)0.5(5(u)0.5(r)0.e h)0.5i 5(h 55)0.5(iw)0.5(5(u)0 -a)0.5ehahd The acquisition of its shares by the 1 5(a)0.5(c) -1.636 TD[-] .5(h)0y s5(u)0.5(r)0.5(c)0(

2. Amendments to the contract for repurchase of its own shares;

3. Release from any of its obligations under any repurchase contract.

(4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company

(2) Guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company's own fault) and release or waiver of rights;

(3) Provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;

(4) Financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company's net assets.

For the purposes of this Chapter, the term "undertake obligations" shall include the undertaking of an obligation by the obligator by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligator individually or jointly with any other person) or by changing its financial position in any other way.

Article 39 The acts listed below shall not be regarded as the acts prohibited under Article 37 of this Chapter:

(1) Where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of

(4) Reduction of registered capital, repurchase of shares, adjustment of shareholding structure, etc., in accordance with these Articles of Association;

(5) Provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits);

(6) The contribution by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 40 The Company's shares shall be in registered form.

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the stock exchange(s) on which the Company's shares are listed.

The Company may take the form of overseas depositary receipt or other derivations of share certificate to issue overseas-listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.

During the listing of the Company's H shares on the main board of the Hong Kong Stock Exchange, the Company shall ensure that the following statements are included in all title documents (including H shares certificates) relating to its securities listed on the Hong Kong Stock Exchange and shall instruct and procure its share registrar to reject the

registration of the subscription, acquisition or transfer of shares in the name of any individual holder unless and until the individual holder submits the appropriately signed form relating to such shares to the share registrar and the form shall include the following statements:

(1) the share purchaser and the Company and each of the shareholders, and the Company and each of the shareholders agree to observe and comply with the requirements of the Company Law, Special Provisions and other relevant laws, administrative regulations and these Articles of Association.

(2) the purchaser of the shares agrees with the Company and each of the shareholders, directors, supervisors and senior management of the Company, and the Company, acting on behalf of itself and each of directors, supervisors and senior management of the Company, agrees with each of the shareholders that, they will refer to arbitration for settlement of all disputes and claims arising from these Articles of Association, or disputes and claims of rights in relation to the Company's affairs arising from any rights or obligations under the Company Law or other relevant laws and administrative regulations in accordance with the provisions of these Articles of Association, and that any referral to arbitration shall be deemed as an authorization to an arbitral court to hold a public hearing and announce its arbitration award to the public. Such award shall be final and conclusive.

(3) the purchaser of the shares agrees with the Company and each of the shareholders of the Company that the shares of the Company may be freely transferable by the holder.

(4) the purchaser of the shares authorizes the Company to enter into a contract on his behalf with each of the directors and senior management, pursuant to which the directors and senior management undertake to observe and perform their duties owed to the shareholders under the Articles of Association.

Article 41 The share certificates shall be signed by the chairman of the Board. Where the signatures of senior management 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 senior management. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon. Under authorization of the Board, the Company may stamp on share certificate. The signature of legal representative or of senior management on the share certificates may also be in printed form. In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by local securities regulatory authorities of the place(s) in which shares of the Company are listed shall prevail.

Article 42 The Company shall establish a register of shareholders in accordance with evidence from the securities registration organization, and shall enter therein the following particulars:

(1) The name, address (domicile), occupation or nature of each shareholder;

(2) The class and number of shares held by each shareholder;

(3) The amount paid or payable for the shares held by each shareholder;

(4) The serial number of the shares held by each shareholder;

(5) The date on which each shareholder is registered as a shareholder;

(6) The date on which each shareholder ceases to be a shareholder.

Article 43 The Company may, pursuant to an understanding or agreement reached between the securities regulatory authorities under the State Council and a

Article 46 All paid H shares are freely transferable according to these Articles of Association. However, unless meeting the following conditions, the Board may decline to recognize any transfer instrument without giving any

Any shareholder of foreign shares may transfer all or part of his shares through an instrument in usual written form in the relevant place(s) in which the shares of the Company are listed or in such other form as the Board may accept. The transfer of H shares may adopt the standard transfer form prescribed by the Hong Kong Stock Exchange. The transfer instrument may be under hand but need not be under seal only or, if the transferor or transferee is a clearing house defined under Hong Kong Securities and Futures Ordinance or its nominee(s), a handwritten or machine imprinted signature shall be acceptable.

All instruments of transfer shall be maintained at the legal address, address of the share registrar of the Company or such places as the Board may designate from time to time.

Article 47 Where PRC laws and regulations and the securities regulatory rules of the places where the Company's shares are listed stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 48 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities which require to confirm the identification of shareholders, the convener of the Board or the general meeting shall decide the record date. The shareholders whose names

Applications for the replacement of domestic share certificates shall be dealt with in accordance with the relevant provisions of the Company Law.

Applications for the replacement of overseas-listed foreign share certificates shall be dealt with in accordance with the law, regulations, rules of stock exchanges and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.

Where public shareholders of H shares apply for replacement of lost certificates, such replacement shall comply with the following requirements:

(1) The applicant shall submit the application in the form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reasons for the application, the circumstances and proof of the loss of the share certificate and a declaration stating that no other persons may require registration as a shareholder in respect of the Relevant Shares.

(2) The Company has not received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate.

(3) If the Company decides to issue a replacement share certificate to the applicant, it shall publish an announcement of its intention in the newspapers designated by the Board; the period of the announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days.

(4) Before publishing the announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with the publication upon receipt of a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without consent of the registered holder of the Relevant Shares, the

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 53 The Company's shareholders are persons who lawfully hold shares of the Company and whose names have been registered in the register of shareholders.

Shareholders shall enjoy rights and have obligations according to the class and number of shares held. Holders of shares of the same class shall enjoy equal rights and have equal obligations.

Shareholders of every class shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Where a shareholder of the Company is a legal person, his legal representative or the nominee of his legal representative shall exercise, on

(2) For joint shareholders of any share, the person whose name stands first in the register of shareholders shall be entitled to receive share certificate of the relevant share, receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders. Any of the joint shareholders may sign a proxy form; provided, however, where the number of the joint shareholders presenting in person or by proxy at a meeting is more than one, the vote cast, no matter in person or by proxy, by the shareholder whose name appears in prior sequence shall be regarded as the sole and exclusive vote on behalf of the rest joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding Relevant Shares as prescribed in the Company's register of shareholders.

Where one of the joint shareholders delivers a receipt to the Company as regards to any dividends, bonus or return of capital which shall be distributed to such joint shareholders, such receipt shall be deemed as a valid receipt from such joint shareholders to the Company.

Article 54 Holders of ordinary shares of the Company shall enjoy the following rights:

(1) To receive dividends and profit distributions in other forms according to the number of shares held by them;

(2) To request, convene, host, participate in or appoint proxy to attend general meeting and exercise corresponding voting rights in accordance

(5) To obtain relevant information in accordance with these Articles of Association of the Company, which shall include:

1. Obtaining these Articles of Association of the Company after payment of a charge to cover the costs;

(6) the Company's most recent audited financial statements, and report of the Board, auditors and the board of supervisors;

(7) copy of the latest annual review report which has been filed with the competent administration for industry and commerce or other competent authorities, if applicable.

Documents set out in item (1) and items (3) to (7) above and any other applicable documents shall be made available by the Company, according to the requirements of the Listing Rules, at the Company's address in Hong Kong, for the public and holders of overseas-listed foreign shares to inspect free of charge. Minutes of general meetings shall only be made available for inspection by shareholders of the Company.

(6) When the Company terminates or liquidates, its share of remaining assets of the Company according to the shares held will be distributed;

(7) If a shareholder dissents from the merger or division of the Company at a general meeting, he may request the Company to acquire his shares;

(8) Other rights under the law, administrative regulations, departmental regulations and these Articles of Association.

The Company shall not exercise power only because any person who directly or indirectly owns equity interest does not disclose its equity interest to the Company to frozen or by other means to damage any rights attached to the shares of the person.

Article 55 If any shareholder requests for access to the information or ask for documents prescribed in the preceding Article, he shall first provide written proof to certify the class and number of Company

Article 56 If a resolution of the Company's general meeting or Board meeting contravenes the law or administrative regulations, the shareholders are entitled to request the court to annul the decision.

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulations or these Articles of Association, or if the contents of the resolutions of such meetings contravene these Articles of Association, the shareholders are entitled to request the court to revoke the resolutions within 60 days of the resolutions.

Article 57 If a director or senior management contravenes the law, administrative

Article 58 If a director or senior management contravenes the law, administrative regulations or these Articles of Association, thereby damaging shareholders' interests, the shareholders can commence litigation in the court.

