

**Lanzhou Zhuangyuan Pasture Co., Ltd.\***

**(A joint stock limited company incorporated in the People's Republic of China  
with limited liability)**

**Articles of Association**

Approved by the 2016 Annual General Meeting  
On 16 June, 2017

*\* For identification purpose only*

**Note: In case of any discrepancies between the English version and the Chinese version, the Chinese version shall prevail.**

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## CHAPTER 1: GENERAL PROVISIONS

<b>Article 1</b>	
<p>In order to protect the lawful rights and interests of Lanzhou Zhuangyuan Pasture Co., Ltd. (hereinafter “the Company”) and its shareholders and creditors, regulating the organization and acts of the Company, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (the “Company Law”), Securities Law of the People’s Republic of China (the “Securities Law”), State Council’s Special Regulations Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Companies Limited by Share (the “Special Regulations”), Mandatory Provisions for Articles of Association of Companies to be Listed Overseas(the “Mandatory Provisions”), the Opinions on the Revision and Supplement to Articles of Association of Companies to be Listed on Hong Kong(the “the Opinions on the Revision and Supplement”), the Guidance for Articles of Association of Listed Companies (2014 Revision) (the “Guidelines for Articles of Association”),Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited(“Listing Rules”) and other relevant laws and regulations.</p>	<p>Article 1 of Mandatory Provisions</p> <p>Article 1 of Guidelines for Articles of Association</p> <p>Article 19A.53 of the Main Board Listing Rules</p>
<b>Article 2</b>	
<p>The Company is a joint stock limited company wholly converted from Lanzhou Zhuangyuan Dairy Co., Ltd.in accordance with the Company Law and other relevant laws and administrative regulations of China.It is registered with Lanzhou Municipal Administration for Industry and Commerce.</p> <p>The promoters of the Company are: Ma Hongfu, Lanzhou Zhuangyuan Investment Co., Ltd. (“Zhuangyuan Investment”), Gansu Lucky Cow Investment Co., Ltd. (“Lucky Cow Investment”), Chongqing Fukun Venture Investment Centre (a limited liability partnership)(“Chongqing Fukun”), Gansu</p>	<p>Article 1 of Mandatory Provisions</p> <p>Article 2 of Guidelines for Articles of Association</p> <p>Section 1 (a) of Appendix 13 D of the Main Board Listing Rules</p> <p>Unless expressed otherwise, Mandatory</p>

<p>Caiding Investment Co., Ltd. (“Caiding Investment”), Hu Kaisheng, Zheng Jiaming, Gansu Caicheng Investment Co., Ltd. (“Caicheng Investment”) and Shanghai Rongyin Investment Co., Ltd. (“Shanghai Rongyin”).</p>	<p>Provisions and Letter of Supplementary Advice mentioned hereinafter shall be deemed as simultaneously mentioning Section 1 (a) of Appendix 13D of the Main Board Listing Rules.</p>
<p><b>Article 3</b></p>	
<p>The Company’s registered Chinese name: 蘭州莊園牧場股份有限公司</p> <p>The Company’s registered English name: Lanzhou Zhuangyuan Pasture Co.,Ltd.</p>	<p>Article 2 of Mandatory Provisions</p> <p>Article 4 of Guidelines for Articles of Association</p>
<p><b>Article 4</b></p>	
<p>The registered address of the Company: Sanjiaocheng Village, Sanjiaocheng Town, Yuzhong County, Lanzhou City, Gansu Province Postal Code: 730020 Telephone Number: 0931-8406966 Fax Number: 0931-8407288</p>	<p>Article 3 of Mandatory Provisions</p> <p>Article 5 of Guidelines for Articles of Association</p>
<p><b>Article 5</b></p>	
<p>The Chairman of the board of directors shall be the company’s legal representative.</p>	<p>Article 4 of Mandatory Provisions</p> <p>Article 8 of Guidelines for Articles of Association</p>
<p><b>Article 6</b></p>	
<p>The Company’s period of existence is 50 years.</p> <p>The Company is an independent legal entity with</p>	<p>Article 5 of Mandatory Provisions</p>

independent properties and rights therein, which shall enjoy civil rights and assume civil obligations in accordance with the law.	Article 7 of Guidelines for Articles of Association
All the company's assets are divided into equal shares. Each shareholder is responsible to the company up to his subscribed shares. The company is responsible for its debts up to its total assets.	Article 9 of Guidelines for Articles of Association
<b>Article 7</b>	
The Articles of Association are approved by the special resolution of the shareholders' meeting of the Company and shall become effective on the date when the overseas listed shares, permitted by relevant departments of the PRC, are listed on The Stock Exchange of Hong Kong Limited ("the Stock Exchange") and replace the Articles of Association which has been registered with the Administration for Industry and Commerce.	Article 6 of Mandatory Provisions
From the date on which the Articles of Association come into effect, the Articles of Association shall become a legally binding document which regulates the Company's organization and behavior, the rights and obligations between the Company and the shareholders, and among the shareholders.	Article 10 of Guidelines for Articles of Association
<b>Article 8</b>	
The Articles of Association are binding on the Company and its shareholders, directors, supervisors, General manager and other senior officers of the Company; all of whom are entitled, according to the Articles of Association, to make claims in respect of rights concerning the matters of the Company.	Article 7 of Mandatory Provisions  Article 10 of Guidelines for Articles of Association
Subject to Article 223 of the Articles of Association, a shareholder may take action against the Company pursuant to the Articles of Association and the Company may take action against a shareholder, the directors, supervisors, General	

<p>Manager and other senior officers pursuant to the Articles of Association. A shareholder may also take action against another shareholder, the directors, supervisors, General Manager and other senior officers of the Company pursuant to the Articles of Association.</p> <p>The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.</p> <p>In the previous paragraph and these Articles of Association, the “other senior officers” refer to the Deputy General Manager, responsible financial officers and secretary to the board of directors.</p>	<p>Article 11 of Guidelines for Articles of Association</p>
<p><b>Article 9</b></p>	
<p>Upon approval of relevant governmental department, the Company may set up subsidiaries or branches such as sub-branches, representatives and offices in overseas or Hong Kong Special Administrative Region (“Hong Kong”), Macau Special Administrative Region (“Macau”) and Taiwan, according to its operating and management needs.</p>	
<p><b>Article 10</b></p> <p>The Company may invest in other enterprises provided, however, that it shall not become an investor that shall bear several and joint liabilities for the debts of the enterprises it invests in, unless otherwise provided by law.</p>	<p>Article 15 of Company Law</p> <p>Article 8 of Mandatory Provisions</p>
<p><b>Article 11</b></p> <p>The employees of the Company may establish a trade union to carry out trade union activities and protect the legal interests of the employees in accordance with the Trade Union Law of the People’s Republic of China. The Company shall provide the trade union with all necessary conditions for its activities. The representatives of the trade union of the Company may, on behalf of the employees of the Company, enter into any collective agreement with the</p>	<p>Article 18 of Company Law</p>

<p>Company in relation to issues including wages, working hours, benefits, insurance, and labor safety and health in accordance with the law.</p> <p>According to the Constitution and other relevant laws, the Company exercises democratic management through employees' representatives meeting or other means.</p> <p>The Company shall seek advice from the trade union before making any material decision on its reform and operation and formulation of regulations and shall convene trade union representatives' meeting or by other means to collect opinions and suggestions of the employees.</p>	
<p><b>Article 12</b></p> <p>The Company shall formulate its regulations regarding labor management, personnel management, wages and welfare and social insurance systems in accordance with the laws, regulations and relevant administrative rules of the PRC.</p> <p>The Company shall implement an appointment system for all levels of management personnel and a contract system for ordinary staff and workers. The Company shall have autonomy in respect of the allocation and the assignment of work of its employees and may exercise its own discretion to recruit and, in accordance with regulations and the terms of contracts, dismiss management personnel, staff and workers.</p> <p>The Company is entitled to determine the levels of wages and welfare benefits for various levels of its management personnel and staff and workers in accordance with its own cost-effectiveness within the ambit permitted by the relevant administrative regulations.</p>	

CHAPTER 2: OBJECTIVES AND SCOPE OF BUSINESS

<b>Article 13</b>	
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<p>The Company's business objectives are: to introduce advanced technology and facilities, craftsmanship as well as quality dairy cows from overseas; to produce various kinds of premium dairy products; to allow our business operations to develop to its fullest potential; to motivate employees' initiatives at their maximum; to steadily enhance the competitiveness of our products; to obtain satisfactory economic benefits; to strive for better financial return for the Company's shareholders; to increase revenue for the employees and to enable the Company to develop and grow steadily.</p>	<p>Article 9 of Mandatory Provisions Article 12 of Guidelines for Articles of Association</p>
<p><b>Article 14</b></p> <p>The Company's scope of business shall be subject to the approval of the relevant administration for industry and commerce.</p> <p>The Company's scope of business includes: production, processing and sale of dairy products, lactic acid drinks and cold beverages; dairy cows farming, research and development of biotechnology and acquisition of feeds.</p>	<p>Article 10 of Mandatory Provisions Article 13 of Guidelines for Articles of Association</p>
<p><b>Article 15</b></p> <p>The Company may change its scope of business and amend the Articles of Association in accordance with law upon registration of change with the Administration for Industry and Commerce of Lanzhou Municipal and with the approvals of shareholders at the Shareholders' Meeting and the relevant competent authorities.</p>	

### CHAPTER 3: SHARES, TRANSFER OF SHARES AND REGISTERED CAPITAL

<p><b>Article 16</b></p> <p>There must, at all times, be ordinary shares in the Company. Subject to the approval of the companies approving department authorized by the State Council, the Company may, according</p>	<p>Article 11 of Mandatory Provisions Section 9 of</p>
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<p>to its requirements, create different classes of shares.</p>	<p>Appendix 3 of the Main Board Listing</p>
<p><b>Article 17</b></p> <p>The equities of the Company shall be represented by shares. The shares issued by the Company shall each have a par value of Renminbi(“RMB”) 1 yuan (Unless otherwise specified, all amounts in the Articles of Association are stated in RMB).</p> <p>The RMB referred to in the preceding paragraph is the legal currency of the People’s Republic of China.</p>	<p>Article 12 of Mandatory Provisions</p> <p>Article 14 of Guidelines for Articles of Association</p> <p>Article 16 of Guidelines for Articles of Association</p>
<p><b>Article 18</b></p> <p>Issuing of company shares shall adopt an open, fair and just principle. Shares of the same type shall have equal rights.</p> <p>During the issuance of the same type of shares, each share shall have the same conditions of issuance and price. Any such share subscribed by any unit or individual should charge the same price.</p>	<p>Article 15 of Guidelines for Articles of Association</p>
<p><b>Article 19</b></p> <p>Subject to the approval of the securities authority of the State Counsel, the Company may issue shares to Domestic Investors and Foreign Investors.</p> <p>“Foreign Investors” mean those investors who subscribe for the Company’s shares and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic Investors” mean those investors who subscribe for the Company’s shares and who are located within the territory of the PRC.</p>	<p>Article 13 of Mandatory Provisions</p>
<p><b>Article 20</b></p> <p>Shares which the Company issues to domestic investors for subscription in RMB shall be referred to as Domestic Shares. Shares which the Company issues to foreign investors for subscription in foreign currencies shall be referred to as Foreign</p>	<p>Article 14 of Mandatory Provisions</p> <p>Section 9 of</p>

<p>Shares. Foreign shares which are listed overseas are called Overseas Listed Foreign Shares (of which those listed in Hong Kong can be referred to as H shares). Both holders of domestic shares and overseas listed foreign shares are ordinary shareholders, possessing equal obligations and rights.</p> <p>“Foreign currencies” mean the legal currencies of countries or districts outside the PRC which are recognized by the foreign exchange authority of the State and which can be used to pay the share price to the Company.</p> <p>Shares issued by the Company but not listed on any domestic or overseas stock exchange shall be referred to as unlisted shares. Upon approval from the securities regulatory authorities of the State Council, unlisted shares may be listed and traded on the overseas stock exchanges and converted into overseas listed foreign shares. The listing and trading of the shares on an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements of the overseas stock exchange.</p> <p>The listing and trading of unlisted shares on overseas stock exchanges and the conversion of unlisted shares into overseas listed foreign shares do not require shareholder approval by a class meeting. After the conversion into overseas listed foreign shares, unlisted shares shall be deemed as the same class of shares as the original overseas listed foreign shares.</p>	<p>Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 21</b></p> <p>The Company (formerly known as Lanzhou Zhuangyuan Dairy Co., Ltd.) was established by the whole conversion of a certain proportion of the audited net assets as at 31 December 2010. The Company issued 93,980,000 ordinary shares to its promoters at its establishment, the number of shares held by the promoters and their respective shareholding percentage were as follows:</p>	<p>Article 15 of Mandatory Provisions</p> <p>Article 19 of Guidelines for Articles of Association</p>

No.	Name or title of promoter	Number of shares held (in ten thousand)	Shareholding percentage (%)
1	Ma Hongfu	3,219.74	34.2599
2	Zhuangyuan Investment	3,089.47	32.8737
3	Lucky Cow Investment	1,500	15.9608
4	Chongqing Fukun	699	7.4377
5	Caiding Investment	279.6	2.9750
6	Hu Kaisheng	190.79	2.0301
7	Zheng Jiaming	139.8	1.4876
8	Caicheng Investment	139.8	1.4876
9	Shanghai Rongyin	139.8	1.4876
Total		9,398	100
<p>On 2 September 2011, the Company convened its Shareholders' General Meeting to approve the resolution to increase its capital by 11,390,000 shares with par value of RMB1 each and was registered with the Administration for Industry and Commerce of Lanzhou Municipal. After the capital increase, the registered capital of the Company amounted to 105,370,000. The total number of shares of the Company amounted to 105,370,000, which were all ordinary shares. The number of shares held by the shareholders and their respective shareholding percentage were as follows:</p>			
No.	Name/title of shareholder	Number of shares held (in ten thousand)	Shareholding percentage (%)
1	Ma Hongfu	3,219.74	30.56
2	Zhuangyuan Investment	3,089.47	29.32
3	Lucky Cow Investment	1,500	14.24

4	Chongqing Fukun	699	6.63		
5	Caiding Investment	279.6	2.65		
6	Hu Kaisheng	190.79	1.81		
7	Zheng Jiaming	139.8	1.33		
8	Caicheng Investment	139.8	1.33		
9	Shanghai Rongyin	282.18	2.68		
10	Tianjin Chuang Dongfang Fuhong Equity Investment Fund Partnership Enterprise(a limited liability partnership)	284.75	2.70		
11	Shenzhen City Chuang Dongfang Fukai Investment Enterprise (a limited liability partnership)	284.75	2.70		
12	Tianjin Jiufeng Equity Investment Fund Partnership Enterprise (a limited liability partnership)	142.38	1.35		
13	Huaren Innovation Group Co., Ltd.	142.38	1.35		
14	Huang Changrong	142.38	1.35		
<b>Total</b>		<b>10,537</b>	<b>100</b>		
<p><b>Article 22</b> Subject to the approval by the company examination authority as authorized by the State Council, the Company issued 93,980,000 shares of ordinary shares to the promoters(represents 89% of the total ordinary shares which may be issued) and 11,390,000 shares of ordinary shares to other domestic shareholders (represent 11% of the total ordinary shares which may be issued).</p>					<p>Article 16 of Mandatory Provisions Article 19 of Guidelines for Articles of Association</p>

<p><b>Article 23</b></p> <p>Upon the establishment of the Company and the approval of Securities Committee of the State Council, the Company may issue up to 35,130,000 Overseas-Listed Foreign Shares, excluding over-allotment of 5,269,500 shares(represent 15% of the over-allotment shares).</p> <p><b>Article 24</b></p> <p>Upon the issuance of abovementioned Overseas-Listed Foreign Shares, the equity capital structure of the Company as at the Listing Date was:140,500,000 ordinary shares, amongst which, the promoters held 93,980,000 shares in total, other domestic shareholders held 11,390,000 shares and overseas-listed foreign shareholders held 35,130,000 shares.</p>	<p>Section 9 of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 25</b></p> <p>The Company’s board of directors may take all necessary action for the issuance of Overseas-Listed Foreign Shares and Domestic Shares after proposals for issuance of the same have been approved by the securities authority of the State Council.</p> <p>The Company may implement its proposal to issue Overseas-Listed Foreign Shares and Domestic Shares pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities authority of the State Council.</p>	<p>Article 17 of Mandatory Provisions</p> <p>Section 1(f)(ii) of Appendix 13D of the Main Board Listing Rules</p>
<p><b>Article 26</b></p> <p>Where the total number of shares stated in the proposal for the issuance of shares includes Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares, such shares should be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval of the securities authority of the State Council, be issued in separate branches.</p>	<p>Article 18 of Mandatory Provisions</p>

<p><b>Article 27</b></p> <p>The registered capital of the Company shall be RMB140,500,000 upon the completion of the issuance of 35,130,000 Overseas- Listed Foreign Shares which may be issued by the Company with the approval of the competent securities department of the State Council.</p>	<p>Article 19 of Mandatory Provisions</p>
<p><b>Article 28</b></p> <p>The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Company's Articles of Association.</p> <p>The Company may increase its capital in the following ways:</p> <ol style="list-style-type: none"> <li>(1) offering new shares to non-specially-designated investors for subscription;</li> <li>(2) issuing new shares to specially-designated investors and/or its existing shareholders;</li> <li>(3) allotting bonus shares to its existing shareholders;</li> <li>(4) conversion of capital reserve; and</li> <li>(5) any other means which is stipulated by law and administrative regulation and approved by the securities regulatory authority under the State Council.</li> </ol> <p>After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Articles of Association, the issuance thereof should be made in accordance with the procedures set out in the relevant laws and administrative regulations.</p> <p>After the Company's increase or decrease of share capital, the Company shall register with the Administration for Industry and Commerce and issue an announcement.</p>	<p>Article 20 of Mandatory Provisions</p> <p>Article 21 of Guidelines for Articles of Association</p>
<p><b>Article 29</b></p> <p>Unless otherwise stipulated in the relevant laws or administrative regulations or when permitted by the Stock</p>	<p>Article 21 of Mandatory Provisions</p>