Article 59 Holders of ordinary shares of the Company shall have the following obligations:

(1) Comply with the law, administrative regulations and these Articles of Association;

(2) Pay for the shares based on the shares subscribed and the method of subscription;

(3) Cannot redeem shares except as prescribed by the law or regulations;

(4) Cannot abuse the rights as a shareholder to damage the Company's or other shareholders' interests; cannot abuse the independent status of a legal person of the Company and the limited liability of the shareholders to damage the interests of creditors;

A shareholder who abuses his shareholders' rights resulting in losses to the Company and other shareholders shall bear the responsibilities for compensation according to the law.

Shareholders who abuse the independent status of a legal person of the Company and limited liability of shareholders in order to escape from debts, thereby seriously damaging the interests of creditors of the Company shall jointly be responsible for the Company's debts.

(5) Other obligations which shall be borne as required by the law, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the shares on subscription.

Article 60 Shareholders who hold shares with voting rights of the Company as to over 5% and pledge their shares shall submit a written report to the Company on the day when the pledge occurs.

Article 61 The controlling shareholder or de facto controller of the Company shall not use his connected relationship to damage the Company's interests. In case of a breach resulting in damage to the Company, he shall be liable for compensation.

The controlling shareholder and de facto controller of the Company have fiduciary duties towards the Company and public shareholders. The controlling shareholder shall strictly exercise his rights as a capital contributor in compliance with the law. The controlling shareholder shall not make use of its position to damage the lawful interests of the Company and public shareholders in the distribution of profits, restructuring of assets, foreign investment, misappropriation of assets, borrowing or loan guarantee, and shall not make use of his controlling position to damage the interests of the Company and public shareholders.

In addition to the obligations under the law, administrative regulations or the listing rules of the stock exchange of the place(s) in which the shares of the Company are listed, controlling shareholders shall not, in the exercise of their shareholders' powers, make decisions prejudicial to the interests of all or part of the shareholders as a result of the exercise of their voting rights on the issues set forth below:

(1) Discharging the responsibilities of a director or supervisor to act honestly in the best interest of the Company;

(2) Approving a director or supervisor (for his own or others' benefit) to deprive the Company of its property in form, including (but not limited to) any opportunities that are favorable to the Company;

(3) Approving a director or supervisor (for his own or others' benefit) to deprive other shareholders of their personal interests, including (but not limited to) the rights to distributions and voting rights, but not including restructuring of the Company submitted to and passed at the shareholders general meeting in accordance with these Articles of Association.

The term "controlling shareholder" mentioned in this Article refers to a person who satisfies any one of the following conditions:

(1) He, acting individually or in concert with others, may elect more than half of the directors;

(2) He, acting individually or in concert with others, may exercise or control the exercise of more than 30% of the Company's voting rights;

(3) He, acting individually or in concert with others, holds more than 30% of the issued and outstanding shares of the Company;

(4) He, acting individually or in concert with others, actually controls the Company in other ways.

CHAPTER 8 GENERAL MEETING

Section 1 General Provisions on General Meeting

Article 62 The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 63 The general meeting shall exercise the following functions and powers:

(1) Decide the operational policy and investment plan of the Company;

(2) Elect and replace directors and supervisors who are not staff representatives. Make decisions on matters in relation to the remuneration of the relevant directors and supervisors;

(3) Review and approve the reports of the Board;

(4) Review and approve the reports of the Supervisory Committee;

(5) Review and approve the annual financial budgets and final accounting of the Company;

(6) Review and approve the profit distribution plan and loss compensation plan of the Company;

(7) Pass resolutions on increasing or reducing the registered capital of the Company;

(8) Pass resolutions on merger, division, winding up, liquidation or changing the form of the Company;

(9) Pass resolutions on the issuance of corporate bonds or other securities and listing plan;

(10) Pass resolutions on the appointment, reappointment or dismissal of accounting firms by the Company;

(11) Amend these Articles of Association;

(12) Review and approve the external guarantee issues which shall be reviewed at the general meeting as prescribed in Article 64 of these

Article 64 The following external guarantees of the Company shall be reviewed and passed at the general meeting:

(1) Any guarantee in addition to the aggregate of external guarantees provided by the Company and its holding subsidiary with a total amount equal to or more than 50% of the Company's latest aud0 1 Tfc015 w:

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

Article 65 Except when the Company is under a special circumstance such as a crisis,

Section 2 Proposing and Convening of General Meeting

Article 69 Two of independent non-executive directors are entitled to propose to convene an extraordinary general meeting to the Board. Concerning the proposal of convening an extraordinary general meeting requested by the independent non-executive directors, the Board shall, in accordance with the requirements of the laws, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days upon making the decision. If the Board does not agree to convene an extraordinary general meeting, it shall explain the reasons and make an announcement accordingly.

Article 70 The Supervisory Committee is entitled to propose to convene an extraordinary general meeting to the Board, which shall be made in writing. The Board shall, in accordance with the law, administrative regulations and these Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall issue a notice of general meeting within 5 days of the after the decision is made. Any changes made to the original request in the notice shall be agreed by the Supervisory Committee.

If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, it shall be deemed as failing to discharge or not discharging its duties to convene the general meeting. The board of supervisors shall then be entitled to convene and hold the meeting by itself.

Article 71 Shareholders holding more than 10% of shares (individually or collectively with others) shall be entitled to request to convene an extraordinary general meeting or class meeting according to the following procedures:

(1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforesaid shareholders may request the Board to convene an extraordinary general meeting or class meeting. The Board shall, in accordance with the requirements of law, administrative regulations and these Articles of Association, reply with a written opinion to state whether

it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Shares held by the above shareholders shall be calculated as at the date of submitting the written request.

(2) If the Board agrees to convene an extraordinary general meeting or

(5) If the board of supervisors does not issue the notice of general meeting within the prescribed period, it shall be deemed as the board of supervisors not convening and not holding the general meeting. Then the shareholders who individually or collectively hold more than 10% of the shares for more than 90 consecutive days are entitled to convene and hold the meeting by themselves.

Before making an announcement on the resolution(s) of the general meeting, the convening shareholders shall hold no less than 10% of the shares. When the convening shareholder issues the notice of general meeting and the announcement on the resolution(s) of the general meeting, they shall submit the relevant proof materials to the securities regulatory authority and relevant stock exchange where the Company is located.

Article 72 Where the Supervisory Committee or shareholders convenes a meeting by themselves in accordance with the provisions of this section, a written notice shall be submitted to the Board and filed with the securities regulatory authority and relevant stock exchange where the Company is

Section 3 Proposals and Notices of General Meeting

Article 73 The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and these Articles of Association.

Article 74 When a general meeting is convened by the Company, the Board, Supervisory Committee or shareholders who individually or collectively hold more than 3% of the shares of the Company shall be entitled to propose resolutions to the Company.

Shareholders who individually or collectively hold more than 3% of the shares of the Company may submit ad hoc proposals in writing to the convener of the general meeting 10 days before the convening of the general meeting. The convener shall issue a supplemental notice of the

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(9) Specified delivery time and place of the power of attorney for proxy voting at the meeting.

Article 78 For matter of discussion involving the election of directors and supervisors, the notice of general meeting shall adequately disclose the detailed information of the candidates for such directors and supervisors, which

Section 4 Convening General Meeting

Article 82 All shareholders on the register of shareholders on the shareholding record date shall be entitled to attend the general meeting, and vote in accordance with the provisions of the relevant laws, regulations and these Articles of Association.

Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be necessarily a shareholder) as his proxies to attend and vote on his behalf.

Such proxies may exercise the following rights as entrusted by the shareholder:

(1) The shareholder's right to speak at the general meeting;

(2) The right to demand by himself or jointly with others in voting by way of poll;

(3) Unless otherwise provided in the applicable listing rules or other securities laws and regulations, the right to vote may be exercised either by a show of hands or by poll. However, if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.

If a shareholder is a recognized clearing house or its agent within the meaning of the relevant regulations imposed in Hong Kong from time to time, he may authorize one or more proxy(ies) as he thinks fit to act as his proxy(ies) at any general meeting or class meeting of shareholders. However, if more than one proxies are appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization, and signed by authorized proxies of recognized clearing house. Such authorized proxies are entitled to attend the meeting on behalf of the recognized clearing house or their agent (without presentation of evidence of their shareholding, notarized authorization and/or further proof demonstrating the duly granting of the same) and exercise the right of the recognized clearing house or their agent, as if they were the individual shareholders of the Company.

Article 83 An individual shareholder who attends the general meeting in person shall present valid proof which can confirm his shareholder's identity. If a proxy is appointed to attend the meeting, in addition to present the proxy's identity proof, the proxy shall also present his identity proof together with the authorization letter from the shareholder.

A legal person shareholder shall appoint a statutory representative or a proxy entrusted by the statutory representative to attend the meeting. If a statutory representative attends the meeting, he shall present his own identification document and a valid certificate proving his qualification to be a statutory representative; if a proxy is entrusted to attend the meeting, the proxy shall present his own identification, and a written power of attorney issued by the statutory representative from the unit of legal person shareholder in accordance with the law.

Article 84 The instrument appointing a proxy shall be in writing under the hand of the principal or his attorney authorized in writing; where the principal is a legal person, such instrument shall be under its seal or under the hand of his director or attorney duly authorized.

The instrument issued by the shareholder to authorize another person to attend the general meeting shall state the following contents:

(1) Name of the proxy;

(2) Whether the proxy has voting rights;

(3) Indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;

(4) Date of signing of the instrument and term of validity;

(5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed;

(6) Specifying the number of shares represented by the proxy of the shareholder;

(7) If more than one proxy is appointed, the instrument shall specify the number of shares represented by each proxy.

Article 85 The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other places as specified in the notice of convening the meeting 24 hours prior to convening of the meeting at which the proxy is authorized to vote or 24 hours prior to the designated time of voting. Where the instrument is signed by another person authorized by the principal, the authorization letter or other documents authorizing the signatory shall be notarized. The notarized authorized letter or other authorized documents shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other places as specified in the notice of convening the meeting.

Where the principal is a legal person, its statutory representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's general meetings as the representative of such legal person.

Article 86 Any form issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast vote in favour of or against each resolution and enable the shareholders to give separate instructions on each matter to be voted on at the meeting.

The proxy form shall state that if the shareholder does not give specific instructions, the proxy shall vote at his/her/its own discretion.

Article 87 Where the entrusting party is deceased or incapacitated to act or whose signed proxy form is withdrawn or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of the proxy form shall remain valid as long as the Company has not received a written notice of such matters before the commencement of the relevant meeting.

Article 88 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of the attendees (or names of organizations), identity card numbers, residential addresses, the number of shares held or voting rights represented and names of the proxies(or name of organizations).

Article 89 The convener shall verify the shareholders' qualifications according to the register of members provided by the securities registration and clearing institutions. The names of shareholders and the total number of shares with voting rights held by them shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of shares held with voting rights.

Article 90 The directors, supervisors and senior management of the Company shall, upon request of the general meeting, be present at such meeting for answering queries raised by the shareholders.

Article 91 The general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to discharge or fails to discharge his/her duties, the meeting shall be convened and presided over by the vice chairman of the Board (if there are two or more vice chairmen, the one elected by more than one half of the directors shall preside over the meeting). Where the position of vice chairman does not exist, or where the vice chairman of the Board is unable to discharge or fails to discharge his/her duties, more than one half of the directors shall designate a director to convene and preside over the meeting. Where more than one half of the directors cannot designate a director to convene and preside over the meeting, the shareholders attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

If a general meeting is convened by the Supervisory Committee, the chairman of the board of supervisors shall preside over the meeting. If the chairman of the board of supervisors is unable to fails discharge his/her duties, more than one half of the supervisors shall nominate a supervisor to preside over the meeting.

If a general meeting is convened by the shareholders themselves, the convener will nominate a representative to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (including his/her/its proxy) shall preside over the meeting.

In a general meeting, if the chairman of the meeting contravenes the rules of procedures of general meetings, rendering the meeting impossible to proceed, with the consent from more than one half of the attending shareholders with voting rights, one person may be nominated at the general meeting to serve as the chairman and the meeting may proceed. If for any reason the shareholders are unable to elect a chairman of the meeting, the attending shareholder holding the largest number of voting shares (including his/her/its proxy) shall preside over the meeting.

Article 92 The Company shall formulate the rules of procedures for the general meeting and specify in details the procedures for convening and voting at the general meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principle for the authorization granted to the Board by the general meeting. The rules of procedures for the general meeting shall be appended to these Articles of Association. They shall be formulated by the Board and approved by the general meeting.

Article 93 In the annual general meeting, the Board and the Supervisory Committee shall report their work for the past year to the general meeting. Each independent non-executive director shall also present a work report.

Article 94 Directors, supervisors and senior management shall provide explanations regarding and answer the enquiries and suggestions from shareholders at the general meeting.

Article 95 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 96 Minutes shall be prepared for general meetings by the secretary to the Board. The minutes shall state the following contents:

(1) Time, venue and agenda of the meeting and name of the convener;

(2) The name of the chairman of the meeting and the names of the directors, supervisors and senior management attending or present at the meeting;

(3) The numbers of shareholders (including holders of domestic shares and overseas-listed foreign shares (if any)) and proxies attending the meeting, total number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;

(7) Matters other than those requiring the approval by way of special resolutions in accordance with the laws, administrative regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed or these Articles of Association.

Article 105 The following matters shall be passed by way of special resolutions at a general meeting:

(1) Increase or reduction in the registered capital and issue of any kinds of shares, warrants and other similar securities by the Company;

(2) Issue of corporate bonds;

(3) Division, merger, dissolution and liquidation of the Company or change of form of incorporation of the Company;

(4) Amendment to these Articles of Association;

(5) Acquisition and disposal of material assets within one year by the Company and events that involve a guarantee amount exceeding 30% of the latest audited total assets of the Company;

(6) Equity incentive plan;

(7) Other matters required by the laws, administrative regulations, listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed and these Articles of Association or those resolved at the general meeting by way of ordinary resolutions and deemed to be of significant impact to the Company and thereby required to be passed by way of special resolutions.

Article 106 The chairman of the meeting shall be held responsible for deciding whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 111 The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such change or abrogation has been approved by way of a special resolution at the general meeting and at a separate class meeting by the shareholders of the affected class in accordance with Articles 113 to 117, save and except for the circumstances provided for under paragraph 4 of Article 17 herein in respect of the conversion of unlisted domestic shares into overseas-listed foreign shares.

For the change or abrogation of rights of class shareholders as a result of the changes in domestic and foreign laws, regulations and the listing rules of the stock exchange(s) of the place(s) where the shares of the Company are listed as well as the decisions made pursuant to the law by domestic and foreign regulatory authorities, no approval at general meeting or class meeting shall be required.

Article 112 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following conditions:

(1) an increase or decrease in the number of shares of such class or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;

(2) conversion of all or part of the shares of such class into shares of another class or conversion of all or part of the shares of another class into shares of such class or the grant of the right to such conversion;

(3) a removal or reduction of rights to accrued dividends or cumulative dividends attached to the shares of such class;

(4) a reduction or removal of a dividend preference or property distribution preference during the liquidation of the Company, attached to the shares of such class;

(5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire the

(2) if the Company has bought back its own shares by an agreement

Article 116 The notice of the class meeting shall be delivered only to the shareholders entitled to voting thereat.

The procedures of a class meeting shall, to the extent possible, be identical with the procedures of a general meeting. Unless otherwise specified in this Chapter, the provisions of the Articles of Association of the Company in relation to the procedures for the holding of a general meeting shall be applicable to a class meeting.

Article 117 In addition to the holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be different classes of shareholders.

The special procedures for voting in the class meetings shall not apply under the following circumstances:

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

(2) Where the Company's plan to issue domestic shares and overseas-listed foreign shares upon its incorporation is implemented within 15 months from the date of approval by the securities regulatory authorities under the State Council;

(3) Where with the approval by the securities regulatory authorities under the State Council, the shareholders convert their unlisted domestic shares into overseas-listed foreign shares for overseas listing and trading.

CHAPTER 10 BOARD OF DIRECTORS

Section 1 Directors

Article 118 Directors shall be elected by the general meeting and serve a term of 3 years for each session. A director may serve consecutive terms if re- elected upon the expiry of his term, unless it is otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the place(s) where the Company's shares are listed.

A director's term of service commences from the date he takes office, until the current term of service of Board ends. If a director's term of service expires but a new director is not elected in a timely manner, the original director shall continue to carry out the director's duties according to the laws, administrative regulations, departmental regulations and these Articles of Association until the newly elected director takes office.

Any person appointed by the Board to fill the casual vacancy on or as an addition to the Board shall hold office only until the forthcoming annual general meeting of the Issuer and shall be eligible for re-election.

A director's post may be assumed by the general manager or other senior management, but the sum of the total number of directors who also assume the duties of the general manager or other senior management and the number of staff representative directors, shall not exceed one half of the total number of directors of the Company.

A director need not hold the shares of the Company.

Article 121 If a director is unable to attend Board meetings in person for two consecutive meetings, and does not appoint other directors to attend the Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose to the general meeting to replace him.

Article 122 A director may resign before expiry of his term of service. When a director resigns, he shall submit a written resignation notice to the Board.

If the members of the directors fall below the minimum statutory requirement due to a director's resignation, the original directors shall still perform their duties as directors in accordance with the requirements of laws, administrative regulations, departmental rules and these Articles of Association before the appointment of the re-elected directors; the notice of resignation of the resigning director shall only become effective after a new director fills the vacancy.

Save for the circumstances referred to in the preceding paragraph, the director's resignation takes effect upon delivery of his/her resignation report to the Board.