<p>Exchange, shares in the Company shall be free from any restriction on the right of transfer and shall also be free from all lien.</p>	<p>Article 26 of Guidelines for Articles of Association Article 19A.46 and Section 1(2) of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 30</b> The Company may not accept its own shares as the subject matter of a pledge.</p>	<p>Article 27 of Guidelines for Articles of Association</p>
<p><b>Article 31</b> Shares of the Company held by the promoter are not transferable within one year commencing from the date of establishment of the Company. Shares of the Company that are already in issue prior to its public offering are not transferable within one year commencing from the date on which the shares of the Company were listed and traded on a stock exchange.</p> <p>The directors, supervisors and senior officers of the Company shall report to the Company the number of shares held by them in the Company and the subsequent changes in their shareholdings. The number of shares which a director, supervisor or senior officer may transfer every year during his period of office shall not exceed 25% of the total number of the Company's shares in his or her possession; and shares of the Company in his or her possession are not transferable within one year commencing from the date on which the shares of the Company were listed and traded on a stock exchange. Such personnel shall not transfer the Company's shares in their possession within six months after they have terminated their employment with the Company.</p>	<p>Article 28 of Guidelines for Articles of Association</p>
<p><b>Article 32</b> Any gains from the sale of shares of the Company by any Company's director, supervisor, senior officer or shareholders holding 5% or more of the shares in the Company within six</p>	<p>Article 29 of Guidelines for Articles of Association</p>

<p>months after purchasing such shares, or thereafter any gains from repurchasing such shares in the Company within six months after the sale thereof, shall be vested in by the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. If the restriction on the transfer of shares provided herein relates to H Share, the approval of the Stock Exchange is required. However, if a securities company undertakes unsold shares, thereby holding more than 5% of the shares, the sale of these shares shall not be subject to the said 6 month restriction.</p> <p>If the Board of the Company fails to comply with the provision set forth in the preceding paragraph, a shareholder shall have the right to require the Board to affect the same within thirty (30) days. If the Board fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in a court directly in his own name in the interests of the Company.</p> <p>If the Board of the Company fails to comply with the provision set forth in the first paragraph of this Article, the responsible Director(s) shall be jointly and severally liable therefor in accordance with the law.</p>	<p>Article 19A.46 and Section 1(2) of Appendix 3 of Main Board Listing Rules</p>
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#### CHAPTER 4: CAPITAL REDUCTION AND SHARE REPURCHASE

<p><b>Article 33</b></p> <p>The Company may reduce its registered capital. The reduction of the registered capital shall follow the procedures set out in the Articles of Association in accordance with the Company Law and other relevant regulations.</p>	<p>Article 22 of Mandatory Provisions Article 22 of Guidelines for Articles of Association</p>
<p><b>Article 34</b></p> <p>The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.</p> <p>The Company shall notify its creditors within ten days of the</p>	<p>Article 23 of Mandatory Provisions Article 176 of Guidelines for Articles of Association</p>



<p>date of the Company’s resolution for reduction of registered capital and shall publish an announcement in a newspaper designated by the stock exchange(s) on which the shares of the Company are listed within thirty days of the date of such resolution. A creditor has the right within thirty days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within forty-five days of the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.</p> <p>The Company’s registered capital may not, after the reduction, be less than the minimum amount prescribed by law.</p>	<p>Article 19A.46 and Section 7(1) of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 35</b></p> <p>Our Company may, according to the provisions of the relevant laws, administrative regulations and the Articles of Association, repurchase our outstanding shares in accordance with legal procedures under the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) cancellation of shares for the purposes of reducing its registered capital;</li> <li>(2) merger with other companies that hold shares in the Company;</li> <li>(3) granting shares as rewards to the employees of the Company;</li> <li>(4) repurchase of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company; and</li> <li>(5) other circumstances as permitted by laws and administrative regulations.</li> </ol> <p>Our Company shall not engage in the trading of shares save for the circumstances specified above.</p>	<p>Article 24 of Mandatory Provisions Article 23 of Guidelines for Articles of Association</p>
<p><b>Article 36</b></p> <p>The Company may, upon the approval of the relevant PRC governing authorities, repurchase its shares in one of the</p>	<p>Article 25 of Mandatory Provisions</p>

<p>following ways:</p> <ol style="list-style-type: none"> <li>(1) making a pro rata general offer of repurchase to all its shareholders;</li> <li>(2) repurchasing shares through public trading on a stock exchange;</li> <li>(3) repurchasing by an off-market agreement; and</li> <li>(4) other ways as approved by the relevant regulatory authority.</li> </ol>	
<p><b>Article 37</b></p> <p>The Company must obtain the prior approval of the shareholders in a general meeting, in the manner stipulated in the Company’s Articles of Association, before it can repurchase shares by means of an off-market agreement. The Company may, by obtaining the prior approval of the shareholders in a general meeting, in the same manner, release or, vary or waive its rights under an agreement which has been so entered into.</p> <p>An agreement for the repurchase shares referred to in the preceding paragraph includes (without limitation) an agreement to become liable to repurchase shares or an agreement to have the right to repurchase shares.</p> <p>The Company shall not assign an agreement for the repurchase of its shares or any right contained in such an agreement.</p> <p>As regards redeemable shares that, where the issuer has the right to repurchase a redeemable share, repurchase not made through the market or by tender shall be limited to a maximum price; and if repurchase are made by tender, tenders shall be available to all shareholders alike.</p>	<p>Article 26 of Mandatory Provisions</p> <p>Section 8(1),(2) of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 38</b></p> <p>Where the Company repurchases its own shares due to reasons</p>	<p>Article 25 of Guidelines</p>

<p>as set out in sub-paragraphs (1) to (3) of Article 35, it shall obtain the approval of the shareholders by a resolution at a shareholders' general meeting. After the Company purchases its own shares pursuant to Article 35, the shares in respect of the circumstances described in sub-paragraph (1) shall be cancelled within ten days from the day of purchase; and those in respect of the circumstances described in sub-paragraphs (2) and (4) shall be transferred or cancelled within six months.</p> <p>The shares of the Company acquired by the Company in accordance with Article 35 (3) shall not exceed 5% of the total shares issued by the Company. The funds used for the said acquisition shall be charged from the profit after tax of the Company, and the acquired shares shall be transferred to the employees of the Company within one year thereafter.</p>	<p>for Articles of Association</p>
<p><b>Article 39</b></p> <p>If the Company cancels the shares as a result of repurchase of shares, it shall register the changed registered capital with the original company registration authority. The aggregate par value of the cancelled shares shall be deducted from the Company's registered share capital.</p>	<p>Article 27 of Mandatory Provisions</p>
<p><b>Article 40</b></p> <p>Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares:</p> <ol style="list-style-type: none"> <li>(1) where the Company repurchases shares at par value, payment shall be made out of book surplus distributable profits of the Company or out of proceeds of a new issue of shares made for that purpose;</li> <li>(2) where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value may be made out of the book surplus distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose. Payment of the portion in</li> </ol>	<p>Article 28 of Mandatory Provisions</p>

excess of the par value shall be effected as follows:

- (i) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of the Company;
  - (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose, provided that the amount paid out of the proceeds of the new issue shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor shall it exceed the book value of the Company's premium account (or capital reserve account) (including the premiums from the new issue) at the time of the repurchase;
- (3) The Company shall make the following payments out of the Company's distributable profits:
- (i) Payment for the acquisition of the right to repurchase its own shares;
  - (ii) payment for variation of any contract for the repurchase of its shares;
  - (iii) payment for the release of its obligation(s) under any contract for the repurchase of shares;
- (4) After the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of shares which have been repurchased shall be transferred to the Company's premium account (or capital reserve account).

**CHAPTER 5: FINANCIAL AID FOR PURCHASE OF SHARES OF THE  
COMPANY**

<p><b>Article 41</b></p> <p>The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares in the Company. This includes any person who directly or indirectly incurs any obligations as a result of the acquisition of shares in the Company (the “Obligor”).</p> <p>The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to the Obligor for the purposes of reducing or discharging the obligations assumed by such person.</p> <p>This Article shall not apply to the circumstances specified in Article 43 of this Chapter.</p>	<p>Article 29 of Mandatory Provisions, Article 20 of Guidelines for Articles of Association</p>
<p><b>Article 42</b></p> <p>For the purposes of this Chapter, “financial assistance” includes (without limitation) the following:</p> <ol style="list-style-type: none"> <li>(1) gift;</li> <li>(2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the Obligor), compensation (other than compensation in respect of the Company’s own default) or release or waiver of any rights;</li> <li>(3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under, such loan or agreement; and</li> <li>(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.</li> </ol>	<p>Article 30 of Mandatory Provisions</p>

<p>For the purposes of this Chapter, “assumption of obligations” includes the assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligation is to be borne solely by the Obligor or jointly with other persons) or by any other means which results in a change in his financial position.</p>	
<p><b>Article 43</b></p> <p>The following actions shall not be deemed to be activities prohibited by Article 41 of this Chapter:</p> <ol style="list-style-type: none"> <li>(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;</li> <li>(2) the lawful distribution of the Company’s assets by way of dividend;</li> <li>(3) the allotment of bonus shares as dividends;</li> <li>(4) a reduction of registered capital, a repurchase of shares of the Company or a reorganization of the share capital structure of the Company effected in accordance with the Company’s Articles of Association;</li> <li>(5) the lending of money by the Company within its scope of business and in the ordinary course of its business, where the lending of money is part of the scope of business of the Company (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits);</li> </ol>	<p>Article 31 of Mandatory Provisions</p>

<p>(6) contributions made by the Company to the employee share ownership schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).</p>	
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**CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF MEMBERS**

<p><b>Article 44</b></p> <p>Share certificates of the Company shall be in registered form.</p> <p>The share certificate of the Company shall, aside from matters required by the Company Law and the Special Regulations, also contain other matters required to be stated therein by the stock exchange(s) on which the Company’s shares are listed.</p> <p>During the period when the H shares are listed in Stock Exchange, the Company must ensure that all of the documents relating to the title to the shares listed on Stock Exchange (including H shares) include the statements as follows. The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits such properly executed forms to the share registrars which shall include the statements as follows:</p> <p>(1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Regulations and other laws, administrative regulations and the Company’s Articles of Association.</p> <p>(2) the purchaser of the share and the Company, each of the shareholders, directors, supervisors, General manager and other senior officers of the Company, as well as the</p>	<p>Article 32 of Mandatory Provisions</p> <p>Section 1(1) of Appendix 3 of Main Board Listing Rules</p> <p>Article 19A.52 of Main Board Listing Rules</p>
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<p>Company when acting on behalf of the Company and each director, supervisor, General manager and other senior officer, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other Chinese laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.</p> <p>(3) the purchaser of the share, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.</p> <p>(4) the purchaser of the share authorizes the Company to reach an agreement on behalf of him with each of the directors, General manager and other senior officers to authorize such directors, General manager and other senior officers to comply with and perform their duties to the shareholders in accordance with the Articles of Association.</p>	
<p><b>Article 45</b> Share certificates of the Company shall be signed by the Chairman of the Company’s board of directors. Where the stock exchange(s) on which the Company’s shares are listed require other senior officer(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such senior officer(s). The share certificates shall take effect after being sealed or affixed by way of printing with the seal of the Company. The share certificate shall only be affixed with the Company’s seal under the authorization of the board of directors. The signatures of the Chairman of the board of directors or other senior officer(s) of the Company may be printed in mechanical form.</p>	<p>Article 33 of Mandatory Provisions</p> <p>Letter of Opinions on Supplementary Amendment No.1/ Section 2(1) of Appendix 3 of Main Board Listing Rules</p>



**Article 46**

The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name (title) and address (residence), the occupation or nature of each shareholder;
- (2) the class and quantity of shares held by each shareholder;
- (3) the amount paid-up on or agreed to be paid-up on the shares held by each shareholder;
- (4) the share certificate number(s) of the shares held by each shareholder;
- (5) the date on which each person was entered in the register as a shareholder; and
- (6) the date on which any shareholder ceased to be a shareholder.

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

All acts or transfers of Overseas-Listed Foreign Shares shall be registered on the register of shareholders for the holders of Overseas-Listed Foreign Shares which maintained at the place where it is listed in accordance with the Articles of Association.

Where two or more persons are registered as shareholders in a joint account of any share, they should be deemed as joint owners of relevant share subject to the followings:

- (1) the Company does not have to register more than four persons as shareholders in a joint account of any share;
- (2) the shareholders in a joint account shall, together or individually, pay the amounts payable for relevant share;

Article 34 of Mandatory Provisions, Article 30 of Guidelines for Articles of Association

Section 1(3) of Appendix 3 of Main Board Listing Rules

(3) if any of shareholders in a joint account dies, only the surviving persons of the shareholders in the joint account may be deemed as holders of relevant share of the Company, but the board of directors is entitled to require the death certificate which it considers to be proper as regard to the amendment to the register of shareholders; and

(4) as regard to the shareholders in a joint account for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the stock of relevant share and notice from the Company and to attend or exercise all of the votes relating to the share. The notice which is serviced on the above-mentioned person should be deemed to be serviced on all of the shareholders in the joint account for relevant share. In respect of joint shareholders of any shares, only the joint shareholder who ranks first in the register of shareholders shall have the right to receive the relevant share certificate from the Company and to receive notices from the Company. Notices delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares. The proxy form may be signed by any one of the joint shareholders, provided that if more than one of the joint shareholders attend the meeting in person or by proxy, the vote cast by the senior joint shareholder, whether in person or by proxy, shall be accepted as the only vote cast on behalf of the rest of the joint shareholders. In this respect, seniority among joint shareholders shall be determined by the order in which the names of the joint shareholders stand in relation to the relevant shares in the register of shareholders of the Company.

**Article 47**

<p>The Company may, in accordance with the mutual understanding and agreements made between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of Overseas-Listed Foreign Shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register of holders of Overseas-Listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.</p> <p>A duplicate register of holders of Overseas-Listed Foreign Shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure consistency between the original and the duplicate register of holders of Overseas-Listed Foreign Shares at all times.</p> <p>If there is any inconsistency between the original and the duplicate register of holders of Overseas- Listed Foreign Shares, the original shall prevail.</p>	<p>Article 35 of Mandatory Provisions</p> <p>Letter of Opinions on Supplementary Amendment No.2/ Section 1(b) of Appendix 13D of Main Board Listing Rules</p>
<p><b>Article 48</b></p> <p>The Company shall maintain a complete register of shareholder.</p> <p>The register of shareholder shall comprise the following parts:</p> <p>(1) the register of shareholders which is maintained at the Company's residence (other than those share registers which are described in sub-paragraphs (2) and (3) of this Article);</p> <p>(2) the register of shareholders in respect of the holders of Overseas-Listed Foreign Shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed; and</p> <p>(3) the register of shareholders which are maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.</p>	<p>Article 36 of Mandatory Provisions</p>
<p><b>Article 49</b></p>	

<p>Different parts of the register of shareholders shall not overlap. No transfer of Shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.</p> <p>Amendments or rectification of each part of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.</p>	<p>Article 37 of Mandatory Provisions</p>
<p><b>Article 50</b></p> <p>All Overseas-Listed Foreign Shares listed in Hong Kong which have been fully paid-up may be freely transferable in accordance with the Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer and would not need to provide any reason therefor:</p> <p>(1) a fee of HK\$5.00 per instrument of transfer or any maximum fees as stipulated by the Stock Exchange at that time has been paid to the Company for registration of the instrument of transfer and other documents relating to or which will affect the right of ownership of the shares;</p> <p>(2) the instrument of transfer only relates to Foreign Foreign-Invested Shares listed in Hong Kong;</p> <p>(3) the stamp duty which is payable on the instrument of transfer has already been paid;</p> <p>(4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;</p> <p>(5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than four;</p>	<p>Letter of Opinions on Supplementary Amendment No.12</p> <p>Section 1(1),1(2)of Appendix 3 of Main Board Listing Rules</p> <p>Section 1(3) of Appendix 3 of Main Board Listing Rules</p>

<p>(6) the Company does not have any lien on the relevant shares; and</p> <p>(7) any share shall not be transferred to minors or person of unsound mind or other person who is of incapacity in law.</p> <p>If the Company refuses to register any transfer of shares, the Company shall within two months of formal application for the transfer provide the transferor and transferee with a notice of refusal to register such transfer.</p>	
<p><b>Article 51</b></p> <p>The transfer of the Overseas-Listed Foreign Shares listed in Hong Kong shall be effected by instruments of transfer in an normal or ordinary form or any other transfer document in writing accepted by the board of directors (including standard transfer form or form of transfer specified by Stock Exchange from time to time); the transfer document may be signed by hand only or under seal (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (hereinafter “Recognized Clearing House”) or its attorney as defined by relevant rules applicable from time to time in accordance with the law of Hong Kong, the transfer form may be signed by hand or printed by machine.</p> <p>All of the transfer documents shall be deposited at the residence of the Company or at such other place as is specified by the board of directors from time to time.</p>	<p>Section 2(1) of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 52</b></p> <p>No change may be made in the register of shareholders as a result of a transfer of shares within thirty (30) days prior to the date of a shareholders’ general meeting or within five (5) days before the record date for the Company’s distribution of dividends. This Article does not apply to change in the register</p>	<p>Article 38 of Mandatory Provisions</p>

<p>of shareholders upon issuance of new shares by the Company in accordance with Article 28 herein.</p>	
<p><b>Article 53</b> When the Company convenes a shareholders' meeting, distributes dividends, is liquidated or undertakes any other acts which requires determination of rights attaching to shares in the Company, the board of directors shall decide on a date for the registration of rights attaching to shares in the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such registration date.</p>	<p>Article 39 of Mandatory Provisions, Article 31 of Guidelines for Articles of Association</p>
<p><b>Article 54</b> Any person aggrieved and claiming to be entitled to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.</p>	<p>Article 40 of Mandatory Provisions</p>
<p><b>Article 55</b> Any person who is a registered shareholder or who requests his name be entered in the register of shareholders in respect of shares in the Company may, if his share certificate (the "original certificate") relating to the shares is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").</p> <p>Application by a holder of Domestic Shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with the Company Law.</p> <p>Application by a holder of Overseas-Listed Foreign Shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of holders of Overseas-Listed Foreign Shares is maintained, the rules of the stock exchange or other relevant</p>	<p>Article 41 of Mandatory Provisions</p>

regulations.