Article 123 When a director's resignation takes effect or his term of service expires, the director shall complete all transfer procedures with the Board. His fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his term of service and shall still be in effect for a period of two years. The duty of confidentiality in respect of trade secrets of the Company survives his resignation or expiry of his term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationships between them and the Company have been terminated.

Article 124 In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

Article 125 If a director breaches the laws, administrative regulations, departmental regulations or these Articles of Association when carrying out his corporate duties and causes loss to the Company, he shall be held responsible for damages.

Section 2 Independent Non-executive Directors

Article 126 The Company shall have independent non-executive directors. Independent non-executive directors refer to such directors of the Company that serves no duties other than the directors' duties, has no relationship with the Company and its substantial shareholders (referring to such shareholders who individually or collectively 6.5(d)0.5(i)5(a)0.5(g)0.5(e)0.5(s)0.56on w.5(s)]TJ-9.352

Other than the power conferred upon by the Company Law and other relevant laws, regulations, listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed and these Articles of Association, an independent non-executive director shall have the following special power:

(1) Significant connected transactions, as determined according to the criteria issued, from time to time, by the regulatory bodies in the place(s) of listing, shall be submitted to the Board for discussion after having been endorsed by the independent non-executive directors. Prior to making any judgment, the independent directors may engage an intermediary institution to issue an independent financial advisory report upon which the decision of the independent directors may base;

(2) To propose to the Board such appointment or termination of appointment of an accounting firm;

(3) To propose to the Board the convening of an extraordinary general meeting;

(4) To propose the convening of Board meetings;

(5) To engage external audit firms or consulting firms to conduct audit or consultation on specific matters of the Company at the cost of the Company.

The exercise of the aforesaid power by an independent non-executive director shall require the consent from more than one half of the total number of independent non-executive directors of the Company. Disclosure shall be made by the Company if any of the aforesaid proposals is not adopted or any of the aforesaid power cannot be exercised in normal manner.

The independent non-executive directors shall carry out their duties in accordance with appropriate requirements of the laws, administrative regulations, rules and regulations, and departmental regulations.

Article 129 The Company shall formulate working rules of independent non-executive directors, which will specify the qualification, nomination, election and replacement, rights and obligations, and liabilities of independent non-executive directors.

Article 130 Matters relating to independent non-executive directors not covered in this section shall be handled according to the relevant applicable laws, regulations or listing rules of the stock exchange(s) of the place(s) where the Company

(4) to formulate the annual financial budgets and final accounts of the Company;

(5) to formulate the Company's profit distribution plans and plans on making up losses;

(6) to formulate proposals for the Company to increase or decrease its registered capital, issue corporate bonds or other securities and pursue any listing thereof;

(7) to formulate plans for mergers, division, dissolution and alteration of corporate form of the Company;

(8) to formulate plans for the Company's substantial acquisitions and purchase of the shares of the Company;

(9) within the scope authorized by the general meeting, to decide, among others, the Company's external investment, purchase and sale of assets, provision of security on the Company's assets, matters on external guarantees, entrusted wealth management, connected transactions and others;

(10) to decide on the establishment of internal management organizations of the Company;

(11) to determine the establishment of the special committees under the Board, appoint or dismiss the chairman (convener) of such committees;

(12) to appoint or dismiss the general manager, the secretary to the Board and the company secretary; to appoint or dismiss the senior management including the standing deputy general managers, the deputy general managers and the chief financial officer of the Company in accordance with the nominations made by general manager, and to decide on their remunerations;

(13) to formulate the basic management system of the Company;

(14) to formulate proposals to amend these Articles of Association;

(15) to formulate the incentive stock option plan of the Company;

(16) to manage information disclosure of the Company;

(17) to propose to the general meeting the appointment or replacement of the accounting firms which provide auditing service to the Company;

(18) to listen to work reports of the general manager of the Company and review the work of the general manager;

(19) to consider, review and approve the matters on the Company's external guarantee which shall not fall into the scope required to be considered by the general meeting as provided in Article 64 hereunder;

(20) to examine and supervise the Company's policies and standards regarding the Company's compliance with laws and regulatory provisions;

(21) to examine and supervise the training and continuing professional development for the directors, supervisors and senior management;

(22) to examine the Company's compliance with the Corporate Governance Code in the Listing Rules and the disclosure in the corporate governance report;

(23) to decide on such major matters and administrative affairs other than those ought to be decided by the general meeting as specified in the laws, administrative regulations, rules and regulations of the competent authorities and these Articles of Association and enter into other important agreements;

(24) other powers and duties stipulated by laws, administrative regulations, and departmental rules and regulations, listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, and these Articles of Association, and conferred upon by the general meetings.

Should the foregoing exercise of such functions and powers by the Board, or any transaction or arrangement of the Company be considered and reviewed by a general meeting according to the listing rules of the stock exchange(s) of the place(s) where the Company's shares are listed, such shall be submitted to the general meeting for consideration and review.

Except for the Board resolutions in respect of the matters specified in paragraphs (6), (7) and (14) which shall be passed by more than two- thirds of the directors, the Board resolutions in respect of all other matters set out in the preceding paragraphs may be passed by more than one half of the directors.

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Article 135 The Board shall establish the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, and may establish other special committees including the Strategic Committee, to advise and consult with the Board on major decisions.

Audit Committee shall comprise at least 3 members and all of whom shall be non-executive directors, among whom, one member shall be an independent non-executive director possessing proper qualification in compliance with the relevant requirements of the Listing Rules or appropriate accounting expertise or related financial management expertise. The independent non-executive directors shall form a majority in the members of the Audit Committee. The person who serves as the chairman of the Committee shall be an independent non-executive director. The independent non-executive directors shall form a majority in the members of the Remuneration and Appraisal Committee, and the chairman thereof shall be an independent non-executive director.

Article 136 When the Board is disposing of fixed assets and should the sum of the expected value of the fixed assets proposed for disposal by the Board and the value derived for the fixed assets that were disposed of within 4 months prior to such proposed disposal exceed 33% of the fixed assets value set out in the latest balance sheet recently considered by the general meetings, the Board may not dispose of or agree to dispose of such fixed assets without such prior approval by the general meeting.

The term "fixed assets disposal"

Article 137 The chairman of the Board shall exercise the following functions and powers:

(1) to preside over general meetings and to convene and preside over Board meetings;

(2) to procure and check the implementation of resolutions of the Board;

(3) to sign on share certificates, bond certificates and other securities issued by the Company;

(4) to organize the formulation of various rules for the operation of the Board and to coordinate for the operation of the Board;

(5) to sign on important documents of the Board and to externally sign on such legally binding documents on behalf of the Company;

(6) to exercise the powers and functions as a legal representative;

(7) to nominate candidates for the secretary to the Board, members and chairmen of the special committees under the Board;

(8) to listen to regular or irregular work reports of the senior management of the Company, and provide guiding opinion regarding the implementation of the Board resolutions;

(9) in event of an emergency of force majeu(r)0.5(t)0.50.5(d)01 s.Thai2ue.6(5(t)0.5( )]T

The vice chairman shall assist the chairman of the Board in work. Should the chairman be unable to or fail to carry out his duties, the vice chairman shall carry out the duties of the chairman (and if the Company has two or more vice chairmen, the vice chairman nominated by more than one half of the directors shall carry out the duties of the chairman). Where the position of vice chairman does not exist, or where the vice chairman is unable to or fails to carry out his duties, more than one half of the directors shall jointly nominate a director to carry out such duties.

Article 138 The Board meetings shall include regular meetings and extraordinary meetings.

Regular meetings of the Board of directors shall be held at least 4 times a year. Such meetings shall be convened by the chairman of the Board. Notice of and documents for meetings shall be delivered to all directors and supervisors 14 days before the meeting is held. Regular meetings of the Board shall not include the obtaining such approval from the Board by means of circulation of written resolutions.

The chairman, any shareholder holding more than one tenth voting rights, more than one third of the directors or the Supervisory Committee or the general manager may propose the holding of an extraordinary meeting of the Board. The chairman of the Board shall convene and preside over the extraordinary meeting of the Board within 10 days upon receipt of the proposal, and shall give written notice to all directors and supervisors 5 days before the meeting is held.

In case of urgency, the extraordinary board meeting may be held upon approval by the chairman of the Board, not being subject to the requirement of meeting notice as set out in this Article, provided that reasonable notice shall be given to directors, supervisors and the general manager.

Board meetings may be convened by means of telephone conference, video conference, circulation of documents, facsimile etc. provided that directors can fully express their views, and all directors who participate in Board meetings held in such forms shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall set out the details of the resolutions of the meeting, and shall state the deadline date for voting. The directors who participate in such meeting shall express their votes to the Company via facsimile by the deadline date for such voting as stated in the notice of meeting, and the original copy of such voting decision, which shall be signed by such directors themselves, shall be sent to the Board of the Company.

If there exists conflict of interests deemed to be material by the Board found in the matters to be considered by substantial shareholders or directors at the Board, the relevant matters shall be handled by means of holding a Board meeting (but not written resolutions). Independent non- executive directors themselves and their associates, have no material interest in the transaction should be present at such Board meeting.

Article 139 The notice of Board meetings may be delivered in the manner(s) as set out in Article 240 of these Articles of Association.

For the directors who have attended the meeting, a notice of the Board meeting will be deemed to have been issued if such directors failed to raise any issues of not having received such notice before or upon the Board meeting.

Article 140 A notice of Board meeting shall include the following contents:

(1) Date and place of meeting;

(2) Duration of the meeting;

(3) Causes and agenda;

(4) Date of issuance of notice.

Article 141 For any major matters to be determined by the Board of the Company, sufficient information shall be provided to the directors and the directors are entitled to request supplementary materials. When more than one-fourth of the directors or two or more external directors (referring to such directors who have no executive positions in the Company) consider that the materials provided is insufficient or the reasoning is unclear, they may jointly propose to defer the Board meeting or defer the Board's consideration on the relevant matters, and the Board shall accept such suggestions accordingly.

Article 142 The Board meeting shall not be held unless more than one half of the directors (including proxies) are present.

Unless otherwise provided in other articles herein, resolutions of the Board shall be required to be passed by more than one half of all the directors.

As for the voting on a Board resolution, each director shall have one vote. When the number of votes cast for and against a resolution is the same, the chairman of the Board shall have a casting vote.

Article 143 The directors shall attend a Board meeting in person. If a director is unable to attend such meeting for any reasons, he may appoint another director in writing to attend such meeting on his behalf. The authorization letter shall contain the name of the representative, the matters represented, scope of authorization and validity period. Such letter shall be signed or sealed by the principal.

The appointed director who attends the meeting shall exercise a director's duties within the authorized scope. If a director fails to attend a Board meeting in person and fails to appoint a representative to attend the meeting, he/she shall be deemed to have waived his/her voting rights at the meeting.

The Company shall bear the reasonable expenses incurred by directors attending the Board meetings. Such expenses may include costs for transportation from the place(s) where the directors reside to the venue of the meeting (if such venue is not located at the place where directors are stationed), meal and accommodation expenses and local transportation costs during the duration of the meeting.

Article 144 If there are connected relationships between the enterprises involved in the matters set out in the resolutions of the directors and the Board, a director may not exercise his/her voting right, nor shall he/she vote on behalf of other directors. Such Board meeting can be held if more than one half of the non-connected directors attend such meeting. Resolutions made by the Board meeting shall be required to be passed by more than one half of the non-connected directors. If less than three non-connected directors attend the Board meeting, the matter shall be submitted to the general meeting for consideration.

Article 145 The Board meeting shall vote for resolutions by way of disclosed ballot.

Article 146 The Board shall keep minutes of its decisions on the matters discussed at the meeting. The directors and secretary to the Board who attend the meeting shall sign on the minutes of such meeting.

The directors shall be responsible for the resolutions of the Board. Where a resolution of the Board is in qirectors sh The Board me(e)0.5(t)0.5(.5(a)0.5(r)0.5(

Article 147 The minutes of the Board shall consist of the following:

(1) date and venue of the meeting and the name of the convener;

(2) the name of the director present and name of director being appointed to attend on the other's behalf (proxy);

(3) the agenda;

(4) the main points of directors' speeches;

(5) the voting method of each resolution and the result (and the result shall specify the number of votes for, against and abstaining from such resolution).

CHAPTER 11 SECRETARY TO THE BOARD

Article 148 The Company shall have one secretary to the Board. The secretary is a senior management officer of the Company.

Article 149 The secretary to the Board shall be a natural person with the requisite professional knowledge and experience and shall be appointed by the Board.

The principal duties of the secretary to the Board are:

(1) to ensure that the Company has a complete set of organizational documents and records;

(2) to ensure that the Company prepares and submits the reports and documents as required by the authorities pursuant to laws;

(3) to ensure that the register of shareholders of the Company is kept in a proper manner and that the persons entitled to the access to the relevant records and documents of the Company may obtain the same in a timely manner;

Article 153 The selection, appointment and dismissal of a company secretary shall be subject to approval by the Board. Decisions in this regard shall be made by convening physical meeting of the Board but not by way of written resolutions. The company secretary shall be an individual who, by virtue of his academic or professional qualifications or relevant experience is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of company secretary. The Company may select its company secretary from and among the employees of the Company who should have day-to-day knowledge of the Company'

Article 157 The term of office of the general manager shall be three years. The general manager shall be re-elected upon reappointment.

The general manager can submit his resignation prior to the expiry of his term of office. The procedure concerning the general manager's resignation shall be stipulated by the employment contract by and between the general manager and the Company. Should the general manager fail to perform his duties for special reasons, the standing deputy general manager or one deputy general manager designated by the Board shall perform the duties of the general manager on his behalf.

A director may concurrently act as the general manager, standing deputy general manager or deputy general manager, but the positions of chairman of the Board and general manager must be taken up by different persons.

Article 158 The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

(1) to lead the Company's production, operation and management, and report to the Board;

(2) to organize and implement the Board's resolutions;

(3) to organize the implementation of the Company's annual business plan and investment plan formulated by the Board;

(4) to draft plans for the establishment of the Company's internal management structure;

(5) to formulate the structure scheme for any branch(es) of the Company;

(6) to draft the basic management system of the Company;

(7) to formulate detailed rules and regulations of the Company;

(8) to propose to the Board the appointment or dismissal of the Company's standing deputy general manager, deputy general manager(s) and chief financial officer;

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

(10) to exercise other powers conferred upon by these Articles of Association or the Board.

Article 159 The Company's general manager shall attend the meetings of the Board. A non-director manager shall not have the right to vote at such meetings.

Article 160 The general manager shall formulate the detailed working rules of the general manager, and such working rules shall be submitted to the Board for approval.

The working rules of the general manager shall include the following:

(1) conditions, procedures and the number of participants for convening meetings of the managers officers;

(2) respective duties and division of work among the general manager and other senior management;

(3) limits of authority in using company funds and assets as well as the signing of significant contracts, together with the system of reporting to the Board and the Supervisory Committee;

(4) other matters deemed to be necessary by the Board.

Article 161 When exercising his functions and powers, the general manager of the company shall bear the duties of good faith and due diligence in accordance with law, administrative regulations and these Articles of Association.

CHAPTER 14 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 162 The term of office of a supervisor shall be 3 years. Upon its expiry, the supervisor's term of office shall be renewable upon re-election and re-appointment.

Article 163 A director and a senior management officer cannot concurrently act as a supervisor.

Article 164 When a supervisor's term of office expires while a new supervisor is not yet appointed, or when a supervisor resigns during his term of office, leading to the number of members in the Supervisory Committee falling below the quorum, and before the newly appointed supervisor takes up his appointment, the original supervisor shall continue to perform his duties according to the provisions of laws, administrative regulations and these Articles of Association.

Article 165 A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 166 A supervisor may attend meetings of the Board. He can also question or make suggestions concerning proposed resolutions at the Board meeting.

Article 167 A supervisor may not make use of his or her connected relationship to harm the Company's interests. For any losses caused to the Company arising therefrom, he shall be liable to make indemnification.

Article 168 A supervisor shall faithfully perform his or her supervisory duties in accordance with the provisions of laws, administrative regulations and these Articles of Association.

If a supervisor violates the provisions of laws, administrative regulations, departmental rules and regulations or these Articles of Association while performing the duties for the Company and causing losses to the Company, he shall be liable to make indemnification.

Section 2 Supervisory Committee

Article 169 The Company shall establish a Supervisory Committee.

Article 170 The Supervisory Committee shall be composed of five supervisors, one of whom shall be the chairman of the Supervisory Committee.

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

Article 171 The Supervisory Committee shall be composed of shareholder representative supervisors, independent supervisors and employee representative supervisors. The shareholder representative supervisors and independent supervisors shall be elected and dismissed by the general meeting, and the employee representative supervisors shall be no less than one-third of the members of the Supervisory Committee,and democratically elected and dismissed by the Company's employees.

Article 172 The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers according to laws:

(1) to examine the Company's financial standing;

(2) to supervise the directors and senior management officers to ensure that they perform their duties to the Company not in violation of any laws, administrative regulations or these Articles of Association, and to put forward suggestions for dismissing any directors or senior management officers who are in violation of laws, administrative regulations, these Articles of Association or resolutions of the general meetings;

(3) to demand rectification made by a director and any other senior management officers when the act of the foregoing persons damages the Company's interests;

(4) to verify the financial information such as the financial reports, business reports and profit distribution plans and others to be submitted by the Board to the general meetings and, should any queries arise, to entrust, in the name of the Company, certified public accountants and practicing auditors to conduct a review thereof;

(5) to propose to convene an extraordinary general meeting and to convene and preside over general meetings when the Board fails to perform such duties of convening and presiding over general meetings;

(6) to submit proposals to the general meetings;

(7) to propose to convene an extraordinary meeting of the Board;

(8) to represent the Company in negotiating with or in bringing legal action against the directors and senior management officers in accordance with the provisions of the Company Law;

(9) to conduct investigations upon discovery of abnormality in the business operation and engage professional firms such as accounting firms and law firms to assist its work where necessary. The cost shall be borne by the Company;

(10) any other functions and powers as stipulated by these Articles of Association.