The issue of a replacement share certificate to a holder of Overseas-Listed Foreign Shares of a company listed in Hong Kong, who has lost his share certificate, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and evidence of the loss; and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the relevant shares.
- (2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.
- (3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty days within a period of ninety (90) consecutive days in such newspapers as may be prescribed by the board of directors.
- (4) The Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed, a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be displayed in the premises of the

Section 7(1) of  
Appendix 3 of Main Board  
Listing Rules

<p>stock exchange for a period of ninety (90) days.</p> <p>In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.</p> <p>(5) If, by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company has not have received any objections from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.</p> <p>(6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and document the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.</p> <p>(7) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefor.</p>	
<p><b>Article 56</b></p> <p>Where the Company issues a replacement share certificate pursuant to the Articles of Association and a bona fide purchaser acquires or becomes the registered owner of such shares, his name (title) shall not be removed from the register of shareholders.</p>	<p>Article 42 of Mandatory Provisions</p>
<p><b>Article 57</b></p>	



<p>The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate unless the claimant is able to prove that the Company has acted fraudulently.</p>	<p>Article 43 of Mandatory Provisions</p>
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## CHAPTER 7: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

<p><b>Article 58</b></p> <p>A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.</p> <p>A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations. The various classes shall enjoy that same rights for any distribution by way of dividend or otherwise.</p> <p>If the shareholder of the Company is a legal entity, the rights shall be enforced by its legal representative or his agent.</p> <p>No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.</p>	<p>Article 44 of Mandatory Provisions, Article 30 of Guidelines for Articles of Association</p> <p>Section 9 of Appendix 3 of Main Board Listing Rules</p> <p>Section 12 of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 59</b></p> <p>The ordinary shareholders of the Company shall enjoy the following rights:</p> <p>(1) the right to receive dividends and other distributions in proportion to the number of shares held;</p> <p>(2) the right to attend shareholders' general meetings and to</p>	<p>Article 45 of Mandatory Provisions</p> <p>Article 32 of Guidelines for Articles of Association</p> <p>Section 9 of</p>

<p>vote thereat in accordance with laws;</p> <p>(3) the right of supervisory management over the Company's business operations and the right to present proposals or to raise queries;</p> <p>(4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;</p> <p>(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:</p> <p>(i) the right to obtain a copy of the Company's Articles of Association, subject to payment of costs;</p> <p>(ii) the right to inspect and copy, subject to payment of a reasonable fee:</p> <p>(a) the register of all shareholders;</p> <p>(b) personal particulars of each of the Company's directors, supervisors, General manager and other senior officers, including:</p> <p>(aa) present and former name and alias;</p> <p>(bb) principal address (place of residence);</p> <p>(cc) nationality;</p> <p>(dd) primary and all other part-time occupations and duties;</p> <p>(ee) identification documents and the numbers thereof;</p> <p>(c) report on the status of the Company's share capital;</p> <p>(d) latest audited financial report, and reports of the board of directors, auditors and Board of supervisors;</p> <p>(e) special resolutions of the Company;</p> <p>(f) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount paid by the Company for this purpose;</p>	<p>Appendix 3 of Main Board Listing Rules</p> <p>Section 19A50 of Main Board Listing Rules</p> <p>Article 33 of Guidelines for Articles of Association</p>
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<p>(g) copy of the latest annual return filed with the State Administration for Industry and Commerce of the PRC or other competent authorities for inspection; and</p> <p>(h) minutes of shareholders' general meetings;</p> <p>The Company shall make available the documents mentioned in sub-section (5)(ii)(a)-(h) above and other applicable documents at its Hong Kong representative office for inspection, free of charge, by the public and the shareholders in accordance with requirements of the listing rules.</p> <p>A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.</p> <p>(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held; and</p> <p>(7) other rights conferred by laws, administrative regulations and the Articles of Association.</p>	
<p><b>Article 60</b></p> <p>If the content of a resolution of a shareholders' general meeting or the board of directors violates any laws or administrative regulations, a shareholder has the right to file a petition with the court to invalidate the resolution.</p>	<p>Article 34 of Guidelines for Articles of Association</p>

<p>If the procedure for convening or the method of voting at a shareholders' general meeting or a meeting of the board of directors violates any laws, administrative regulations or the Articles of Association, or if the contents of a resolution breaches the Company's Articles of Association, a shareholder may file a petition with the court to revoke the resolution within sixty (60) days from the date on which the resolution was passed.</p>	
<p><b>Article 61</b></p> <p>If a director or any senior officer has violated any laws, administrative regulations or the Articles of Association in the course of performing his or her duties to the Company, and thereby caused the Company to incur a loss, a shareholder or shareholders who individually or jointly hold more than one per cent of the Company's shares for more than one hundred and eighty (180) consecutive days may request in writing the board of supervisors to initiate proceedings in the court. If the board of supervisors has violated the laws, administrative regulations or the Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) may request in writing the board of directors to initiate proceedings in the court in respect thereof.</p> <p>If the board of supervisors or the board of directors refuse to initiate proceedings after receipt of a written request from the shareholder(s) as mentioned in the preceding paragraph, or fails to initiate proceedings within thirty (30) days of the date of receipt of the request, or under urgent circumstances where failure to initiate the proceedings immediately would cause irreparable damage to the Company's interests, the shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the court in their own names in the interests of the Company.</p> <p>If any third party infringes the lawful interests of the</p>	<p>Article 35 of Guidelines for Articles of Association</p>

<p>Company and has caused a loss to the Company, the shareholders mentioned in the first paragraph of this Article may initiate proceedings in the court according to the provisions of the two preceding paragraphs.</p>	
<p><b>Article 62</b> If a director or any senior officer violate laws, administrative regulations or the Articles of Association and prejudices the interests of the shareholders of the Company, the shareholders may initiate proceedings in the court in respect thereof.</p>	<p>Article 36 of Guidelines for Articles of Association</p>
<p><b>Article 63</b> The ordinary shareholders of the Company shall assume the following obligations:</p> <ol style="list-style-type: none"> <li>(1) to comply with the laws, administrative regulations and these Articles of Association;</li> <li>(2) to pay subscription monies according to the number of shares subscribed and the method of subscription;</li> <li>(3) to be responsible to the company up to his subscribed shares;</li> <li>(4) not to withdraw his share capital unless required by laws or administrative regulations;</li> <li>(5) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's independent legal person status or his limited liability as a shareholder to harm the interests of the Company's creditors.</li> </ol> <p>If a shareholder abuses its shareholder rights and causes a loss to the Company or other shareholders, he shall be held liable for damages in accordance with the law.</p> <p>If a shareholder abuses the Company's independent legal person status or his limited liability as a shareholder to evade and repudiate debts, thereby materially impairing the interests of the Company's creditors, he shall bear joint and several liability for the</p>	<p>Article 46 of Mandatory Provisions</p> <p>Article 37 of Guidelines for Articles of Association</p>

<p>debts of the Company;</p> <p>(6) other obligations imposed by laws, administrative regulations and the Company's Articles of Association.</p> <p>Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to by the subscribers of the relevant shares on subscription.</p>	
<p><b>Article 64</b></p> <p>In addition to the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder (as such term is defined in the following Article) shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:</p> <p>(1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;</p> <p>(2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (without limitation) opportunities which are beneficial to the Company;</p> <p>(3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights (save in a company restructuring which has been approved by the shareholders in a general meeting in accordance with the Articles of Association).</p>	<p>Article 47 of Mandatory Provisions</p> <p>Article 39 of Guidelines for Articles of Association</p>
<p>The controlling shareholder or de facto controller of the company may not use his connected relationship to damage the</p>	

<p>company’s interests. If this requirement is contravened, resulting in damage to the company, he should be responsible to compensate.</p> <p>The controlling shareholder and de facto controller of the Company have fiduciary duty towards the Company and shareholders holding the public shares of the Company. The controlling shareholder should exercise his rights as a contributor in strict compliance with the laws. The controlling shareholder cannot make use of methods such as the distribution of profits, restructuring of assets, external investment, possession of capital, borrowing or providing guarantee, in order to damage the legal interests of the Company and shareholders of public shares. He cannot make use of his controlling position against the legal interests of the Company and shareholders of public shares.</p>	
<p><b>Article 65</b></p> <p>For the purpose of the foregoing Article, a “controlling shareholder” means a person who satisfies any one of the following conditions:</p> <ol style="list-style-type: none"> <li>(1) a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;</li> <li>(2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30 % or more of the voting rights in the Company;</li> <li>(3) a person who, acting alone or in concert with others, holds 30 % or more of the issued and outstanding shares of the Company;</li> <li>(4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.</li> </ol> <p>The “acting in concert with others” in this Article means that two or more persons reach an agreement (whether in oral or writing) to obtain voting rights of the Company to obtain or strengthen the control of the Company.</p>	<p>Article 48 of Mandatory Provisions</p> <p>Article 192 of Guidelines for Articles of Association</p>

CHAPTER 8: GENERAL MEETING OF SHAREHOLDERS

<p><b>Article 66</b></p> <p>The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.</p>	<p>Article 49 of Mandatory Provisions</p>
<p><b>Article 67</b></p> <p>The shareholders' general meeting shall have the following functions and powers:</p> <ol style="list-style-type: none"> <li>(1) to decide on the Company's operational policies and investment plans;</li> <li>(2) to elect and replace the directors who are not staff representatives and to decide on matters relating to the remuneration of those directors;</li> <li>(3) to elect and replace supervisors who are not staff representatives and to decide on matters relating to the remuneration of supervisors;</li> <li>(4) to examine and approve the board of directors' reports;</li> <li>(5) to examine and approve the board of supervisors' reports;</li> <li>(6) to examine and approve the Company's proposed annual financial budget and final accounts;</li> <li>(7) to examine and approve the Company's annual profit distribution plans and loss recovery plans;</li> <li>(8) to decide on the increase or reduction of the Company's registered capital;</li> <li>(9) to decide on the issue of debentures or other securities by the Company;</li> <li>(10) to decide on matters such as merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;</li> <li>(11) to amend the Articles of Association;</li> <li>(12) to decide on the appointment, dismissal or non-reappointment of the accountants of the</li> </ol>	<p>Article 50 of Mandatory Provisions</p> <p>Article 40 of Guidelines for Articles of Association</p>



<p>Company;</p> <p>(13) to examine and approve matters concerning external guarantees which shall be approved by the general meeting prescribed in the laws, regulations and these Articles of Association;</p> <p>(14) to examine the matters of purchase and/or sale by the Company within one year of significant assets exceeding thirty per cent (30%) of the latest audited total assets of the Company;</p> <p>(15) to examine stock incentive plans;</p> <p>(16) to examine and approve the matters proposed by shareholders who represent 3% or more voting rights of the company;</p> <p>(17) to decide on other matters which, according to laws, administrative regulations or the Articles of Association, need to be approved by shareholders in general meetings.</p> <p>The shareholders in a general meeting may authorize the board of directors to carry out matters on their behalf or which they may sub-delegate to the board of directors provided that such authorization does not violates the laws, regulations and mandatory listing rules of the place where the company is listed.</p>	
<p><b>Article 68</b></p> <p>The Company shall not, without the prior approval of shareholders' special resolutions in a general meeting, enter into any contract with any person (other than a director, supervisor, General manager or other senior officer) whereby the Company delegates such person to the management and administration of the whole or any substantial part of the Company's business, save for special circumstances such as the Company is in a crisis.</p>	<p>Article 51 of Mandatory Provisions</p> <p>Article 81 of Guidelines for Articles of Association</p>
<p><b>Article 69</b></p>	

<p>Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year.</p> <p>The board of directors shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events:</p> <ol style="list-style-type: none"> <li>(1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;</li> <li>(2) where the losses of the Company which are not made up reach one-third of the total amount of its share capital;</li> <li>(3) where shareholder(s) who individually or jointly holds 10% or more of the Company's issued and outstanding voting shares request(s) in writing for the convening of an extraordinary general meeting;</li> <li>(4) whenever the board of directors deems necessary or the board of supervisors so requests;</li> <li>(5) whenever more than half of the independent directors so request; or</li> <li>(6) other circumstances as prescribed in the laws, administrative regulations, departmental rules or these Articles of Association.</li> </ol>	<p>Article 52 of Mandatory Provisions</p> <p>Article 42 of Guidelines for Articles of Association</p> <p>Article 43 of Guidelines for Articles of Association</p>
<p><b>Article 70</b></p> <p>The venue to hold a shareholder's meeting of the Company is: the Company's domicile or at such other place as is specified in the notice convening the meeting.</p> <p>The shareholders' general meetings shall be held at a meeting place in the form of onsite meeting. The Company may use the network or any other means for its shareholders to conveniently participate in the shareholders' general meetings. Shareholders will be regarded as present at the general meetings when they participate via the</p>	<p>Article 44 of Guidelines for Articles of Association</p>

<p>above-mentioned methods.</p>	
<p><b>Article 71</b></p> <p>When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting twenty (20) days before the date of the meeting.</p> <p>When calculates the days of notice, the date of the meeting and the date of the notes sent should not be included.</p> <p>For the notice sent according to this Article, the date of sent shall be the date when the notice is severed on relevant post office by the Company or the shares register authority engaged.</p>	<p>Article 53 of Mandatory Provisions</p>
<p><b>Article 72</b></p> <p>When the Company convenes a shareholders' annual general meeting, shareholder(s) holding 3% or more of the total voting shares of the Company are entitled to propose to the Company in writing ad hoc resolutions, which if within the functions and powers of the shareholders' general meeting, are required to be added to the agenda of the general meeting.</p> <p>The content of the resolutions mentioned in the preceding paragraph shall:</p> <p>(1) shall fall within the business scope of the Company and the functions and powers of the shareholders' general meeting without violating any laws and regulations;</p> <p>(2) contain definite subjects for discussion and specific matters to be resolved; and</p>	<p>Article 54 of Mandatory Provisions</p> <p>Article 53 of Guidelines for Articles of Association</p> <p>Article 52 of Guidelines for Articles of Association</p>

<p>(3) shall be delivered or served on the convener of a general meeting in writing 10 days prior to the date of the shareholders' general meeting.</p>	
<p><b>Article 73</b></p> <p>The Company shall, based on the written replies which it receives from the shareholders twenty (20) days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amount to more than one-half of the Company's total voting shares, the Company may hold the meeting; if not, then the Company shall, within five (5) days, notify the shareholders by way of public announcement the matters to be considered at, and the place and date for, the meeting. The Company may then hold the meeting after publication of such announcement.</p> <p>A shareholders' extraordinary general meeting shall not decide on any matter not stated in the notice for the meeting.</p>	<p>Article 55 of Mandatory Provisions</p> <p>Section 7(1) of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 74</b></p> <p>A notice of a meeting of the shareholders of the Company shall satisfy the following criteria:</p> <ol style="list-style-type: none"> <li>(1) be in writing;</li> <li>(2) specify the place, date and time of the meeting;</li> <li>(3) state the matters to be discussed at the meeting;</li> <li>(4) specify the registration date for the shareholders entitled to attend the meeting;</li> <li>(5) provide such information and explanation as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital or to restructure the Company in any other way, the terms of the proposed</li> </ol>	<p>Article 56 of Mandatory Provisions</p> <p>Article 55 of Guidelines for Articles of Association</p>

<p>transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;</p> <p>(6) contain a disclosure of the nature and extent of the material interests (if any) of any director, supervisor, General manager or other senior officer in the proposed transaction and explain the effect which the proposed transaction will have on them in their capacity as shareholders provided that it is different from the effect on other shareholders of the same class;</p> <p>(7) contain the full text of any special resolution to be proposed at the meeting;</p> <p>(8) contain a clear statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one (1) or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;</p> <p>(9) specify the time and place for lodging proxy forms for the relevant meeting; and</p> <p>(10) specify the name and telephone number of the standing contact person of the meeting.</p>	
<p><b>Article 75</b></p> <p>Notice of shareholders' general meetings shall be served on each shareholder (whether or not such shareholder is entitled to vote at the meetings), by personal delivery or prepaid mail to the address of the shareholder as shown in the register of shareholders. For holders of domestic shares, notices of a general meeting may be given by public announcement.</p> <p>The public announcement as mentioned above shall be published in one or more newspapers designated by the regulatory authorities of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of announcement, the holders of domestic shares shall be deemed to have received notice of the relevant</p>	<p>Article 57 of Mandatory Provisions</p> <p>Section 7(1) of Appendix 3 of Main Board Listing Rules</p>

<p>general meeting.</p>	
<p><b>Article 76</b> The accidental omission to give notice of a meeting to, or the failure to receive the notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions adopted thereat.</p>	<p>Article 58 of Mandatory Provisions Article 169 of Guidelines for Articles of Association</p>
<p><b>Article 77</b> Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:</p> <ol style="list-style-type: none"> <li>(1) the shareholders' right to speak at the meeting;</li> <li>(2) the right to demand or join in demanding a poll; and</li> <li>(3) the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one (1) proxy may only vote on a poll.</li> </ol> <p>If the shareholder is a Recognized Clearing House (or its agent) defined under relevant regulations of Hong Kong from time to time, such shareholder is entitled to appoint one or more persons it deems appropriate as its proxies to attend on its behalf at a general meeting or at any class meeting; provided that, if more than one person are so authorized, the number and class of shares in respect of which each person has been authorized shall be specified in the letter of authorization. The letter of authorization shall be signed by an authorized officer of the Recognized Clearing House. The person so authorized can attend the meeting and exercise any rights on behalf of the Recognized Clearing House (or its agent) without having to produce any evidence of shareholding, notarized power of attorney and / or further proof that he has been duly</p>	<p>Article 59 of Mandatory Provisions Article 59 of Guidelines for Articles of Association</p>