Article 173 The meeting of the Supervisory Committee shall be held at least once every six months, which shall be .5(i)0.5(c)very

Article 174 The Supervisory Committee shall formulate the working rules for the board of supervisors in order to ensure the efficiency of work and scientific decision-making. The convening and voting procedures stipulated in the working rules of the Supervisory Committee (appended to these Articles) shall be drafted by the board of supervisors and approved by the general meeting.

Article 175 A meeting of the Supervisory Committee shall not be conducted unless it is attended by more than half of the supervisors. Voting at the meeting of Supervisory Committee shall be carried out by disclosed ballot and each supervisor shall have one vote. A supervisor shall attend meetings of the board of supervisors in person, or appoint in writing another supervisor to attend the meeting on his behalf during his absence with cause. The proxy form shall specify the extent of authorization.

Resolutions at the meeting of the board of supervisors shall be passed by more than two-thirds of the supervisors' votes.

Article 176 The discussed issues shall be recorded in the minutes of the meeting of the Supervisory Committee. Supervisors attending the meeting shall sign on the minutes of meetings.

Supervisors are entitled to request that an explanation of their comments made at the meetings be noted in the minutes. Minutes of meeting of the board of supervisors shall be maintained as company files for at least ten years.

Article 177 A notice of the regular meeting of Supervisory Committee to all supervisors shall be given in writing 10 days prior to the convening of such meeting. A notice of the extraordinary meeting of Supervisory Committee to all supervisors shall be given in writing 3 days prior to the convening of such meeting.

CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Article 179 A person may not serve as a director, supervisor or senior management of the Company if any of the following occasions occur:

(5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided in these Articles of Association or with the informed consent of the general meeting;

(6) not to use the Company property for his own benefit in any way

(14) not to disclose such confidential information which was related to the Company and was acquired by him or her during his or her office without the informed consent of the general meeting, and not to use such information except for the purposes of the interests of the Company; however, such information may be disclosed to the court or other government authorities under any of the following circumstances:

1. there exist mandatory requirements;

2. it is subject to the requirement of the public interest; or

3. it is subject to the requirement of the interests of such directors, supervisors or senior management of the Company.

Gains generated by such personnel set forth in this Article in violation hereof this Article shall belong to the Company, and for any loss suffered by the Company as a result thereof, the personnel in violation hereof this Article shall be liable for making indemnification.

Article 184 Directors, supervisors and the senior management of the Company may not cause the following persons or institutions (hereinafter referred to as the "Connected Persons") to do what such directors, supervisors and the senior management are prohibited from doing in their capacity:

(1) the spouse or minor child of such directors, supervisors and the senior management of the Company;

(2) the trustee of a director, supervisor or the senior management of the Company or of any person referred to in Item (1) of this Article;

(3) the partner of a director, supervisor or the senior management of the Company or of any person referred to in Items (1) and (2) of this Article;

(4) the company over which a director, supervisor or the senior management of the Company individually control, or jointly control with any person referred to in Items (1), (2) and (3) of this Article or any other director, supervisor or the senior management of the Company, has actual common control; and

(5) the director, supervisor or the senior management of such company being controlled as referred to in Item (4) of this Article.

Article 185 The fiduciary duties of the directors, supervisors and the senior management 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, until such secrets become publicly available. Other duties 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 186 Except for such circumstances provided in Article 60 of the Articles of Association, a director, supervisor and the senior management of the Company may be relieved from such liability for the violation of his/her specific duty by the informed consent of shareholders given at a general meeting.

Article 187 Where a director, supervisor and the senior management of the Company has significant relationship in any way, directly or indirectly, in an established or proposed contract, transaction or arrangement entered into by and with the Company, (other than the service contract entered into by and between a director, supervisor and the senior management of the Company and the Company), he/his shall disclose the nature and extent of his interests to the Board promptly whether or not such contract, transaction or arrangement is subject to the approval of the Board under normal circumstances.

A director shall not vote by a contract, transaction or arrangement in which he himself or any of his associates has significant interests, nor shall such director be included in the quorum for a meeting.

Unless the interested director, supervisor or senior management of the Company has disclosed such interest to the Board as required under the first paragraph of this Article and the matter has been approved by the Board at a meeting where he was not counted in the quorum and had refrained from voting, the Company shall have the right to 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 director, supervisor or senior management concerned.

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

Article .5(C)0.5(o0.5(a)36 TD[o)0.)0.5.5(.5(C)0.5(o0.5(a) 1f-7.731)0.5(v)0.5(i)0.5(s)0.5(o)0.5(r)0.5(or)

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

(1) the Company provides a loan to its subsidiary or the Company provides a loan security for its subsidiary;

(2) the Company provides a loan, loan security or other funds to a director, supervisor to an appointment contract approved by the general meeting, so as to enable such director, supervisor or senior management of the Company to pay the expenses incurred for the purposes of the Company or for performing his/her duties of the Company; and

(3) In the event that the normal business scope of the Company includes provision of loans and loan security, the Company can provide loans and loan security to a relevant director, supervisor or senior management of the Company or to a Connected Person thereof, and provided that the conditions for the provision of loans and loan security shall be normal business conditions.

Article 191 As for such loan provided by the Company in violation of the preceding Article, the recipient of such loan shall immediately repay such loan regardless of the terms of the loan.

Article 192 As for such loan guarantee provided by the Company in breach of paragraph 1 of Article 190, no enforcement shall be imposed upon the Company, except for the following conditions:

(1) when the loan is provided to a Connected Person of a director, supervisor or senior management of the Company or its parent company, the loan provider is not aware of the circumstance;

(2) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 193 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 194 When a director, supervisor and senior management of the Company is in breach of his/her duties to the Company, the Company shall have the right to adopt the following measures in addition to various rights and remedies as provided in laws and administrative regulations:

(1) to demand the relevant director, supervisor or senior management to compensate for the losses suffered by the Company as a consequence of his/her dereliction of duty;

(2) to revoke any contract or transaction concluded by the Company

Article 195 The Company shall enter into a contract in writing with the directors and supervisors of the Company concerning his/her emoluments, with prior consent of the general meeting. The foregoing emoluments shall include:

(1) emoluments in respect of his/her service as a director, supervisor or senior management of the Company;

(2) emoluments in respect of his/her service as a director, supervisor or senior management of a subsidiary of the Company;

(3) emoluments in connection with the provision of other service for the management of the Company and its subsidiary; and

(4) 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 on the grounds of the foregoing matters, except for under such contract as mentioned above.

In addition, the Company shall enter into a contract in writing with each director, supervisor and senior management and such contract shall at least include, inter alia, the following provisions:

(1) The directors, supervisors or senior management of the Company shall undertake that he/she shall observe and comply with the Company Law, the Special Provisions, these Articles of Association, the Codes on Takeovers and Mergers in Hong Kong, the Codes on Share Repurchase

Article 196 The contract regarding emoluments 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 purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following occasions:

(1) anyone makes a tender offer to all the shareholders;

(2) anyone making a tender offer aims at that the offeror becomes a controll5(n)0.5(s)0.5(:)]TJ5(s)0.5(:)]TJ5(s)0.5(:)]TJ5(s72.9(the)12(making)12)0.5(cs

CHAPTER 16 FINANCIAL ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

Article 198 The Company shall formulate its own financial and accounting systems in accordance with the provisions of laws, administrative regulations and accounting standards of China developed by the competent department in

At least 21 days before the annual general meeting is convened, and in any event no more than four months from the end of the relevant year, the Company shall deliver the foregoing reports to each holder of overseas-listed foreign shares by postage-paid mail or other means (including through posting at the Company website or other websites as designated by the relevant stock exchange or sent by electronic means) permitted by the laws and regulations or listing rules of the stock exchange(s) in the place(s) in which the shares are listed, at the recipient's address as registered in the shareholders register.

The Company shall also send interim financial reports to each holder of overseas-listed foreign shares for the first six months of each fiscal year. The time of delivery shall be three months upon the completion of such six-month period.

Article 202 The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards, laws and regulations but also in accordance with the international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If the financial statements prepared in accordance with such two sets of accounting standards differ significantly, such differences shall be stated in notes appended to such financial statements. For the purpose of the Company's distribution of after-tax profits in a given fiscal year, the amount, whichever is less, of after-tax profits shown in the said two foregoing financial statements shall prevail.

Article 203 Interim results or financial information published or disclosed by the Company may be prepared either in accordance with the PRC accounting standards, laws and regulations or the international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

Article 204 The Company shall publish two financial reports in each fiscal year, that is an interim financial report within 60 days upon the completion of the first six months of the fiscal year and an annual financial report within 120 days upon the completion of the fiscal year.

The Company must publish its financial results twice for each fiscal year, that is an announcement regarding interim results within two months upon the completion of the first six months of the fiscal year and an announcement regarding annual results within three months upon the completion of the fiscal year.

Article 205 The Company may not maintain any account books other than statutory account books. Assets of the Company shall not be held in any accounts opened under the names of any individuals.

Article 206 The common capital reserve shall include the following funds:

(1) the premiums obtained from the issue of shares in excess of the par;

(2) such other revenue required to be included in the capital common reserve by the State Council's competent department in charge of finance.

Article 207 Where a company distributes its after-tax profits of the current year, it shall allocate 10% of the profits as the Company's statutory common reserve. The Company may make no more allocation should the accumulative balance of the Company's statutory common reserve account for more than 50% of the Company's registered capital.

Should the accumulative balance of the Company's statutory common reserve be insufficient to make up for the losses of the Company of the previous year, the current year's profits shall first be used for making up such losses before the statutory common reserve is allocated according to the provisions of the preceding paragraph.

After the Company has allocated the statutory common reserve from the after-tax profits, it may allocate a discretionary common reserve from the after-tax profits, upon a resolution being made by the general meeting.

After the Company has made up for the losses and has allocated statutory common reserve, it shall distribute the remaining profits to the shareholders based on their shareholding ratios, except for distribution made not based on the shareholding ratios as provided herein these Articles of Association.

Should the general meeting distribute the profits to the shareholders before the losses has been made up and the statutory common reserves has been allocated, in violation of the provisions of the preceding paragraph, the profits thus distributed in violation of such provisions must be returned to the Company.

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

Article 208 The reserve of the Company is used to make up for the Company's losses, expand the production operation of the Company or increase the Company's cged Td,(e)0.6(c)0.51.5(Td,(e)0.6(c)0.51.5(Td,(e)6(r)0.5(e)0.5(s)0.5(e)(C)0.5(o).-]y)0

The Company shall pay cash dividends and other payments in RMB to domestic shareholders. Such payments made by the Company to holders of foreign shares shall be denominated and declared in Renminbi and paid in Hong Kong dollars. Such Hong Kong dollars required for the Company's

The Company has the right to cease delivering such dividend warrants by post to holders of overseas-listed foreign shares, provided that such power shall not be exercised until and such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised by the Company should such warrant be undelivered and returned for the first attempt of delivery.

In the event of exercising the right to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms, without any reasonable doubts, that the original warrants have been destroyed.

The Company has the right to sell the shares of a holder of the overseas-listed foreign shares where such holder cannot be contacted in such manner deemed to be appropriate by the Board but the Company must observe the following conditions:

(1) during a period of twelve years, there have been at least three distribution of such dividends in respect of the shares in question and no dividend during that period has been claimed;

(2) upon the expiry of the twelve-year period, the Company shall give a notice stating its intention to sell the shares by way of an announcement published in one or more newspaper in the place where the Company is listed and shall notify the stock exchange(s) of such listing of such shares of such intention.

Article 212 After the general meeting of the Company has resolved on the plan to allocate profits, the Board shall complete the distribution of dividends (or dividend shares) within 2 months after the meeting is convened.

Article 213 The Company will give full consideration to the interests of shareholders and shall implement reasonable profit distribution policy according to the business situation and market environment. The Company's profit distribution policy shall maintain its continuity and stability to the greatest extent, and give priority to cash dividends according to the specific profit-sharing ratio which is to be passed by a resolution by the general meeting pursuant to laws.

CHAPTER 17 APPOINTMENT OF AN ACCOUNTING FIRM

Article 214 The Company shall engage an independent accounting firm that complies with the relevant provisions of the State to audit the annual reports and other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting. The appointment period of such accounting firm shall end upon the conclusion of the first annual general meeting.

Should the Company's inaugural meeting fail to exercise its functions and power under the preceding paragraph, the Board shall exercise such functions and power.

Article 215 The term of engagement of an accounting firm engaged by the Company shall commence from the conclusion of the current annual general meeting to and until the conclusion of the next annual general meeting.

Article 216 An accounting firm engaged by the Company shall be entitled to the following rights:

(1) the right of access, at any time, to the account books, records or vouchers of the Company and the right to require directors and other senior management of the Company to provide the relevant information and explanation;

(2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanation necessary for the accounting firm to perform its duties;

(3) the right to attend general meetings, receive a notice or other information concerning any meetings which all shareholders have a right to receive, and to be heard at any general meetings on any matter which is related to it as the accounting firm of the Company.

Article 217 If the position of accounting firm becomes vacant, the Board 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 218 Save as is provided for under Article 217, the appointment of the accounting firm by the Company must be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

Notwithstanding anything in the contract between the accounting firm and the Company, the general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of appointment. Such accounting firm's right to claim damages from the Company in respect of such dismissal shall not be affected thereby.

Article 219 The amount of remuneration of an accounting firm or the manner in which the remuneration is determined shall be decided upon by the general meeting. The amount of remuneration of the accounting firm appointed by the Board shall be decided by the Board.

Article 220 The appointment, dismissal or no re-appointment of an accounting firm by the Company shall be decided upon by the general meeting and reported to the securities regulatory authorities under the State Council for the filing and record.

Where it is intended to pass a resolution at a general meeting to appoint an accounting firm which is not holding a currency position to fill any vacancy of the position of the accounting firm, or to dismiss an accounting firm before the expiry of its term of appointment, such matters shall be handled pursuant to the following provisions:

(1) Before dispatch of the general meeting notice, the proposal on the appointment or dismissal is delivered to the accounting firm to be appointed or to leave its office or already retired in the relevant fiscal year. Leaving office shall include the dismissal, resignation and retirement for an accounting firm.

(2) If the accounting firm to leave its office makes any statement in writing and requires the statement to be informed to shareholders by the Company, unless being too late for the receipt of such statement, the Company shall take the following measures:

1. Making instructions on the notice to the resolution that the leaving

(1) The accounting firm may resign from its position through by placing the resignation notice in writing at the legal address of the Company. Such notice shall take effect since the date on which it is placed at the legal address of the Company or a later date as specified in the notice. The notice shall include the following statements:

1. in its opinions that its resignation does not involve any statement that should be made to shareholders or creditors of the Company; or

2. any other such occasions that shall be presented.

(2) Within 14 days upon the receipt of such notice in writing as referred to in paragraph (1) of this Article, the Company shall deliver a copy of the notice to the competent authorities. Provided that the notice contains such statements as above mentioned in paragraph (1) 2. of this Article, the Company shall prepare and place copies of such statements at the company for inspection by shareholders. The Company shall also deliver duplicates of such foregoing statements by postage prepaid mail to each holder of overseas-listed foreign shares at the recipient's address registered in the shareholders register, or, subject to observing the applicable laws, regulations and listing rules, the Company shall post such information at the company website or such site specified by the stock exchange(s) of the place(s) where the Company's shares are listed.

(3) If the accounting firm's resignation notice contains any statement referred to in paragraph (1) 2. of this Article, the accounting firm may request the Board to convene an extraordinary general meeting of shareholders to hear its explanations on the situation of its resignation.

CHAPTER 18 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Section 1 Merger and Division

Article 222 The merger or division of the Company shall require the proposal put forward by the Board. After such proposal has been passed in accordance with the procedures specified in the Articles of Association of the Company, the relevant examination and approval procedures regarding such proposal shall be carried out according to laws. Shareholders that object to such proposal on the merger or division of the Company shall have the right 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 for inspection by shareholders.

For holders of overseas-listed foreign shares, the foregoing documents shall be served by post or in a manner permitted by the relevant laws, regulations or listing rules of the stock exchange(s) of the place(s) where the shares of the Company are listed.

Article 223 The merger of a company may be effected by way of a merger or a new consolidation.

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheets and checklists of properties. The companies involved shall notify the creditors according to the Company Law, and shall make a public announcement on newspaper recognized by the stock exchange of the place(s) where the Company's shares are listed, and shall clear off its debts or provide corresponding guarantees as the creditors request so.

In the case of a merger, the respective creditors' rights and debts of all parties thereto the merger shall be inherited by the existing company, or the newly established company upon the merger.

Article 224 As for the division of a company, the properties thereof shall be divided accordingly.

As for the division of a company, the balance sheets and checklists of properties of the Company shall be prepared. The companies involved shall notify the creditors according to the provisions of the Company Law, and make a public announcement on newspaper recognized by the exchange of the place(s) where the Company's shares are listed.

Debts owed by the Company prior to the division shall be jointly assumed by the existing companies upon the division, save as otherwise agreed by written agreement with the Company and the creditors prior to the division.