<p>authorized, as if he were an individual shareholder of the Company.</p>	
<p><b>Article 78</b></p> <p>The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or a duly authorized attorney. The letter of authorization shall contain the number of the shares to be represented by the attorney. If several persons are authorized as the attorneys of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.</p>	<p>Article 60 of Mandatory Provisions</p> <p>Article 61 of Guidelines for Articles of Association</p>
<p><b>Article 79</b></p> <p>The proxy form for voting shall be placed at the domicile of the Company, or at other place designated in the notice of meeting, at least 24 hours prior to convening of the meeting which the relevant matters will be voted on, or 24 hours prior to the designated voting time. If the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization document shall be notarized.</p> <p>The notarized power of attorney or other authorization document shall be placed together with the proxy form authorizing the proxy to vote at the domicile of the Company or other place designated in the notice of meeting.</p> <p>If the appointer is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the appointer.</p> <p>The Company has the right to request a proxy who attends a shareholders' meeting to provide evidence of his or its</p>	<p>Article 61 of Mandatory Provisions</p> <p>Article 63 of Guidelines for Articles of Association</p>

<p>identity.</p> <p>If a shareholder which is a legal person (unless otherwise as a recognized clearing house or its representative) appoints its legal representative to attend a meeting on its behalf, the Company has the right to request such legal representative to produce evidence of his identity and a copy of the resolutions of such shareholder's board of directors in respect of the appointment of the proxy or the power of attorney executed by such other organization which has the capacity to appoint the proxy.</p>	
<p><b>Article 80</b></p> <p>Any form issued to a shareholder by the Company's board of directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favour of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.</p>	<p>Article 62 of Mandatory Provisions</p>
<p><b>Article 81</b></p> <p>A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.</p>	<p>Article 63 of Mandatory Provisions</p>
<p><b>Article 82</b></p> <p>When a shareholders' general meeting is held, all the directors, supervisors and secretary to the board of directors should attend the meeting. The other senior officers should be present at the</p>	<p>Article 66 of Guidelines for Articles of Association</p>



<p>meeting unless there is a proper reason.</p>	
<p><b>Article 83</b></p> <p>The conductor of the meeting should, before voting, announce the number of shareholders and their proxies as well as their shares held with voting rights. The number of shareholders and their proxies, as well as their shares held with voting rights, are in accordance with those registered at the meeting.</p>	<p>Article 71 of Guidelines for Articles of Association</p>
<p><b>Article 84</b></p> <p>Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.</p> <p>An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting.</p> <p>A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.</p>	<p>Article 64 of Mandatory Provisions</p> <p>Article 75 of Guidelines for Articles of Association</p>
<p><b>Article 85</b></p> <p>A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the voting shares which he represents. Each share shall have one (1) vote.</p> <p>No voting rights shall be attached to the Company's shares held by the Company, and such shares shall be excluded for the purpose of calculating the total number of voting shares held by the shareholders present at the shareholders' general meeting.</p> <p>When the shareholders' general meeting is reviewing connected transactions, the connected shareholders may not vote and the shares they held shall not be counted into the effective total voting shares.</p>	<p>Article 65 of Mandatory Provisions</p> <p>Article 78 of Guidelines for Articles of Association</p> <p>Section 14 of Appendix 3 of Main Board Listing Rules</p>

<p>Where any shareholder, under applicable laws, regulations and the listing rules of the stock exchange on which the Company's shares are listed, is required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>	
<p><b>Article 86</b></p> <p>At any shareholders' general meeting, a resolution shall be decided on a show of hands unless voting by way of a poll is required under the applicable listing rules and other securities regulations or demanded by the following persons before or after any vote by a show of hands:</p> <ol style="list-style-type: none"> <li>(1) the Chairman of the meeting;</li> <li>(2) at least two (2) shareholders present in person or by proxy entitled to vote thereat; or</li> <li>(3) one (1) or more shareholders present in person or by proxy who represent(s), individually or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.</li> </ol> <p>Unless voting by way of a poll is required under the applicable listing rules and other securities regulations or demanded by the persons, the Chairman may declare that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.</p> <p>The demand for a poll may be withdrawn by the person who demands the same.</p>	<p>Article 66 of Mandatory Provisions</p>

<p><b>Article 87</b></p> <p>A poll demanded on the election of the Chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.</p>	<p>Article 67 of Mandatory Provisions</p>
<p><b>Article 88</b></p> <p>On a poll taken at a meeting, a shareholder (including a proxy) entitled to two (2) or more votes need not cast all his votes in the same way.</p>	<p>Article 68 of Mandatory Provisions</p>
<p><b>Article 89</b></p> <p>When shareholders' general meeting elects director(s), where there are two or more candidates, each of the shares held by the shareholders (including proxy) shall have voting rights equal to the number of the candidates, which may be voted for one candidate assembly or for candidates individually, provided that the allocation of the voting rights have been explained.</p>	<p>Article 106 of Company Law</p>
<p><b>Article 90</b></p> <p>In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be having a casting vote.</p>	<p>Article 69 of Mandatory Provisions</p>
<p><b>Article 91</b></p> <p>The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:</p> <p>(1) work reports of the board of directors and the board of supervisors;</p> <p>(2) annual profit distribution plans and loss recovery plans formulated by the board of directors;</p>	<p>Article 70 of Mandatory Provisions</p> <p>Article 76 of Guidelines for Articles of Association</p> <p>Section 4(3) of Appendix 3 of Main Board</p>

<p>(3) election or removal of members of the board of directors and shareholder representative supervisors, their remuneration and manner of payment;</p> <p>(4) annual budgets and final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;</p> <p>(5) annual reports of the Company; and</p> <p>(6) matters other than those which are required by the laws, administrative regulations, the listing rules of the stock exchange on which the Company's Shares are listed or the Articles of Association to be adopted by special resolution.</p>	<p>Listing Rules</p>
<p><b>Article 92</b></p> <p>The following matters shall be resolved by a special resolution at the general meeting:</p> <p>(1) the increase or reduction in share capital, repurchase of shares and the issuance of shares of any class, warrants and other similar securities of the Company</p> <p>(2) the issuance of debentures of the Company;</p> <p>(3) the division, merger, dissolution, liquidation or change in corporate form;</p> <p>(4) amendment to these Articles;</p> <p>(5) The significant assets bought or sold by the Company within one year or the amount guaranteed is over 30% of total assets audited recently of the Company.</p> <p>(6) Share incentive plan; and</p> <p>(7) any other matter considered by the general meeting and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by special resolutions.</p>	<p>Article 71 of Mandatory Provisions</p> <p>Article 77 of Guidelines for Articles of Association</p>
<p><b>Article 93</b></p> <p>Where any shareholders or supervisory board request for the convention of an extraordinary general meeting or a class meeting the following procedures shall be followed:</p>	<p>Article 72 of Mandatory Provisions</p>

- (1) Shareholders or supervisory board who individually or in aggregate hold more than ten per cent (10%, included) of the Company's shares with voting right shall have the right to request in writing, a copy or more in the same form and content with the proposals to be discussed, the board of directors to convene an extraordinary general meeting or a class meeting. The board of directors shall convene the extraordinary general meeting or class meeting as soon as possible after it has received the request. The numbers of shares held by the shareholder(s) shall be counted on the date of the request in writing, proof of shareholding document in written shall be provided by the shareholder who proposed such request..
- (2) If the Board of Directors agrees to convene an extraordinary general meeting, a notice of an extraordinary general meeting shall be sent out within five days of the resolution of the Board of Directors. Any modification to the original proposals shall be approved by the relevant shareholders.
- (3) If the board of directors fails to issue notification convening a meeting within thirty (30) days after receiving the aforesaid written request, the shareholders who raised the request may convene the meeting within four (4) months after the board of directors received that request. The procedures for convening such a meeting shall be, as much as possible, the same as the procedures for convening a general meeting by the board of directors.
- (4) If the board of directors does not agree to convene the extraordinary shareholders' meeting, or does not reply within 10 days of receipt of the suggestion, shareholders individually or together holding more than 10% of the Company are authorized to request to the supervisory committee to hold an extraordinary shareholders' meeting, and should be presented to the supervisory committee in

<p>writing.</p> <p>(5) If the supervisory committee agrees to convene the extraordinary shareholders' meeting, it will issue a notice of shareholders' meeting within 5 days of the decision of the supervisory committee. If there are changes to the original request in the notice, they should be agreed by the relevant shareholders.</p> <p>(6) If the supervisory committee does not issue the notice of shareholders' meeting within the prescribed period, this is treated as the supervisory board not convening and not holding the shareholders' meeting. Then shareholders individually or together holding more than 10% of the shares for more than 90 days can convene and hold the meeting by themselves.</p> <p>(7) In the case of shareholders organizing the convening of a meeting as a result of the failure of the board of directors to convene a meeting as requested above, reasonable expenses incurred on the meeting shall be borne by the Company and shall be deducted from the bank funds of those directors who were negligent in the performance of their duties.</p> <p>(8) Except for matters involving the Company's trade secret, directors, supervisors, and senior management personnel should explain with respect to questions and suggestions from shareholders at the shareholder's meeting.</p>	<p>Article 70 of Guidelines for Articles of Association</p>
<p><b>Article 94</b></p> <p>A general meeting shall be convened by the chairman of the board of directors who shall be the chairman of the meeting. If the board chairman is unable to attend the meeting, the vice-chairman of the board of directors shall convene the meeting and shall be the chairman of the meeting. If, for some reasons, both the chairman and the vice-chairman are unable to</p>	<p>Article 73 of Mandatory Provisions</p>

<p>attend the meeting, the board of directors may designate a director of the Company to convene the meeting and to chair the meeting on its behalf. If no chairman of the meeting is designated, shareholders at the meeting may elect a chairman. In a case where shareholders are unable, for any reason, to elect a chairman of the meeting, that a shareholder who holds the majority number of shares with voting rights shall be the chairman of the meeting (including an agent of a shareholder).</p>	
<p><b>Article 95</b> The chairman of a meeting shall be responsible for making decisions whether a resolution should be passed at the meeting. Decisions made shall be final and shall be declared at the meeting and recorded in the minutes of the meeting.</p>	<p>Article 74 of Mandatory Provisions</p>
<p><b>Article 96</b> If the chairman of a meeting has any doubts as to the results of a resolution proposed at a meeting, the chairman may count the number of the votes; if the chairman of the meeting has not tallied the votes and a shareholder or an agent of a shareholder attending the meeting objects to a result declared by the chairman of the meeting, the shareholder or agent shall have the right to request a re-count of votes followed by an immediate declaration; the chairman of the meeting shall promptly count the votes.</p>	<p>Article 75 of Mandatory Provisions Article 90 of Guidelines for Articles of Association</p>
<p><b>Article 97</b> If counting of votes is held at a shareholder’s general meeting, the result of vote counting at the general meeting shall be recorded in the minutes of the meeting.</p> <p>The minutes of the meeting should be kept together with the signature book of shareholders attending the meeting, authorization letters of proxies in the Company’s domicile. The aforementioned minutes, signature book and letters of proxies shall be kept for not less than 10 years.</p>	<p>Article 76 of Mandatory Provisions</p> <p>Article 73 of Guidelines for Articles of Association</p>

<p><b>Article 98</b></p> <p>A shareholder may consult the copy of the minutes of a general meeting free of charge during Company business hours. If a shareholder asks for a copy of the minutes of a general meeting from the Company, the Company shall send a copy to that shareholder within seven (7) days after receipt of a reasonable fee.</p>	<p>Article 77 of Mandatory Provisions Article 33 of Guidelines for Articles of Association</p>
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**CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS**

<p><b>Article 99</b></p> <p>Shareholders holding different classes of shares shall be regarded as different classes of shareholders.</p> <p>The various classes of shareholders shall enjoy rights and assume obligations in accordance with laws, statutory regulations and the Articles of Association.</p> <p>That, where the capital of the Company includes shares which do not carry voting rights, the words “non-voting” must appear in the designation of such shares.</p> <p>That, where the equity capital includes shares with different voting rights, the designation of each class of shares (other than those with the most favorable voting rights), must include the words “restricted voting” or “limited voting”.</p>	<p>Article 78 of Mandatory Provisions</p> <p>Section 10 of Appendix 3 of Main Board Listing Rules</p>
<p><b>Article 100</b></p> <p>If a Company intends to change or abolish the rights of a class of shareholder, this shall be passed by a special resolution proposed at a general meeting and at a class meeting according to the provisions of Articles 102 to 106 respectively.</p>	<p>Article 79 of Mandatory Provisions</p>
<p><b>Article 101</b></p> <p>The following circumstances shall be deemed to be a variation or abrogation of the class rights of a class:</p>	<p>Article 80 of Mandatory Provisions</p>



<ol style="list-style-type: none"> <li>(1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of a class having voting or distribution rights or other privileges equal or superior to the shares of such class;</li> <li>(2) to effect an exchange of all or part of the shares of such class into those of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;</li> <li>(3) to remove or reduce rights to accrued dividends or rights to cumulative dividends of such class;</li> <li>(4) to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;</li> <li>(5) to add, remove or reduce conversion, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company of such class;</li> <li>(6) to remove or reduce rights of such class of shares to receive payments from the Company in any particular currency;</li> <li>(7) to create a new class of shares having voting or distribution rights or privileges equal or superior to the shares of such class;</li> <li>(8) to restrict the transfer or ownership of the shares of such class or to increase any such restrictions;</li> <li>(9) to issue rights to subscribe for, or convert into, shares in the Company of such class or another class;</li> <li>(10) to increase the rights or privileges of another class;</li> <li>(11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such restructuring; and</li> <li>(12) to vary or abrogate the provisions in these Articles of Association.</li> </ol>	
<p><b>Article 102</b> Regardless of whether an affected class of shareholders originally has voting rights or not, concerned shareholders shall have voting rights at a class meeting on those matters mentioned</p>	<p>Article 81 of Mandatory Provisions</p>

<p>in items (2) to (8) and items (11) and (12) of Article 101; however, if a shareholder is an interested party, he/she shall not have voting rights at a class meeting.</p> <p>The aforesaid interested shareholder shall include the following meanings:</p> <p>(1) In circumstances where, pursuant to the provisions of Article 35, a Company issues a buyback offer to all shareholders or buys back its own shares through open transactions at the stock exchange, “an interested shareholder” shall refer to a controlling shareholder as in Article 65 of these Article of Association;</p> <p>(2) In circumstances whereby a Company, pursuant to the provisions of Article 36 of the Articles of Association, buys back its own shares through means of an agreement outside of the stock exchange, “an interested shareholder” shall refer to a shareholder related to such an agreement;</p> <p>(3) Where a Company is undergoing restructuring, greement;ovisions of Article 36 of the Articles of Association, buys back its own shares through means of an agreemshareholders of the same class or who has interests different to other shareholders in the same class.</p>	
<p><b>Article 103</b></p> <p>A resolution at a class meeting may be proposed only after obtaining approval of more than two-thirds of shareholders with voting rights present at the meeting, in accordance with the provisions of Article 104 of the Articles of Association.</p>	<p>Article 82 of Mandatory Provisions</p>

<p><b>Article 104</b></p> <p>When convening a class meeting, the Company shall issue a written notice forty-five (45) days (including the date of the meeting) in advance of the meeting to notify that class of registered shareholders of those matters to be discussed at the meeting and of the date and location of the meeting. A shareholder who intends to attend the meeting shall send a written reply to the Company twenty (20) days before the commencement of the meeting.</p> <p>If the number of shares with voting rights represented by shareholders intending to attend the meeting is more than half of the total number of the said class of shares with voting rights, the Company may convene the class meeting. If not, the Company shall, within five (5) days, make further notice on those matters to be discussed at the meeting and the date and location of the meeting, to shareholders through a public announcement. After this public announcement is made, the Company may convene a class meeting.</p>	<p>Article 83 of Mandatory Provisions</p>
<p><b>Article 105</b></p> <p>The notice of a class meeting shall only be to those shareholders who have the right to vote at the meeting.</p> <p>The procedures to be followed at a class meeting shall be, as far as possible, the same as the procedures to be followed at a general meeting of shareholders. The articles in the Articles of Association dealing with the procedures to be followed at a general meeting of shareholders shall apply to a class meeting.</p>	<p>Article 84 of Mandatory Provisions</p>
<p><b>Article 106</b></p> <p>Apart from shareholders with other classes of shares, holders of domestic shares and holders of Foreign Invested Shares Listed Overseas shall be recognized as different classes of shareholder.</p> <p>The special procedures for voting by a class of shareholders shall not be applied in the following circumstances:</p>	<p>Article 85 of Mandatory Provisions</p>

<p>(1) Subject to approval by a special resolution of general meeting of shareholders, the Company issues Domestic Shares and/or Foreign Invested Shares Listed Overseas independently or simultaneously once every twelve (12) months, and each of the number of Domestic Shares and Foreign Invested Shares Listed Overseas to be issued does not exceed 20% of the shares of this class already issued;</p> <p>(2) The scheme for the issue of Domestic Shares and/ or Foreign Invested Shares Listed Overseas when establishing the Company has been fulfilled within fifteen (15) months from the date of approval from the China Securities Regulatory Commission; or</p> <p>(3) Subject to the approval by the securities authority of the State of Council, holders of domestic shares of the Company may transferred their shares to foreign investors and such shares may be listed or traded on an overseas stock exchange.</p>	<p>Section 1 (f)(i),(2) of Appendix 13D of Main Board Listing Rules</p>
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## CHAPTER 10: BOARD OF DIRECTORS

### Section 1 Directors

<p><b>Article 107</b></p> <p>The Company shall have a Board of Directors. The Board of Directors shall consist of 9 Directors, of which 3 shall be independent directors. The Board of Directors shall have one Chairman and 1 Vice Chairman.</p> <p>Among the directors, external directors (meaning directors who are independent from the Company’s shareholders and do not hold offices within the Company ) shall represent more than half or half of the members of the board of directors, independent non-executive directors shall represent more than one-third of the members of the board of directors and there shall be at least</p>	<p>Article 86 of Mandatory Provisions</p> <p>Opinions on Further Standardizing Operations and Reform of Companies Listed Outside China no.6/ Section 3.10 and 3.10A of the Main Board Listing Rules</p>
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<p>3 independent non-executive directors, among which at least one independent non-executive director shall have appropriate professional qualification, or expertise in accounting or related financial management. External directors shall have sufficient time and the appropriate knowledge to perform their duties. The Company shall be responsible to provide necessary information to the external directors to perform their duties.</p> <p>The directors of the Company owe a fiduciary obligation and a duty of due diligence to the Company. Directors shall attend Board meetings in a conscientious and responsible fashion and are required to express unequivocal opinions on matters discussed at board meetings. Any written resolution that is not made in accordance with the legal procedures and signed by the Directors, even when each Director has expressed his opinion by different means, shall have no legal effect and shall not be considered as a resolution of the Board meeting. The Directors who have voted for a resolution passed at a Board meeting that is however made in violation of the law, administrative rules and regulations or the Articles of Association shall be directly liable. Any Director who is proven to have voted against such a resolution at the meeting and whose opposition at the time of the vote has been recorded in the minutes of the Board meeting may be exempt from liability. Any Director who has abstained from voting, or who has been absent at the meeting and has not authorized another person to be present on his behalf at the meeting, shall not be exempt from liability; any Director who has clearly expressed his opposition during the discussion but has not voted against the relevant resolution shall not be exempt from liability either. The Board of Directors shall make complete minutes of the meeting concerning the matters considered and resolutions made.</p>	
<p><b>Article 108</b> Directors shall be elected by a general meeting. The term of appointment of a director shall be 3 years. If the term of appointment of a director expires and he/she may be</p>	<p>Article 87 of Mandatory Provisions</p>

<p>reappointed for consecutive terms.</p> <p>A director's term of office shall start on the date of taking the position and end on the expiration date of the director's term of office. If, upon the expiry of a director's term of office, a new director cannot be elected on a timely basis, before the re-elected director start his/her term of office, such director shall continue to perform his/her office in accordance with laws, statutory regulations and the Articles of Association.</p> <p>A chairman and vice-chairman shall be elected or recalled by the board of directors which represents more than 50% of board of directors. The term of appointment of a chairman and vice-chairman shall be 3 years and they may be reappointed for consecutive terms if re-elected, unless otherwise stipulated by the relevant laws, regulations, these Articles of Association and listing rules of the place where the Company's shares are listed..</p> <p>Any person appointed as a director by the board of directors to fill a temporary vacancy or to increase the number of members of the board of directors shall only serve his/her/its office till next general meeting and be eligible for re-election thereat.</p> <p>Subject to the provisions of the relevant laws and administrative regulations, the general meeting shall have the power by ordinary resolution to remove any director (including the directors, general manager or other executive directors) before the expiration of his term of office, but without prejudice to any claim for damages under any contract.</p> <p>A director shall not be required to hold the Company's shares.</p>	<p>Article 111 of Guidelines for Articles of Association</p> <p>Section 4(2), (3) of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 109</b></p> <p>That the minimum of length of the period, during which notice to the Company of the intention to propose a person for election as a director and during which notice to the Company by such person of his willingness to be elected may be given, will be at</p>	<p>Section 4(4), (5) of Appendix 3 of the Main Board Listing</p>

<p>least 7 days, and that the period for lodgment of the notices aforementioned shall commence no earlier than the day after the dispatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.</p>	<p>Rules</p>
<p><b>Article 110</b>  A director can resign before the expiry of his term of service. When a director resigns, he should submit a written resignation report to the board of directors.</p> <p>If the members of the board of directors fall below the minimum legal requirement due to a director’s resignation, the director’s resignation shall take effect only after a newly elected director takes his position vacated due to the director’s resignation. The remaining of the board of directors shall convene an extraordinary general meeting to elect a new director to take the position vacated due to the last director’s resignation as soon as possible.</p> <p>Except as specified in the preceding paragraphs, the director’s resignation takes effect when his resignation report is delivered to the board of directors.</p>	<p>Article 100 of  Guidelines for  Articles of  Association</p>
<p><b>Article 111</b>  When a director’s resignation takes effect or his term of service expires, his duty of keeping the Company’s trade secret will not expire after the expiry of his term of service, until such secret has gone public.</p>	<p>Article 101 of  Guidelines for Articles  of Association</p>
<p><b>Article 112</b>  In the absence of a legal authorization by these articles or by the board of directors, no director can use his personal capacity to represent the Company or the board of directors. When a director makes use of his personal capacity, but a third party reasonably thinks that the director is representing the Company or the board of directors, that director should declare his position and capacity in advance.</p>	<p>Article 102 of  Guidelines for Articles  of Association</p>

<p><b>Article 113</b></p> <p>When a director contravenes the law, administrative regulations or these Articles when carrying out his duties, causing losses to the Company, he should be responsible to compensate.</p>	<p>Article 103 of Guidelines for Articles of Association</p>
<p><b>Article 114</b></p> <p>When a director leaves his office before the expiry of his term of service, causing losses to the Company, he should be responsible to compensate.</p> <p>If a director cannot personally attend two consecutive meetings, and does not appoint other directors to attend board of director meeting, he is treated as not being able to carry out his duties, the board of directors should recommend to the shareholders' meeting to replace him.</p>	<p>Article 99 of Guidelines for Articles of Association</p>

## Section 2 Independent Directors

<p><b>Article 115</b></p> <p>The Company establishes a board of independent directors. Independent directors refer to those do not carry out non-director duties in the Company and the relationship with the Company and the controlling shareholders will not affect their independent and objective judgment as a director of the Company.</p> <p>The term of office of independent directors is three years and may be reappointed for consecutive terms if re-elected, but the longest term of office shall be no more than six years, except the relevant law, statutory regulations and listing rules of the stock exchange where the Company's stocks are listing stipulated otherwise.</p>	<p>Appendix 14A 4.3 of the Main Board Listing Rules</p>
<p><b>Article 116</b></p> <p>An independent director is required to have the following</p>	<p>Article 2 of</p>



<p>qualifications:</p> <ol style="list-style-type: none"> <li>(1) having the qualifications to hold the position of director in a listed company in accordance with laws, administrative regulations, listing rules of the stock exchange where the Company's stocks are listing and other relevant regulations;</li> <li>(2) being independent as required in listing rules of the stock exchange where the Company's stocks are listing;</li> <li>(3) having a basic knowledge of the operation of listed companies and being familiar with related laws, administrative regulations and rules;</li> <li>(4) having not less than five years' experience in the law or economics or other working experience required for performing the duties and responsibilities of an independent director; and</li> <li>(5) fulfill the other conditions specified in the Company's Articles of Association.</li> </ol> <p>At any time if the number of independent non-executive directors fails to meet the minimum number required by these Articles of Association due to either the failure to meet the criteria of independence or other circumstances which may put such independent non-executive directors inappropriate to perform their duties, the Company shall appoint additional independent non-executive directors to meet the requirement.</p>	<p>“Establishment of Independent Director Systems by Listed Companies Guiding Opinion”</p>
<p><b>Article 117</b></p> <p>In addition to the functions and powers granted to the directors under the “Company Law” and other relevant laws and regulations, listing rules of the stock exchange where the Company's stocks are listing and this Articles of Association, the following special functions and powers should also be granted:</p> <ol style="list-style-type: none"> <li>(1) proposing the engagement or dismissal of an accounting firm to the board of directors;</li> <li>(2) proposing to the board of directors the convening of an extraordinary shareholders' general meeting;</li> </ol>	<p>Article 5 of “Establishment of Independent Director Systems by Listed Companies Guiding Opinion”</p>

<p>(3) proposing the convening of a meeting of the board of directors;</p> <p>(4) subject to the consent from all the independent directors, to appoint external auditor or consultant to audit and consult specific matters of the Company, relevant cost shall be borne by the Company.</p> <p>Except for item (4), independent directors should obtain the consent of at least half of all the independent directors before exercising the aforementioned functions and powers. If any of the aforementioned proposals was not accepted or any of the aforementioned functions and powers could not be exercised normally, the listed company should disclose the details thereof.</p>	
<p><b>Article 118</b></p> <p>An independent director shall not be removed without cause before the expiration of his term. If an independent director is removed before the expiration of his term, the listed company should disclose the same as a matter for special disclosure.</p> <p>If an independent director fails to attend in person three consecutive board meetings, the board of directors should request the shareholders' general meeting to replace him.</p>	<p>Article 4 of “Establishment of Independent Director Systems by Listed Companies Guiding Opinion”</p>
<p><b>Article 119</b></p> <p>In relation to the system of independent directors, the relevant law, regulations and the relevant rules of the stock exchange where the stocks of the Company are listing shall be comply with if it is not regulated under this section.</p>	

### Section 3 The Board of Directors

**Article 120**

The board of directors shall be accountable to the general meeting and shall exercise the following function and powers:

- (1) responsible for convening general meeting and report to those meetings on work matters;
- (2) execution of resolutions passed by a general meeting;
- (3) determination of the Company's business plans and investment plan;
- (4) formulation of the Company's annual budget and financial accounting plan;
- (5) formulation of the Company's profit distribution and loss recovery plans;
- (6) formulation of expansion or reduction plans of the Company's registered capital and corporate bond issue plans;
- (7) drafting of plans on such matters as company merger, demerger, dissolution or changing of form;
- (8) determination of the internal administrative structure of the Company, determination of the incorporation or withdraw of subsidiaries or other affiliates of the Company;
- (9) employment or dismissal of the general manager of the Company and his remuneration; employment or dismissal of the Company's deputy general manager, responsible financial officers and other senior management in accordance with the general manager's nominations, and deciding their remuneration, reward and disciplinary matters;
- (10) employment or dismissal of the Company secretary to the board of directors, and employment or dismissal of the chiefs of board of directors' special committees.
- (11) formulation of the Company's general management system;
- (12) formulation of a plan for the amendment of the Articles of Association;
- (13) formulation of the Company's share incentive plans;

Article 88 of  
Mandatory Provisions  
Article 105 of  
Guidelines for Articles  
of Association

Article 107 of  
Guidelines for Articles  
of Association

Article 108 of  
Guidelines for Articles  
of Association

- (14) determination of the formulation of the board of directors' special committees;
- (15) managing the disclosure of information of the Company;
- (16) suggesting the board of directors on the hiring or replacement of the accounting firm as the Company's auditors;
- (17) receiving the regular or irregular working reports of the Company general manager or entrusted senior management, approving general manager's working report;
- (18) Company's external guarantee matters without the scope authorized by the shareholders' meeting, as stipulated in this Articles of Association;
- (19) within the scope authorized by the shareholders' meeting, to decide the Company's external investment, purchase and sale of assets, offering assets as guarantees, appointment to manage finance or to manage associated transactions;
- (20) other powers as stipulated in laws, statutory regulations and the listing unless of the stock exchange where the Company lists, and being granted in general meeting, and the Articles of Association.

When the board of directors proposes resolutions on the aforesaid matters, apart from resolutions on matters in items (6), (7), (8) and (12) which must be approved by more than two-thirds majority of the directors, resolutions on other matters may be approved by more than half of directors. The board of directors shall exercise its powers in accordance with the State law, administrative regulation, this Articles of Association and resolutions of shareholders.

The board of directors of the Company should explain at the general meeting in relation to qualified opinion on the audited financial statement as issued by the certified public accountant.

**Article 121**

<p>The board of directors establishes four specific committees, audit committee, remuneration and assessment committee, nomination committee, strategic committee. Under the leadership of the board of directors, the committees which the composition of the members and the terms of reference is recommended by the board of directors, assist the board of directors to executive its function and power or provide strategic or consulting opinion to the board of directors for decision making.</p>	
<p><b>Article 122</b></p> <p>The Company invests in other enterprises or provision of guarantee to other parties shall be approved by the resolution via the general meeting or board of directors’ meeting as stipulated in the Articles of Association. The Company provide guarantee to the shareholder or controlling shareholder of the Company shall be approved by resolution via general meeting.</p> <p>The shareholder of the provisions of the preceding paragraph or the shareholders that being dominated by the actual controlled person of the provisions of the preceding paragraph shall not participate in the voting on matters stipulated in the preceding paragraph. The vote shall be passed by the majority of other shareholders that attending the meeting</p> <p>The Company shall establish a strict internal control system of external guaranty. All directors should be careful and strictly control of the external debt risk.</p> <p>The external guarantees of the Company shall be taken by the counter party provided that the counter guarantee of risk prevention measures has been implemented. The Counter guarantee providers should have the practical ability of the counter guarantee.</p> <p>Losses of the Company as caused by breach of any laws, regulations, rules and providing guaranty of the provisions of</p>	

<p>the Articles of Association, the responsible directors shall bear the joint and several liabilities.</p>	
<p><b>Article 123</b></p> <p>The board of directors shall not, without the approval of shareholders in general meeting, dispose or agree to dispose of any fixed assets where the aggregate of the value of the consideration for the proposed disposal; and where any fixed assets have been disposed of in the period of four months immediately preceding the proposed disposal, the amount or value of the consideration of any such disposal, exceeds 33% of the value of the fixed assets as shown in the last audited balance sheet placed before the shareholders in general meeting.</p> <p>For the purpose of this provision, disposal of a fixed asset s includes an act involving a transfer of an interest in property other than by way of security.</p> <p>The validity of a transaction for the disposal of fixed assets shall not be affected if a breach of the above-mentioned restriction contained in the provisions of Clause 1 of this Article.</p>	<p>Article 89 of Mandatory Provisions</p>
<p><b>Article 124</b></p> <p>The chairman of the board of directors shall exercise the following powers of office:</p> <ol style="list-style-type: none"> <li>(1) to preside over general meeting of shareholders and convene and preside over meetings of the board of directors;</li> <li>(2) to prompt and check the implementation of decisions of the board of directors and receiving relevant reports;</li> <li>(3) to supervise, develop and formulate varied operational regulations of the board of directors and coordinating the operation of the board of directors;</li> <li>(4) to sign off securities issued by the Company;</li> <li>(5) to sign off important documents of the board of directors;</li> <li>(6) on behalf of the Company to sign off any important external documents that is legal binding ;</li> </ol>	<p>Article 90 of Mandatory Provisions Article 112 of Guidelines for Articles of Association</p>

<p>(7) other powers of office granted by the board of directors or stipulated in laws and regulations.</p> <p>When the chairman of the board of directors is unable to exercise his/her powers of office, he/she shall appoint a vice chairman to act on his/her behalf.</p>	
<p><b>Article 125</b></p> <p>The vice chairman assists the chairman of the board of directors. When the chairman cannot or does not carry out his duties, they will be carried out by the vice chairman (if the Company has two or more vice chairman, then these duties will be carried out by the vice chairman nominated by the majority of directors). If the vice chairman cannot or does not carry out his duties, a director will be nominated by the majority of directors to carry out the duties.</p>	<p>Article 113 of Guidelines for Articles of Association</p>
<p><b>Article 126</b></p> <p>The Meetings of the board of directors shall be held at least four times per annum and shall be convened by the chairman of the board of directors who shall notify all the directors and supervisors 14 days before the date of such meetings is held and provide sufficient information for the meeting.</p> <p>An extraordinary meeting of the board of directors may be convened under any of the following circumstances:</p> <ol style="list-style-type: none"> <li>(1) when more than one-third (1/3) directors proposes;</li> <li>(2) when the supervisory committee proposes;</li> <li>(3) when more than half of the independent directors proposes;</li> <li>(4) when the chairman of the board of directors deems necessary;</li> <li>(5) when shareholders holding more than 10% (1/10) of voting rights proposes;</li> <li>(6) when two or more directors or general managers propose in case of an emergency.</li> </ol>	<p>Article 91 of Mandatory Provisions Article 114, 115 of Guidelines for Articles of Association</p> <p>Section A.1.1 and A.1.3 of Appendix 14 of the Main Board Listing Rules</p>

<p><b>Article 127</b></p> <p>The form of a notice of meetings and extraordinary meetings of the board of directors shall be as follows: telephone, fax or electronic mail; The time limit for notification shall be: at least ten (10) days before the convention of meeting of the board of directors, there's no time limit for notification of the extraordinary meeting of the board of directors.</p> <p>The time and venue of meeting of board of directors can be determined by the board of directors and recorded in the minutes. No separate notice for convening the meeting of the board of directors shall be issued to the directors if the minutes have been sent to all directors at least ten (10) days in advance before the next meeting has been held.</p> <p>In the case of a director has attended the meeting, and no dissent of having not received the notice has been raised before or at the meeting, the notice shall be deemed as received.</p> <p>The meetings of the board of directors can be convened by the way of telephone conference or via communication facilities alike, provided that the aforesaid methods are able to ensure the communication among attending directors, such directors shall be deemed as attending in person.</p>	<p>Article 92 of Mandatory Provisions</p> <p>Article 116 of Guidelines for Articles of Association</p>
<p><b>Article 128</b></p> <p>Except for approving the connected transaction by the board of directors as stipulated in Article 130, a board of director meeting shall be held provided that more than half of the directors attend.</p> <p><b>Article 129</b></p> <p>Each director shall have one voting right. Except for approving the connected transaction matters by the board of directors as stipulated in Article 130, resolutions of the board of directors must be passed by more than half of all the directors.</p>	<p>Article 93 of Mandatory Provisions</p> <p>Article 118 of Guidelines for Articles of Association</p>



<p>When the number of votes cast for and against a resolution is equal, the chairman shall have the right to cast an additional vote.</p> <p>When a resolution is signed by the respective directors vote in favor which reaches the effective number of cast as stipulated by laws and regulations and the provisions of the Articles of Association, such resolution shall be considered and adopted as a legitimate meeting of board of directors has been held. Such resolution in writing may be composed of multiple copies of a document and signed by each director by way of one or more. For the purpose of this subsection, a document of resolution signed and or contained the director's name and is sent to the Company by mail, facsimile or delivered by hand, shall be deemed as a document signed by the director.</p>	
<p><b>Article 130</b></p> <p>A director shall attend meetings of the board of directors in person. Where a director is unable to attend a board meeting due to special circumstances, he/she may entrust, in writing, another director to act as his/her representative at the meeting and the letter of proxy shall stipulate the scope of authority.</p> <p>The entrusted director shall exercise the right of the entrusting director within the designated scope of authority. If a director did not attend a certain meeting of the board of directors and failed to entrust another director as his/her representative at that meeting, this shall be regarded as a renunciation of his/her voting rights at that meeting.</p>	<p>Article 94 of Mandatory Provisions</p> <p>Article 121 of Guidelines for Articles of Association</p>
<p><b>Article 131</b></p> <p>In the event that a Director is connected to companies (it means that the Director acts as a Director or senior management of the counter party, or can exercise direct or indirect control over a legal person entity of the counter party, or acts as a Director or senior management in a legal person entity under direct or indirect control of the counter party)</p>	<p>Article 119 of Guidelines for Articles of Association</p> <p>Section 4(1) of Appendix 3 of the Main Board Listing</p>