Article 225 Where any of the registered items is changed due to a merger or division of a company, the Company shall process the changes of registration with the company registration authority. Should the Company be dissolved, it shall be de-registered according to laws. If a new company

(5) Its business license is revoked or it is ordered to close down or to be dissolved according to laws; or

(6) In the event that the Company has encountered serious difficulties in operation and management and that the interests of the shareholders of the Company are caused to suffer from substantial loss due to the continuing existence of the Company while such issue cannot be solved by any other means, the shareholders who hold 10% or more of the voting rights of all the shareholders of the Company may file an application with the people's court to dissolve the Company pursuant to laws.

Article 227 Where the Company is dissolved according to the provisions of Article 226 (1), (2), (5) or (6) of these Articles of Association, a liquidation team shall be formed within 15 days of the occurrence of the causes of dissolution, to carry out liquidation. The liquidation team shall be composed of the directors or any other people as determined by the general meeting. Where no liquidation team is formed within the time limit, the creditors may file an application with the people's court to designate relevant persons to form a liquidation team to carry out liquidation.

Where the Company is dissolved according to the provisions of Article 226 (4) of these Articles of Association, the people's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation team to carry out liquidation.

Article 228 If the Board decides that the Company shall be liquidated (except for such liquidation as a result of the Company's declared bankruptcy), the notice

The liquidation team shall take instructions from the general meeting and shall report to the general meeting on the liquidation team's income and expenditure, the business of the Company and the progress of the liquidation at least once per year. It shall make a final report to the general meeting upon the completion of such liquidation.

Article 229 The liquidation team shall, within 10 days of its formation, notify the creditors, and shall, within 60 days, make a public announcement on newspaper recognized by the stock exchange(s) where the shares of the Company is/are listed. Creditors shall, within 30 days of the receipt of the notice or within 45 days of the release of the public announcement in the case of failure to receive said notice, file their creditors' rights with the liquidation team.

Where creditors file their creditors' rights, they shall explain about the matters related to creditors' rights, and shall provide the evidencing materials. The liquidation team shall register the creditors' rights.

The liquidation team may not clear off any of the debts of any creditors during the period of filing creditors' rights.

Article 230 The liquidation team shall exercise the following functions and power during the period of liquidation:

(1) liquidating the properties of the Company, and preparing the balance sheets and asset checklists separately;

(2) informing creditors by a notice or public announcement;

(3) disposing of and liquidating the unfinished businesses of the Company;

(4) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;

(5) clearing off credits and debts;

(6) disposing of the residual properties after settling such debt; and

(7) participating in the civil litigation on behalf of the Company.

Article 231 After the liquidation team has liquidated the properties of the Company and has prepared the balance sheets and checklists of properties, it shall prepare a5(o)0.5(p)0.9S5( )]TJ0.145 Tw 0 -1.636 T[

Article 233 Following the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report, a revenue and expenditure statement and financial accounts in respect of the liquidation period and, after verification thereof by a certified public accountant in China, such committee shall submit the same to the general meeting or the people's court for confirmation. And within 30 days from the date of said confirmation made by the general meeting or the people's court's, the Company shall submit the foregoing documents to the company registration authority to apply for the company de-registration, and to announce that the Company is terminated.

Article 234 The members of the liquidation team shall devote themselves to their duties and fulfill their obligations of liquidation according to laws.

None of the members of the liquidation team may take any bribe or any other illegal proceeds by taking advantage of his/her position, nor may he/she misappropriate any of the properties of the Company.

Where any members of the liquidation team cause any loss to the Company or any creditor with intention or due to gross negligence, he/she shall be liable to make indemnification.

CHAPTER 19 AMENDMENT TO ARTICLES OF ASSOCIATION

Article 235 The Company may amend these Articles of Association in accordance with the provisions of laws, administrative regulations and these Articles of Association.

Article 236 Under any one of the following circumstances, the Company shall amend its Articles of Association:

(1) After amendment has been made to the Company Law or the relevant laws or administrative regulations, the contents of the Articles of Association shall conflict with the amended laws or administrative regulations;

(2) The changes that the Company have undergone are not in consistence with the records made in the Articles of Association; or

(3) The general meeting decides that the Article of Association should be amended.

Article 237 Amendment to the Articles of Association passed by resolutions at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. Should the registration of the Company be involved, the change to such registration shall be handled according to laws.

Article 238 The Board shall amend these Articles of Association according to the resolutions of the general meeting and the opinions of the relevant competent authority.

Notwithstanding the foregoing paragraph, in the following circumstances, the general meeting may pass a resolution to authorize the Board to amend these Articles of Association in line with the following principles:

(1) Where as a result of the implementation of the general meeting's resolution, there is the need to make necessary non-substantive modifications (as required in accordance with the resolutions of the general meeting which involve amendments to, among others, the registered capital amount, the number of shares and the name and address of the Company in the Articles of Association), the Board shall have the right to modify these Articles of Association according to specific circumstances;

(2) In the event that changes in the text or the order of the articles are necessary for filing the Articles of Association approved by the general meeting with the competent authority the Board is entitled to amend these Articles of Association in accordance with the requirements of the competent authority.

Article 239 Any amendment to these Articles of Association that involves information to be disclosed as required by the law, regulations or the listing rules of the place(s) in which the shares of the Company are listed, shall be publicly announced as required.

CHAPTER 20 NOTICE

Article 240 Notices of the Company may be served through means as follows:

(1) delivery by hand;

(2) by post;

(3) by fax or email;

(4) subject to the law, regulations and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, post at the Company's website or such website designated by the relevant stock exchange;

(5) by public announcement;

(6) other means as prescribed between the Company and the recipient or as confirmed means upon notice; or

(7) other means approved by the relevant regulatory agency of the place(s) in which the shares of the Company are listed or as set out in these Articles of Association.

Where the Company issues a notice by public announcement, all relevant personnel shall be deemed to have received such notice once the public announcement has been made.

Unless otherwise required by these Articles of Association, if the notices to the holders of overseas-listed foreign shares are issued by way of announcement, any ready-to-publish electronic copy of such notices shall be submitted through HKEx-EPS to the HK Stock Exchange for publication on its website on the same day in accordance with the Listing Rules. The announcement shall meanwhile be published on the Company's website. In addition, it shall be served on each of the holders of the overseas-listed foreign shares by hand or by prepaid mail to their addresses as shown in the register of shareholders.

Unless the context otherwise requires, "announcement" referred to in these Articles of Association shall refer to if issued to domestic shareholders or within the PRC as required under relevant regulations and these Articles of Association, the announcement published in such Chinese newspapers as specified by the PRC laws and regulations or the securities regulatory agency under the State Council; and if issued to holders of H shares or in Hong Kong as required under the relevant provisions or these Articles of Association, the announcement being published in such Hong Kong newspapers as specified in relevant listing rules. All notices or other documents required under Chapter 13 of the Listing Rules to be sent by the Company to the Hong Kong Stock Exchange shall be in English language, or accompanied by a certified English translation.

Under the premise of the Company's compliance with the relevant listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, regarding the provision and/or distribution by the Company of corporate communications to holders of the overseas-listed foreign shares in accordance with requirements of such listing rules, the Company may also electronically or at the company's website or the website of the stock exchange(s) of the place(s) in which the shares of the Company are listed post such information so as to transmit or provide the same to such holders, in lieu of such delivery by hand or postage prepaid mail.

Article 241 Unless otherwise provided in these Articles of Association, all means of service of notice as set out in the preceding Article may also be applicable to notices for general meeting, meetings of Board or the Supervisory Committee.

Article 242 If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signature (or affixed seal) on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Article 243 Where relevant corporate documents must be in English accompanied by a

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

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

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

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

(3) The laws of the PRC shall govern the arbitration of disputes or claims described in Item (1) above, unless otherwise provided by the law or administrative regulations.

(4) The award of the arbitral body is final and shall be binding on the parties thereto.

CHAPTER 22 SUPPLEMENTARY ARTICLES

Article 245 Definition

(1) In these Articles of Association, "acting in concert" means the act of two or more people that in form of agreement (whether oral or written) have reached a consensus over achieving the purpose of controlling the Company or consolidating such control through take- over of the Company's voting rights by any one of them.

(2) A "de facto controller" means a person who, though not a shareholder, but through investment relationships, agreements, or other

Article 247 The term "accounting firm" as used in these Articles of Association shall have the same meaning as "auditor".

Article 248 These Articles of Association are in Chinese. If it conflicts with a version in any other language, the Chinese version which was most recently filed and registered at the competent administration for industry and commerce shall prevail.

Article 249 In case of any contradiction of these Articles of Association with any laws, administrative regulations, other relevant normative documents and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, those laws, administrative regulations, other relevant normative documents and listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed shall prevail.

Article 250 The Board shall be responsible for the interpretation of these Articles of Association.