<p>associated with matters to be resolved at the Board meeting, such Director shall not exercise his/her voting rights on such resolution, nor shall he/she votes on behalf of other Directors. The Board meeting may be convened with a majority of the independent Directors. Resolutions shall be approved by a majority of independent Directors at the Board meeting. When there is less than three independent Directors present at the Board meeting, such matters shall be submitted to the Shareholders' general meeting for consideration.</p>	<p>Rules</p>
<p><b>Article 132</b></p> <p>Minutes of meetings of the board of directors shall be recorded on matters discussed at those meetings, the minutes shall be signed by the directors and secretary of the board of directors (minutes takers) present at the meeting. Minutes of board of director's meeting shall be kept for not less than 10 years. Directors shall assume responsibility for any resolution passed at the board meeting.</p> <p>If a resolution passed by the board of directors is in violation of the law, statutory regulations or the Articles of Association so as to result in the Company incurring serious losses, those directors who participated in making those resolutions shall bear liability for compensation towards the Company. However, if a director is able to prove his/her objection to that resolution, and such objection has been recorded in the minutes of the meeting, that director may be exempt from liability.</p> <p>Minutes of the meeting of board of directors shall include the following contents:</p> <ol style="list-style-type: none"> <li>(1) Date and location of meeting and name of convener;</li> <li>(2) Names of directors present at the meeting, as well as name of director (proxy) that accept a delegate to attend the meeting of board of directors;</li> <li>(3) Agenda of the meeting;</li> <li>(4) Script of directors;</li> <li>(5) Way of voting for each resolution matters and results</li> </ol>	<p>Article 95 of Mandatory Provisions Article 122 of Guidelines for Articles of Association</p>

(results should set forth the number of votes for or against, or abstained)	
<p><b>Article 133</b></p> <p>For the purpose of a resolution to be passed by an extraordinary meeting of board of directors, if the content of the propose resolutions in writing has been distributed (including facsimile and e-mail) by the board of directors to all directors and it is ensured that the directors can fully express their views and adopt resolutions via electronic means without convening the board of directors meeting, the resolutions shall be valid provided that the number of directors signed for the resolutions must reach the required number as stipulated in the provisions of Article 129.</p>	Article 120 of Guidelines for Articles of Association
<p><b>Article 134</b></p> <p>Meeting of the board of directors shall be convened at the Company's legal address in principle, however other places in or outside PRC shall be allowed to convene the meeting if approved by the resolution of the board of directors.</p>	
<p><b>Article 135</b></p> <p>The reasonable fees for the directors to attend the meeting of the board of directors shall be borne by the Company, including inter-city travel expenses for the director traveling to the place of the meeting (if different) from his place, fees for business meal and accommodation during the meeting and local travel expenses etc.</p>	

## CHAPTER 11 SECRETARY TO THE BOARD OF DIRECTORS

<p><b>Article 136</b></p> <p>The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company and accountable to the board of directors.</p>	Article 96 of Mandatory Provisions
<p><b>Article 137</b></p> <p>The secretary of the Company's board of directors shall be a</p>	Article 97 of Mandatory

<p>natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors. His/her primary responsibilities are as follows:</p> <p>(1) to be responsible for the communication and liaison between the Company, relevant parties, the stock exchange and other relevant securities supervision authorities to ensure the Company prepare and deliver reports and documents to competent authorities as required by the law;</p> <p>(2) to be responsible for the management of information disclosure of the Company; to urge the company to formulate and exercise the information disclosure rules and internal reporting rules for significant information; to urge the Company and relevant parties to discharge their duties of information disclosure; to submit the regular and temporary reports to the stock exchange in accordance with relevant regulations;</p> <p>(3) to coordinate the relationship between the Company and investors; to coordinate investors' visits; to answer the questions raised by investors; to provide the investors with the information disclosed by the Company;</p> <p>(4) to prepare shareholders' general meetings and meetings of the board of directors in accordance with legal procedure; to prepare and submit the documents and materials of the meeting;</p> <p>(5) to attend the meetings of the board of directors; to prepare the minutes and sign on it;</p> <p>(6) to be responsible for the confidentiality work relating to information disclosure; to formulate the measures on confidentiality; to urge the directors, supervisors, the General manager and other senior officers and relevant informed persons to keep the information confidential before it is disclosed; to adopt any remedial measures for release of insider information in time and report to stock exchange at the same time;</p> <p>(7) to be responsible to keep the shareholders' register, the directors' register, the documents stating that the directors, supervisors, General manager and other senior officer holding the shares of the Company, and the documents and minutes of the shareholders' general meeting, the meeting of the board of directors; to ensure that the Company has complete organization</p>	<p>Provisions</p> <p>Practice Guidelines for Secretaries of the Board of the Companies Listed Overseas</p>
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<p>documents and records; to ensure that the persons who have the right to obtain relevant records and documents may access to them in time;</p> <p>(8) to assist the directors, supervisors, General manager and other senior officers in being informed of relevant laws, regulations, rules, listing rules of the stock exchange, other provisions and the Company's Articles of Association, as well as the content on legal liabilities of the listing agreement;</p> <p>(9) to urge the board of directors to discharge its duties in accordance with law; where the board of directors is going to make a resolution which is in violation of laws, regulations, rules, listing rules of the stock exchange, other provisions and the Company's Articles of Association, the secretary to the board of directors shall remind the directors attending the meeting and request the supervisors at presence to express their opinions; if the board of directors insists in making the resolution, the secretary to the board of directors shall record the opinions of relevant supervisors and persons in the minutes and report to the stock exchange;</p> <p>(10) other responsibilities stipulated in the laws, regulations, rules, listing rules of the stock exchange, other provisions and the Company's Articles of Association.</p>	
<p><b>Article 138</b></p> <p>A director or senior officers of the Company other than the General manager and chief accountant may also act as the secretary of the board of directors. Any accountant from the accountancy firm which has been appointed by the Company to act as its auditors shall not act as the secretary of the board of directors.</p> <p>Where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary shall not perform the act in a dual capacity.</p>	<p>Article 98 of Mandatory Provisions</p>

CHAPTER 12 COMPANY SECRETARY

<p><b>Article 139</b></p> <p>The Company shall appoint a company secretary to ensure good information flow within the Board and that policies and procedures of the Board are followed. The company secretary shall report duty to the chairman of the Board and/ or the general manager, advise the Board through the chairman of the Board and/or the general manager on corporate governance matters, and should also facilitate induction and professional development of directors.</p>	
<p><b>Article 140</b></p> <p>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 among the employees of the Company who should have day-to-day knowledge of the Company's affairs. It may also engage an external service provider as its company secretary, in which case it should designate a senior management to act as a contact point with that external service provider.</p>	<p>Section 3.28 of the Main Board Listing Rules</p> <p>Section F.1.3 of Appendix 14 of the Main Board Listing Rules</p>
<p><b>Article 141</b></p> <p>The company secretary shall take no less than 15 hours of professional training in a financial year.</p>	
<p><b>Article 142</b></p> <p>All directors should have access to the advice and services of the company secretary to ensure that Board procedures, and all applicable law, rules and regulations, are followed.</p>	

## CHAPTER 13 GENERAL MANAGER

<p><b>Article 143</b></p> <p>The Company shall have one general manager, several deputy general managers to assist the general manager and one responsible financial officer. The general manager, deputy general manager and responsible financial officer shall be appointed or removed by the board of directors.</p> <p>The terms of General manager and other senior officers are three (3) years and renewable upon re-appointed.</p>	<p>Article 99 of Mandatory Provisions</p> <p>Article 124 of Guidelines for Articles of Association</p> <p>Article 127 of Guidelines for Articles of Association</p>
<p><b>Article 144</b></p> <p>The General manager shall be accountable to the board of directors and shall exercise the following functions and powers:</p> <p>(1) to be in charge of the Company’s production, operation and management, and to organize the implementation of the resolutions of the board of directors and report to the board of directors;</p> <p>(2) to organize the implementation of the Company’s annual business plan, investment and financing plan; (3) to draft plans for the establishment of the Company’s internal management structure;</p> <p>(4) to propose plans for the establishment of the Company’s branches and sub-branches;</p> <p>(5) to propose the Company’s basic management system; (6) to formulate detailed rules and regulations of the Company;</p> <p>(7) to propose the appointment or dismissal of the Company’s deputy general manager and responsible financial officer, and advise on their remunerations;</p> <p>(8) to appoint or dismiss management other than those appointed or dismissed by the Board;</p> <p>(9) other functions and powers conferred by these Articles or board of directors.</p>	<p>Article 100 of Mandatory Provisions</p> <p>Article 128 of Guidelines for Articles of Association</p>
<p><b>Article 145</b></p> <p>The general manager shall be present at board meetings. The</p>	<p>Article 101 of Mandatory</p>

<p>general manager has no voting rights at the board meetings unless he is also a director.</p>	Provisions
<p><b>Article 146</b></p> <p>The general manager shall, upon requests of the board of directors or supervisory committee, report to the board of directors or the supervisory committee on the signing and performance of the Company’s material contracts and usage of capital. The general manager shall ensure authenticity of the reports.</p> <p>Before drawing up a package concerning staff’s immediate interests, such as staff’s wages, benefits, safe production, labor insurance, and dismissal of staff, the general manager shall consult the labor union and the meeting of staff representatives.</p>	
<p><b>Article 147</b></p> <p>The general manager shall formulate working rules of general manager and submit them to the board of directors for approval.</p>	Articles 129 and 130 of Guidelines for Articles of Association
<p><b>Article 148</b></p> <p>The general manager, in exercising his powers, shall act honestly and diligently in accordance with the laws, administrative regulations and the provisions of these Articles.</p>	Article 102 of Mandatory Provisions

#### CHAPTER 14 SUPERVISORY COMMITTEE

<p><b>Article 149</b></p> <p>The Company shall have a board of supervisors.</p>	Article 103 of Mandatory Provisions
<p><b>Article 150</b></p> <p>The board of supervisors shall compose of three (3) supervisors with external supervisors accounting for more than half of the members of the supervisory committee. There shall be two</p>	Section 1 (d)(i) of Appendix 13D of the Main Board Listing Rules



<p>independent supervisors. External supervisors of the Company shall report independently to the members in general meeting in relation to the integrity, diligence and responsibility of senior managerial staff. Each supervisor shall serve a term of three (3) years, which is renewable upon re-election.</p> <p>One of the members of the board of supervisors shall act as the chairman. The election or removal of the chairman of the board of supervisors shall be determined by two-thirds or more of the members of the board of supervisors.</p>	<p>Letter of Opinions on Supplementary Amendment No.5</p> <p>Article 104 of Mandatory Provisions</p>
<p><b>Article 151</b></p> <p>Supervisors who are not employee representatives shall be elected or removed by the shareholders in general meetings. Supervisors who are employee representatives of the Company shall be elected or removed democratically, and shall be not less than one-third of the total number of supervisors.</p>	<p>Article 105 of Mandatory Provisions</p> <p>Article 52 of Company Law</p>
<p><b>Article 152</b></p> <p>The director, General manager and other senior officer shall not act concurrently as a supervisor.</p>	<p>Article 106 of Mandatory Provisions</p> <p>Article 135 of Guidelines for Articles of Association</p>
<p><b>Article 153</b></p> <p>Meetings of board of supervisors shall be convened at least twice a year and at least once every six (6) months. The chairman of the board of supervisors shall convene and preside over the meetings. The supervisors may propose to convene an extraordinary meeting of the board of supervisors. If the chairman is unable or fails to perform his duties, a supervisor jointly selected by a majority of the supervisors shall convene and preside over the meetings.</p>	<p>Article 52 of Company Law</p> <p>Article 107 of Mandatory Provisions</p> <p>Article 145 of Guidelines for Articles of Association</p>
<p><b>Article 154</b></p> <p>The board of supervisors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in accordance with laws:</p>	<p>Article 108 of Mandatory Provisions</p> <p>Article 144 of Guidelines</p>

(1) to examine the Company’s financial position and have the right to know the operation of the Company and request for relevant information from the financial department in accordance with prescribed procedures, and to undertake the confidential duties accordingly;

(2) to supervise the Company’s directors, general manager and other senior officers who have contravened any laws, administrative regulations or the Articles of Association during their performance of duties and to propose the removal of directors and senior officers who have contravened any laws, regulations, the Articles of Association or shareholders’ resolutions;

(3) to demand any director, the General manager and other senior officer of the Company who acts in a manner which is harmful to the Company’s interests to rectify such behavior;

(4) to inspect financial information such as financial reports, business reports and profit distribution plans and, in case doubt, professionals such as registered accountants and certified auditors may be hired to provide assistance in the name of the Company;

(5) to propose to convene a shareholders’ extraordinary general meeting, and to convene and preside over shareholders’ general meetings when the Board fails to perform the duty of convening and presiding over the general meeting;

(6) to propose resolutions at a shareholders’ general meeting;

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

(8) to elect the chairman of board of supervisors;

(9) to institute a suit to the directors or senior officers of the Company in accordance with the Company Law;

(10) other functions and powers provided by the laws, regulations and these Articles of Association.

Supervisors shall be present at meetings of the board of directors, and raise questions and make suggestions in respect of matters that are the subject of resolutions of the Board of Directors.

for Articles of Association

<p><b>Article 155</b></p> <p>Where there is a proper reason, a supervisor is entitled to request the chairman of the board of supervisors to convene an extraordinary meeting of the board of supervisors. The notice of each meeting of the board of supervisors shall be delivered by telephone or facsimile ten (10) days before the meeting to inform all supervisors. The notice shall include: date and place of the meeting, term of the meeting, subjects of the meeting and the date of the notice.</p> <p>Meetings of the board of supervisors shall be held only if two-thirds or more supervisors are present. The meetings of the board of supervisors shall vote in registration. Each of the supervisors has one voting right. The supervisors shall attend the meetings of the board of supervisors in person. If any supervisor is unable to attend the meeting, he may appoint another supervisor to attend the meeting on his/her behalf in writing. The power of attorney shall include the scope of authorization.</p> <p>Resolutions of either the ordinary meetings or extraordinary meetings of board of supervisors shall be passed by the affirmative votes of more than two-thirds (inclusive) of all supervisors.</p>	<p>Article 109 of Mandatory Provisions</p> <p>Letter of Opinions on Supplementary Amendment No.6</p> <p>Section 1 (d)(ii) of Appendix 13D of the Main Board Listing Rules</p>
<p><b>Article 156</b></p> <p>The board of supervisors should prepare minutes of meeting. A supervisor is entitled to request the addition to the minutes of some explanatory record concerning his speech made during the meeting. Supervisors attending the meeting and the recorder should sign on the minutes. Minutes of the meeting of the board of supervisors, as a company file, must be kept for at least 10 years by the secretary to the board of directors.</p>	<p>Article 147 of Guidelines for Articles of Association</p>
<p><b>Article 157</b></p> <p>The performance of the resolution of the board of supervisors</p>	

<p>shall be recorded. For all resolutions of the board of supervisors, a supervisor shall be appointed to perform it or supervise its performance. The supervisor appointed shall record the performance of the resolution of the board of supervisors and report the result of the performance to the board of supervisors.</p>	
<p><b>Article 158</b> All reasonable fees incurred in respect of the engagement of professionals (such as lawyers, certified accountants or practicing auditors) which are required by the board of supervisors in the exercise of its functions and powers shall be borne by the Company.</p> <p>The reasonable fees for the supervisors to attend the meeting of the board of supervisors shall be borne by the Company, including inter-city travel expenses for the supervisor traveling to the place of the meeting (if different) from his place, fees for business meal and accommodation during the meeting, fees for the conference room and local travel expenses etc.</p>	<p>Article 110 of Mandatory Provisions</p> <p>Article 57 of Company Law</p>
<p><b>Article 159</b> A supervisor shall carry out his/her supervisory duties honestly and faithfully in accordance with laws, administrative regulations and these Articles of Association.</p>	<p>Article 111 of Mandatory Provisions</p>

**CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL**

<p><b>Article 160</b> A person may not serve as a director, supervisor, General manager or any other senior officer of the Company if any of the following circumstances applies:</p> <p>(1) a person who does not have or who has limited capacity for civil conduct;</p> <p>(2) a person who has been sentenced for corruption, bribery,</p>	<p>Article 112 of Mandatory Provisions</p> <p>Article 95 of Guidelines for Articles of Association</p>
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<p>infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five (5) years have lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;</p> <p>(3) a person who is a former director or factory manager of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;</p> <p>(4) a person who is a former legal representative of a company or enterprise the business license of which was revoked due to violation of law and who is personally liable therefor, where less than three (3) years have elapsed since the date of the revocation of the business license;</p> <p>(5) a person who has a relatively large amount of debts which have become overdue;</p> <p>(6) a person who is currently under investigation by judicial organs for violation of criminal law;</p> <p>(7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;</p> <p>(8) a person other than a natural person;</p> <p>(9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have lapsed from the date of such conviction;</p> <p>(10) other circumstances provided by the laws and regulations of the stock exchange on which the shares of the Company are listed.</p>	
<p><b>Article 161</b> The validity of an act carried out by a director, General manager and other senior officer of the Company on its behalf shall, as</p>	<p>Article 113 of Mandatory Provisions</p>

<p>against a bona fide third party, not be affected by any irregularity in his/her office, election or any defect in his/her qualification.</p>	
<p><b>Article 162</b></p> <p>In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, General manager and other senior officers owes the following duties to each shareholder when exercising the functions and powers of the Company entrusted to him:</p> <p>(1) not to cause the Company to exceed the scope of business stipulated in its business license;</p> <p>(2) to act honestly and in the best interests of the Company;</p> <p>(3) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which benefit the Company;</p> <p>(4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights except for the restructuring of the Company which has been submitted to the shareholders for approval in accordance with these Articles of Association.</p>	<p>Article 114 of Mandatory Provisions</p>
<p><b>Article 163</b></p> <p>Each of the Company's directors, supervisors, General manager and other senior officers owes a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.</p>	<p>Article 115 of Mandatory Provisions</p> <p>Article 98 of Guidelines for Articles of Association</p>
<p><b>Article 164</b></p> <p>Each of the Company's directors, supervisors, General manager and other senior officers shall exercise his/her powers or perform his/her duties in accordance with the fiduciary principle; and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. This principle</p>	<p>Article 116 of Mandatory Provisions</p> <p>Article 97 of Guidelines for Articles of Association</p>

includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to act within the scope of his/her powers and not to exceed such powers;
- (3) to exercise the discretion vested in him/her personally and not to allow himself/herself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his/her discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in these Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his/her own benefit, without the informed consent of the shareholders given in a general meeting;
- (7) not to exploit his/her position to accept bribes or other illegal income or expropriate the Company's property in any way, including (without limitation) opportunities which benefit the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders given in a general meeting;
- (9) to comply with the Company's Articles of Association, to perform his/her official duties faithfully, to protect the Company's interests and not to exploit his/her position and power in the Company to advance his/her own interests;
- (10) not to compete with the Company in any way, save with the informed consent of the shareholders given in a general meeting; not to damage the Company's interests by exploiting associated relationships;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his/her own name or in the any other

<p>name or use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities; and</p> <p>(12) not to release any confidential information which he has obtained during his/her term of office, without the informed consent of the shareholders in a general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:</p> <p>(A) disclosure is made under compulsion of law;</p> <p>(B) public interests so warrant;</p> <p>(C) the interests of the relevant director, supervisor, General manager or other senior officer so require.</p>	
<p><b>Article 165</b></p> <p>Each director, supervisor, General manager and other senior officer of the Company shall not direct the following persons or institutions ("associates") to act in a manner which he is prohibited from so acting:</p> <p>(1) the spouse or minor child of the director, supervisor, General manager or other senior officer;</p> <p>(2) the trustee of the director, supervisor, General manager or other senior officer or of any person described in sub-paragraph (1) above;</p> <p>(3) the partner of the director, supervisor, General manager or other senior officer or any person referred to in sub-paragraphs (1) and (2) of this Article;</p> <p>(4) a company in which the director, supervisor, General manager or other senior officer, whether alone or jointly with the persons referred to in subparagraphs (1), (2) and (3) of this Article or other directors, supervisors, General manager and other senior officers, has de facto controlling interest;</p> <p>(5) the directors, supervisors, General manager and other senior officers of a company which is being controlled in the manner set out in sub-paragraph (4)above.</p>	<p>Article 117 of Mandatory Provisions</p>
<p><b>Article 166</b></p> <p>The fiduciary duties of the directors, supervisors, General</p>	<p>Article 118 of Mandatory</p>



<p>manager and other senior officers of the Company do not necessarily cease with the termination of their tenure. The duty of confidentiality in respect of trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the circumstances and the terms under which the relationship between the relevant director, supervisor, General manager and the senior officer on one hand and the Company on the other hand was terminated.</p>	<p>Provisions</p>
<p><b>Article 167</b> Subject to Article 64, a director, supervisor, General manager and other senior officer of the Company may be relieved from liabilities for specific breaches of his duty with the informed consent of the shareholders given at a general meeting.</p>	<p>Article 119 of Mandatory Provisions</p>
<p><b>Article 168</b> Where a director, supervisor, General manager or other senior officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than his contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors.</p> <p>A director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates (as defined in the applicable securities listing rules effective from time to time) has a material interest nor shall he be counted in the quorum present at the meeting.</p> <p>Unless the interested director, supervisor, General manager or other senior officer discloses his interests in accordance with the preceding sub-paragraph of this Article and the contract,</p>	<p>Article 120 of Mandatory Provisions</p> <p>Rule 4 (1) of Appendix 3 of the Main Board Listing Rules</p>

<p>transaction or arrangement is approved by the board of directors at a meeting in which the interested director, supervisor, General manager or other senior officer is not counted as part of the quorum and refrains from voting, a contract, transaction or arrangement in which that director, supervisor, General manager or other senior officer is materially interested is voidable at the discretion of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested director, supervisor, General manager or other senior officer.</p> <p>For the purposes of this Article, a director, supervisor, General manager or other senior officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.</p>	
<p><b>Article 169</b></p> <p>Where a director, supervisor, General manager or other senior officer of the Company gives to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he/she is interested in contracts, transactions or arrangements which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his/ her interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.</p>	<p>Article 121 of Mandatory Provisions</p>
<p><b>Article 170</b></p> <p>The Company shall not pay taxes for a director, supervisor, General manager or other senior officer in any manner.</p>	<p>Article 122 of Mandatory Provisions</p>
<p><b>Article 171</b></p> <p>The Company shall not directly or indirectly make a loan to or provide any security for a director, supervisor, General manager</p>	<p>Article 123 of Mandatory Provisions</p>

<p>or other senior officer of the Company or of the Company's holding company or any of their respective associates.</p> <p>The foregoing prohibition shall not apply to the following circumstances:</p> <p>(1) the provision by the Company of a loan to or a security for its subsidiary;</p> <p>(2) the provision by the Company of a loan or a security or any other funds available to any of its directors, supervisors, General manager and other senior officers to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him/her to perform his/her duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting; or</p> <p>(3) if the ordinary business scope of the Company includes lending of money and providing security, the Company may make a loan to or provide a security to any of the relevant directors, supervisors, General manager and other senior officers or their respective associates on normal commercial terms.</p>	
<p><b>Article 172</b></p> <p>Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.</p>	<p>Article 124 of Mandatory Provisions</p>
<p><b>Article 173</b></p> <p>A security for the repayment of a loan which has been provided by the Company acting in breach of Article 171(1) shall not be enforceable against the Company, save in respect of the following circumstances:</p> <p>(1) the security was provided in connection with a loan which was made to an associate of any of the directors, supervisors, General manager and other senior officers of the Company or of the Company's holding company and the lender of such funds did not know of the relevant circumstances when providing the</p>	<p>Article 125 of Mandatory Provisions</p>

<p>loan;</p> <p>(2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.</p>	
<p><b>Article 174</b></p> <p>For the purposes of the foregoing provisions of this Chapter, a “security” includes an undertaking or property provided to secure the obligor’s performance of his obligations.</p>	
<p><b>Article 175</b></p> <p>In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, General manager and other senior officer of the Company breaches the duties which he/she owes to the Company, the Company has a right:</p> <p>(1) to demand such director, supervisor, General manager or other senior officer to compensate it for losses sustained by the Company as a result of such breach;</p> <p>(2) to rescind any contract or transaction which has been entered into between the Company and such director, supervisor, General manager or other senior officer, or between the Company and a third party (where such third party knows or should have known that such director, supervisor, General manager or other senior officer representing the Company has breached his duties owed to the Company);</p> <p>(3) to demand such director, supervisor, General manager or other senior officer to account for profits made as result of the breach of his/her duties;</p> <p>(4) to recover any monies which should have been received by the Company and which were received by such director, supervisor, General manager or other senior officer instead, including (without limitation) commissions;</p> <p>(5) to demand repayment of interest earned or which may have been earned by such director, supervisor, General manager or other senior officer on monies that should have been paid to the Company.</p>	<p>Article 126 of Mandatory Provisions</p> <p>Article 127 of Mandatory Provisions</p>

<p><b>Article 176</b></p> <p>The Company shall enter into contracts in writing with each director, supervisor and senior officer, which include the provisions at least as follows:</p> <p>(1) the directors, supervisors and senior officers make commitment to the Company that they will comply with the Company Law, Special Regulations, these Articles of Association, and other rules formulated by the Stock Exchange and agree that the Company may enjoy the remedy as provided in these Articles of Association. The contracts and their positions may not be assigned;</p> <p>(2) the directors, supervisors and senior officers make commitment to the Company that they will comply with and perform their duties to the shareholders according to these Articles of Association; and</p> <p>(3) the arbitration provisions in Article 223 of these Articles of Association.</p>	<p>19A.54 and 19A.55 of the Main Board Listing Rules</p>
<p><b>Article 177</b></p> <p>The Company shall, with the prior approval of shareholders in a general meeting, enter into a contract in writing with a director or supervisor wherein his/her emoluments are stipulated. The aforesaid emoluments include:</p> <p>(1) emoluments in respect of his/her service as director, supervisor or senior officer of the Company;</p> <p>(2) emoluments in respect of his/her service as director, supervisor or senior officer of any subsidiary of the Company;</p> <p>(3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;</p> <p>(4) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.</p> <p>No proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the</p>	<p>Article 128 of Mandatory Provisions</p>

<p>matters mentioned in this Article except pursuant to the contract mentioned above.</p>	
<p><b>Article 178</b></p> <p>The contract concerning the emoluments between the Company and its directors and supervisors should provide that in the event that the Company is acquired, the Company’s directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement. For the purposes of this paragraph, the acquisition of the Company includes any of the following:</p> <p>(1) an offer made by any person to all the shareholders; or</p> <p>(2) an offer made by any person with a view to making the offer or become a “controlling shareholder” within the meaning of Article 60.</p> <p>If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of such offer. The expenses incurred in distributing such sum on a pro rata basis amongst such persons shall be borne by the relevant director or supervisor and shall not be paid out of such sum.</p>	<p>Article 129 of Mandatory Provisions</p>

**CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION**

<p><b>Article 179</b></p> <p>The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.</p>	<p>Article 130 of Mandatory Provisions</p> <p>Article 149 of Guidelines for Articles of Association</p>
<p><b>Article 180</b></p> <p>At the end of each fiscal year, the Company shall prepare a</p>	<p>Article 131 of Mandatory</p>

<p>financial report which shall be examined and verified in a manner prescribed by law.</p> <p>The fiscal year of the Company is in Gregorian calendar year which is from January 1 to December 31.</p>	<p>Provisions</p>
<p><b>Article 181</b></p> <p>The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by competent local governments and the governmental authorities in charge require the Company to prepare. The annual general meeting for a particular year shall be held no more than six months from the date to which the annual accounts of the Company are made up.</p>	<p>Article 132 of Mandatory Provisions</p> <p>Rule 13.46 of the Main Board Listing Rules</p>
<p><b>Article 182</b></p> <p>The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.</p> <p>A copy of financial report, accompanied by the balance sheet (including every document required by applicable law to be annexed thereto) and profit and loss account or income and expenditure account, or the summary financial report shall, at least 21 days before the date of the annual shareholders' general meeting, be delivered by postpaid mail to the registered address of every holder of Overseas-Listed Foreign Shares.</p>	<p>Article 133 of Mandatory Provisions</p> <p>Letter of Opinions on Supplementary Amendment No.7</p> <p>Section 5 of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 183</b></p> <p>The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards, or that of the place outside the PRC where the Company's shares are listed. If there is any</p>	<p>Article 134 of Mandatory Provisions</p>

<p>material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in the financial statements. In distributing its after-tax profits, the lower of the two amounts shown in the financial statements shall be adopted.</p>	
<p><b>Article 184</b> Any interim results or financial information published or disclosed by the Company must be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed.</p>	<p>Article 135 of Mandatory Provisions</p>
<p><b>Article 185</b> The Company shall publish two financial reports each fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year.</p>	<p>Article 136 of Mandatory Provisions</p>
<p><b>Article 186</b> The Company shall not keep any other accounts other than those required by law. No company asset may be deposited into any individual's account.</p>	<p>Article 137 of Mandatory Provisions Article 151 of Guidelines for Articles of Association</p>
<p><b>Article 187</b> The Company shall establish a fund for the Board, which can be withdrawn once a year. The maximum amount to be drawn shall be one thousandth of the profit before tax for that year. Such fund shall be used mainly as rewards to the directors, supervisors, general manager, other senior management personnel and staff of the Company for their special contribution or as the source for the risk fund of directors, supervisors, general managers and other senior management personnel. Specific management measures shall be formulated by the remuneration and evaluation committee.</p>	



<p><b>Article 188</b></p> <p>Capital common reserve fund includes the following items:</p> <p>(1) premium on shares issued at a premium price;</p> <p>(2) any other income designated for the capital common reserve fund prescribed by the finance regulatory department of the State Council.</p>	<p>Article 138 of Mandatory Provisions</p>
<p><b>Article 189</b></p> <p>When the Company distributes its after-tax profits for a given year, they shall allocate ten per cent (10%) of profits to its statutory common reserve. The Company shall no longer be required to make allocations to its statutory common reserve once the aggregate amount of such reserve exceeds fifty per cent (50%) of its registered capital.</p> <p>If the Company's statutory common reserve is insufficient to make up its losses of the previous years, such losses shall be made up from the profit for the current year the Company makes allocations to the statutory common reserve pursuant to the preceding paragraph.</p> <p>The Company may, if so resolved by the shareholders' meeting, make allocations to the discretionary common reserve from after-tax profits after making allocations to the statutory common reserve from the after-tax profits.</p> <p>The Company's after-tax profits remaining after it has made up its losses and made allocations to its common reserve shall be distributed in proportion to the shareholdings of its shareholders except for otherwise provided by these Articles of Association.</p> <p>If the shareholders' meeting violates the preceding paragraph by distributing profits to shareholders before the Company has made up its losses and made allocations to the statutory common reserve, the profits distributed in violation of regulations must be returned to the Company by the</p>	<p>Article 152 of Guidelines for Articles of Association</p>

<p>shareholders.</p> <p>The shares held by the Company shall not be entitled to profit distribution.</p>	
<p><b>Article 190</b></p> <p>Reserve funds of the Company shall be used for recovering losses of the Company, expanding scale of operation of the Company or increasing the Company's share capital. But capital reserve fund shall not be used in this manner. When transferring statutory reserve fund into registered capital, the remaining value in the statutory reserve fund must not be less than 25% of the registered capital before the transfer.</p>	
<p><b>Article 191</b></p> <p>The Company may distribute dividends in the form of (or in both forms):</p> <p>(1) cash;</p> <p>(2) shares.</p> <p>The Company shall calculate and declare dividends and other amounts which are payable to holders of Domestic Shares in Renminbi, and shall pay such amounts in Renminbi within two (2) months following the announcement of dividends distribution. The Company shall calculate and declare dividends and other payments which are payable to holders of Overseas-Listed Foreign Shares in Renminbi, and shall pay such amounts in Hong Kong dollars within two (2) months following the announcement of dividends distribution.</p>	<p>Article 139 of Mandatory Provisions</p>
<p><b>Article 192</b></p> <p>Amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently announced.</p>	<p>Rule 3(1) of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 193</b></p> <p>The Company shall appoint receiving agents for holders of the Overseas-Listed Foreign Shares. Such receiving agents shall</p>	<p>Article 140 of Mandatory Provisions</p>

<p>receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas-Listed Foreign Shares on such shareholders' behalf.</p> <p>The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place where the Company's shares are listed or the relevant regulations of the stock exchange.</p> <p>The receiving agent appointed for holders of Overseas-Listed Foreign Shares listed in Hong Kong shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.</p> <p>Subject to compliance with the relevant laws and administrative regulations of the PRC and rules of Stock Exchange, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiry of the relevant time frame.</p> <p>The Company may take power to cease sending dividend warrants to a holder of Overseas-Listed Foreign Shares by post if such warrants have been left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.</p> <p>Where power is taken to issue share warrants to bearer, no new share warrant shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.</p> <p>The Company shall not exercise the power to sell the Overseas-Listed Foreign Shares of a holder who is untraceable in a proper way decided by the board of directors unless:</p> <p>(1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and</p> <p>(2) on expiry of the 12 years the Company gives notice of its</p>	<p>19A.51 of the Main Board Listing Rules</p> <p>Letter of Opinions on Supplementary Amendment No.8/ Section 1(c) of Appendix 13D of the Main Board Listing Rules</p> <p>19A.47 of the Main Board Listing Rules</p> <p>Rule 13(1) of Appendix 3 of the Main Board Listing Rules</p> <p>Rule 13(2) of Appendix 3</p>
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<p>intention to sell the shares by way of an advertisement published in the one or more newspapers and notifies the stock exchange where the shares are listed of such intention.</p>	<p>of the Main Board Listing Rules</p>
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## CHAPTER 17 ENGAGEMENT OF ACCOUNTING FIRMS

<p><b>Article 194</b></p> <p>The Company shall appoint an independent firm of accountants which is qualified under the relevant regulations of the PRC to audit the Company’s annual report and review the Company’s other financial reports.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.</p> <p>If the inaugural meeting fails to exercise the aforesaid powers, those powers shall be exercised by the board of directors.</p>	<p>Article 141 of Mandatory Provisions</p> <p>Article 158 of Guidelines for Articles of Association</p>
<p><b>Article 195</b></p> <p>The auditors appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting of shareholders.</p>	<p>Article 142 of Mandatory Provisions</p>
<p><b>Article 196</b></p> <p>The auditors appointed by the Company shall have the following rights:</p> <p>(1) the right to review to the books, records and vouchers of the Company at any time and the right to require the directors, General manager and other senior officers of the Company to supply relevant information and make explanations;</p> <p>(2) the right to require the Company to take all reasonable steps</p>	<p>Article 143 of Mandatory Provisions</p>

<p>to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;</p> <p>(3) the right to attend shareholders' general meetings and to receive all notices of, and other information relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the Company's accountancy firm.</p>	
<p><b>Article 197</b></p> <p>If there is a vacancy in the position of auditor of the Company, the board of directors may appoint an accountancy firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accountancy firm which has been appointed by the Company may continue to act during the period during which a vacancy arises.</p>	<p>Article 144 of Mandatory Provisions</p>
<p><b>Article 198</b></p> <p>The shareholders in a general meeting may by ordinary resolution remove the Company's auditors before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the Company's auditors. However, the accountancy firm's right to claim for damages which arise from its removal shall not be affected thereby.</p>	<p>Article 145 of Mandatory Provisions</p> <p>Article 159 of Guidelines for Articles of Association</p>
<p><b>Article 199</b></p> <p>The remuneration of an accountancy firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in a general meeting. The remuneration of an accountancy firm appointed by the board of directors shall be determined by the board of directors.</p>	<p>Article 146 of Mandatory Provisions</p> <p>Article 161 of Guidelines for Articles of Association</p>
<p><b>Article 200</b></p> <p>The Company's appointment, removal or non-reappointment of an accountancy firm shall be resolved by the shareholders in a general meeting. Such resolution shall be filed with the securities authority of the State Council.</p>	<p>Article 147 of Mandatory Provisions</p>

Where a resolution at a general meeting of shareholders is passed to appoint as auditor a person other than an incumbent auditor, to fill a casual vacancy in the office of auditor, to reappoint as auditor a retiring auditor who was appointed by the board of directors to fill a casual vacancy or to remove an auditor before the expiration of his term of office, the following provisions shall apply:

(1) A copy of the appointment or removal proposal shall be sent (before notice of meeting is given to the shareholders) to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant fiscal year. Leaving includes leaving by removal, resignation and retirement.

(2) If the auditor leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received too late) take the following measures:

(a) in any notice regarding the adoption of resolutions given to shareholders, state the fact of the representations having been made; and

(b) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

(3) If the Company fails to send out the auditor's representations in the manner set out in sub-paragraph (2) above, such auditor may (in addition to his right to be heard) require that the representations be read out at the meeting.

(4) An auditor which is leaving its post shall be entitled to attend the following shareholders' general meetings:

(a) the general meeting at which its term of office would otherwise have expired;

(b) the general meeting at which it is proposed to fill the vacancy caused by its removal; and

(c) the general meeting which convened as a result of its resignation,

and to receive all notices of, and other information relating to,

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<p>any such meeting, and to speak at any such meeting which it attends the matters that concern it as former auditor of the Company.</p>	
<p><b>Article 201</b></p> <p>Prior notice should be given to the accountancy firm if the Company decides to remove such accountancy firm or not to renew the appointment thereof. Such accountancy firm shall be entitled to make representations at the shareholders' general meeting. Where the accountancy firm resigns from its position as the Company's auditor, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.</p> <p>(1) An accountancy firm may resign its office by depositing at the Company's legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall contain the following statements:</p> <p>(a) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or</p> <p>(b) a statement of any such circumstances.</p> <p>(2) Where a notice is deposited under the preceding sub-paragraph (1), the Company shall within fourteen (14) days send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding sub-paragraph (1)(b), a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also send a copy of such statement by prepaid mail to every shareholder of Overseas-Listed Foreign Shares at the address registered in the register of shareholders.</p> <p>(3) Where the auditor's notice of resignation contains a statement in respect of the preceding sub- paragraph (1)(b), it may require the board of directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its</p>	<p>Article 148 of Mandatory Provisions</p> <p>Article 162 of Guidelines for Articles of Association</p> <p>Letter of Opinions on Supplementary Amendment No.10</p> <p>Section 1(e)(ii) of Appendix 13D of the Main Board Listing Rules</p> <p>Section 1(e)(iii) of Appendix 13D of the Main Board Listing Rules</p> <p>Section 1(e)(iv) of Appendix 13D of the Main Board Listing Rules</p>

resignations.	
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#### CHAPTER 18 INSURANCE

<b>Article 202</b>	
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The various types of insurance of the Company's insurance shall be taken out in accordance with the relevant insurance law in China.	
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<b>Article 203</b>	
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The Company shall set up a system to purchase liability insurance for the directors, supervisors, General manager and other senior officers.	
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#### CHAPTER 19 LABOR SYSTEM

<b>Article 204</b>	
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The Company may at its discretion employ and dismiss employees and enter into labor contracts with all employees based on the business development needs of the Company and in accordance with the requirements of the laws and regulations of the State.	
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<b>Article 205</b>	
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The Company may formulate its labor and payroll systems and payment methods in accordance with the relevant laws and regulations of the State, these Articles and the economic benefits of the Company. And implement labor contract system in the Company.	
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<b>Article 206</b>	
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The Company shall endeavor to improve its employee benefits and to continually improve the working environment and living standards of its employees.	
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<p><b>Article 207</b></p> <p>The Company shall make contribution to medical, retirement and unemployment insurance funds for its employees and establish a labor insurance system in accordance with the requirements of relevant laws and regulations of the State.</p>	
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CHAPTER 20 LABOR UNION

<p><b>Article 208</b></p> <p>The Company's employees may form trade unions, carry on trade union activities and protect their legal rights. The Company shall provide the necessary conditions for such activities.</p>	
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CHAPTER 21 MERGER AND DIVISION

<p><b>Article 209</b></p> <p>In the event of the merger or division of the Company, a plan shall be presented by the Company's board of directors and shall be approved in accordance with the procedures stipulated in the Company's Articles of Association. The Company shall then go through the relevant approval process. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan to acquire his shareholding at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company.</p> <p>Such special documents shall be sent by mail to holders of Overseas-Listed Foreign Shares.</p>	<p>Article 149 of Mandatory Provisions</p>
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<p><b>Article 210</b></p> <p>The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new</p>	<p>Article 150 of Mandatory Provisions</p>
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<p>company.</p> <p>In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days commencing from the date of the Company’s merger resolution and shall publish a public notice in a newspaper within thirty (30) days commencing from the date of the Company’s merger resolution. Creditors may, within a period of thirty (30) days commencing from the date of receipt of the written notification, or within a period of forty-five (45) days commencing from the date of the announcement for those who do not receive written notification, claim full repayment or require a corresponding security from the Company.</p> <p>At the time of merger, rights and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.</p>	<p>Article 171 of Guidelines for Articles of Association</p> <p>Rule 7(1) of Appendix 3 of the Main Board Listing Rules</p> <p>Article 173 of Guidelines for Articles of Association</p>
<p><b>Article 211</b></p> <p>Where there is a division of the Company, its assets shall be divided up accordingly.</p> <p>In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days commencing from the date of the Company’s division resolution and shall publish a public notice in a newspaper recognized by the stock exchange where the shares of the Company are listed within thirty (30) days commencing from the date of the Company’s division resolution.</p> <p>The liability for the debts before the Company is divided shall</p>	<p>Article 151 of Mandatory Provisions</p> <p>Article 172 of Guidelines for Articles of Association</p> <p>Rule 7(1) of Appendix 3 of the Main Board Listing Rules</p> <p>Article 175 of Guidelines</p>

<p>be borne by the companies surviving the division, unless the Company and its creditors have entered into a written agreement on payment of debts prior to the division and the agreement stipules otherwise.</p>	<p>for Articles of Association</p>
<p><b>Article 212</b></p> <p>The Company shall, in accordance with law, apply for change in its registration with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.</p>	<p>Article 152 of Mandatory Provisions</p> <p>Article 177 of Guidelines for Articles of Association</p>
<p><b>Article 213</b></p> <p>The Company shall be dissolved and liquidated according to laws upon the occurrence of any of the following events:</p> <ol style="list-style-type: none"> <li>(1) the term of its operations has expired;</li> <li>(2) a resolution regarding its dissolution is passed by the general meeting;</li> <li>(3) dissolution is necessary due to a merger or division of the Company;</li> <li>(4) the Company is legally declared insolvent due to its failure to repay debts as they fall due;</li> <li>(5) the Company had its business license revoked, is ordered to close or withdraw according to laws;</li> <li>(6) shareholders holding more than 10% of the voting rights of all shareholders of the Company may apply to the People’s Court to dissolve the Company if the Company experiences extreme difficulties in respect of its operations and management, which cannot otherwise be resolved, such that if the Company continues to operate, its shareholders will suffer significant losses;</li> <li>(7) other circumstances stipulated by laws and regulations stating that the Company shall be dissolved.</li> </ol>	<p>Article 153 of Mandatory Provisions</p> <p>Article 178 of Guidelines for Articles of Association</p>

<p><b>Article 214</b></p> <p>Where the Company is to be dissolved pursuant to items (1), (2), (6) of Article 213, a liquidation committee shall be established and shall conduct liquidation within fifteen days.</p> <p>The members of such liquidation committee shall be determined by the shareholders' general meeting by way of an ordinary resolution. If a liquidation committee is not established within the stipulated period, the company's creditors can apply to the People's Court, requesting the court to appoint relevant personnel to form the liquidation committee.</p> <p>Where the Company is to be dissolved pursuant to item (4) of Article 213, the people's court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to set up a liquidation committee to carry out liquidation.</p> <p>Where the Company is to be dissolved pursuant to Item (5) of Article 213, the relevant authorities in charge shall arrange for the shareholders, relevant authorities and relevant professionals to set up a liquidation committee to carry out liquidation.</p>	<p>Article 154 of Mandatory Provisions</p> <p>Article 180 of Guidelines for Articles of Association</p>
<p><b>Article 215</b></p> <p>Where the board of directors proposes to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the board shall include a statement in its notice convening a shareholders' general meeting stating that, after making full inquiry into the affairs of the Company, the board of directors is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.</p> <p>Upon the passing of the resolution by the shareholders in a general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease immediately.</p>	<p>Article 155 of Mandatory Provisions</p>

<p>The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's income and expenses, the business of the Company and the progress of the liquidation; and to present a final report to the shareholders' general meeting on completion of the liquidation.</p>	
<p><b>Article 216</b></p> <p>The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish a public announcement in a newspaper. A creditor shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five (45) days of the date of the public announcement, report its rights to the liquidation committee.</p> <p>The liquidation committee shall register the creditor's rights in accordance with the law. During the creditor-reporting period, the liquidation committee shall not pay any debts to any creditor.</p>	<p>Article 155 of Mandatory Provisions</p> <p>Article 186 of Company Law</p> <p>Rule 7(1) of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 217</b></p> <p>During the liquidation period, the liquidation committee shall exercise the following functions and powers:</p> <p>(1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;</p> <p>(2) to notify the creditors or to publish public announcements;</p> <p>(3) to dispose of and liquidate any unfinished businesses of the Company;</p> <p>(4) to pay all outstanding taxes as well as taxes arising in the course of liquidation;</p> <p>(5) to settle claims and debts;</p> <p>(6) to deal with the surplus assets remaining after the Company's debts have been repaid;</p> <p>(7) to represent the Company in any civil proceedings.</p>	<p>Article 157 of Mandatory Provisions</p> <p>Article 181 of Guidelines for Articles of Association</p>

<p><b>Article 218</b></p> <p>After it has sorted out the Company’s assets and has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders’ general meeting or to the relevant governmental authority for confirmation.</p> <p>After the resolution on liquidation is made by the shareholders’ general meeting or the Company is declared to be bankrupt according to law or ordered to be closed, nobody may dispose the assets of the company without approval of the liquidation committee.</p> <p>The assets of the Company shall be paid in accordance with following order: the liquidation charges, staff salary, social insurance, legally prescribed compensation, outstanding tax and company debts, in proportion to the shares held by shareholders.</p> <p>The shareholders may allocate the remaining assets of the company, after paying the expenses provided at proceeding paragraph, in accordance with the class and proportion of the shares held by the shareholders.</p> <p>During the liquidation period, the company continues to exist, but it may not commence operational activities not related to the liquidation.</p> <p>The assets of the Company shall not be distributed to the shareholders before the repayment of debts in accordance with provisions of the preceding article.</p>	<p>Article 158 of Mandatory Provisions</p> <p>Article 183 of Guidelines for Articles of Association</p>
<p><b>Article 219</b></p> <p>If the Company is liquidated for dissolution, after the liquidation committee clears up the company assets, and prepares the balance sheets and the inventory of assets, if it discovers that the company assets is not enough to pay off the debts, it should apply to the People’s Court to declare</p>	<p>Article 159 of Mandatory Provisions</p> <p>Article 184 of Guidelines for Articles of Association</p>

<p>bankruptcy according to the law immediately.</p> <p>After the People’s Court declares the company bankrupt, the liquidation committee should transfer the liquidation to the People’s Court.</p>	
<p><b>Article 220</b></p> <p>After the completion of liquidation, the liquidation committee should prepare a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verified thereof by an accountant registered in China, submit the same to the shareholders’ general meeting or the relevant authorities in charge for confirmation.</p> <p>Within thirty (30) days from the date of confirmation by the shareholders’ general meeting or the relevant authorities in charge, the liquidation committee shall submit the above-mentioned documents to the company registration authority to apply for cancellation of the Company’s registration and issue an announcement on the Company’s termination.</p>	<p>Article 160 of Mandatory Provisions</p> <p>Article 185 of Guidelines for Articles of Association</p>

CHAPTER 22 PROCEDURES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

<p><b>Article 221</b></p> <p>The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Company’s Articles of Association.</p>	<p>Article 161 of Mandatory Provisions</p>
<p><b>Article 222</b></p> <p>Amendment of the Company’s Articles of Association which involves the content of the Mandatory Provisions shall become effective upon receipt of approvals from the companies approving department authorized by the State Council and the securities authority of the State Council. If there is any change</p>	<p>Article 162 of Mandatory Provisions</p>

relating to the registered particulars of the Company, application shall be made for change in registration in accordance with law.	
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**CHAPTER 23 SETTLEMENT OF DISPUTES**

**Article 223**

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

(1) Whenever any disputes or claims arise between: (i) the Company and its directors or senior officers; and (ii) holders of the Overseas-Listed Foreign Shares and the Company; holders of the Overseas-Listed Foreign Shares and the Company's directors, supervisors, General manager or other senior officers; or holders of the Overseas-Listed Foreign Shares and holders of Domestic Shares, in respect of any rights or obligations arising from these Articles of Association, the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration, and 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, shall, where such person is the Company, the Company's shareholders, directors, supervisors, General manager or other senior officers of the Company, comply with the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders 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

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Article 163 of Mandatory  
Provisions

Rule 19A.54(3)(a) of the  
Main Board Listing Rules

Rule 19A.54(3)(b) of the  
Main Board Listing Rules

Rule 19A.54(3)(c) of the  
Main Board Listing Rules

Rule 19A.54(3)(d) of the  
Main Board Listing Rules



<p>and Trade Arbitration Commission in accordance with its arbitration rules or by the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once the party seeking arbitration submits a dispute or claim to arbitration, the other party must proceed with the arbitral body selected by the party seeking the arbitration.</p> <p>If the party seeking arbitration elects to arbitrate the dispute or claim at Hong Kong International Arbitration Centre, then either party may apply to have such arbitration conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.</p> <p>(3) If any disputes or claims of rights are settled by way of arbitration in accordance with sub- paragraph (1) of this Article, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.</p> <p>(4) The award of the arbitral body is final and shall be binding on the parties thereto.</p> <p>(5) Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award.</p>	<p>Rule 19A.54(3)(e) of the Main Board Listing Rules</p> <p>Rule 19A.54(3)(f) of the Main Board Listing Rules</p> <p>Rule 19A.54(3)(g) of the Main Board Listing Rules</p> <p>Rule 19A.54(3)(i) of the Main Board Listing Rules</p>
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CHAPTER 24 NOTICE

<p><b>Article 224</b></p> <p>Unless otherwise provided in these Articles of Association, the notice delivered to the Overseas-Listed Foreign Shareholders, if delivered by public announcement, the Company shall submit an electronic version which may be published immediately to Stock Exchange through the electronic upload system to publish it on the website of Hong Kong Exchange. The announcement shall be published on the Company’s website at the same time. In addition, the Company shall deliver the notice to each of the Overseas-Listed Foreign Shareholders in person or by postpaid mails according to their registered address, to facilitate that the shareholders are fully informed and have sufficient time to exercise their rights or act in accordance with the notice.</p>	
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<p>The Overseas-Listed Foreign Shareholders may choose to receive the information from the Company in electronic way or by post, in Chinese version or English version or both. The Overseas-Listed Foreign Shareholders may also notify the company at a reasonable time in advance to change the way to receive the above-mentioned information and in which language.</p>	
<p><b>Article 225</b> If a notice is delivered by post, it is only necessary to write down the address, prepay the post and put the notice into the envelope. The notice is deemed to be delivered when it is put into the mailbox and served in 48 hours afterwards. The notice to the Domestic Shareholders should be announced on one or more newspapers designated by the state securities authorities. The notice is deemed to be served on all of the Domestic Shareholders upon publish of the announcement.</p>	<p>Rule 7(1) and (3) of Appendix 3 of the Main Board Listing Rules</p>
<p><b>Article 226</b> Notwithstanding the preceding article specifies that the Company shall provide with and/or deliver the Company information in writing to the shareholders, as regard to the way to provide with and/or deliver the Company information to shareholders, if the Company has obtained the shareholders' written or implied consent in advance in accordance with relevant laws and regulations and listing rules of Hong Kong as amended from time to time, the Company may deliver or provide with the Company information for the shareholders of the Company by electronic way or by way of announcement on the Company's website. The Company information include but not limited to: circular letter, annual report, mid-term report, quarterly report, notice of shareholders' general meeting and other types of Company information provided by the listing rules of Hong Kong.</p>	

CHAPTER 25 SUPPLEMENTARY

<p><b>Article 227</b></p> <p>Such terms as “no less than”, “within”, “no more than” as mentioned herein shall include in the amount the figures listed; such terms as “more than” or “beyond” shall not include the figures listed.</p>	<p>Article 195 of Guidelines for Articles of Association</p>
<p><b>Article 228</b></p> <p>The “General manager”, “Deputy general manager” referred to herein shall have same meanings with the “manager”, “vice manager” specified in the Company Law.</p>	<p>Article 11 of Guidelines for Articles of Association</p>
<p><b>Article 229</b></p> <p>In the Company’s Articles of Association, references to “accountancy firm” shall have the same meaning as “auditor”.</p>	<p>Article 165 of Mandatory Provisions</p>
<p><b>Article 230</b></p> <p>The Articles of Association shall be written in Chinese. Where the versions written in other languages or other versions have different interpretations, the latest verified Chinese version registered in the company registration authority shall prevail. Where the versions written in other languages have different interpretations, the Chinese version shall prevail.</p> <p>The Articles of Association shall be interpreted by the board of directors of the Company. Any matters unspecified in these Articles of Association shall be decided by resolutions of the shareholders’ general meetings proposed by the board of directors.</p>	<p>Article 194 of Guidelines for Articles of Association</p> <p>Article 196 of Guidelines for Articles of Association</p>