

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.

Articles of Association

Embodied all amendments passed by Special Resolutions at
the Extraordinary General Meetings or
Annual General Meetings up to 20 January 2017.

CONTENTS

Chapter 1	General Provisions.....	4
Chapter 2	Objective and Scope of Business	6
Chapter 3	Shares and Registered Capital	7
Chapter 4	Capital Decrease and Share Buyback	12
Chapter 5	Financial Assistance for Buying Company's Shares	15
Chapter 6	Shares and Shareholders' Register	16
Chapter 7	Rights and Obligations of Shareholders.....	20
Chapter 8	General Meeting	23
Chapter 9	Special Voting Procedures for Class Shareholders.....	32
Chapter 10	Board of Directors	35
Chapter 11	Secretary to the Board of Directors	39
Chapter 12	The Manager.....	40
Chapter 13	Supervisory Committee.....	41
Chapter 14	Qualifications and Obligations of Directors, Supervisors, the Manager and Other Senior Executives	43
Chapter 15	Financial Accounting System and Profit Distribution	51
Chapter 16	Appointment of Certified Public Accountants.....	54
Chapter 17	Insurance	57
Chapter 18	Labor Management.....	57
Chapter 19	Labor Union	57
Chapter 20	Merger and Division of the Company	58
Chapter 21	Dissolution and Liquidation of the Company	59
Chapter 22	Procedure for Amending Articles of Association.....	61
Chapter 23	Notice.....	62
Chapter 24	Settlement of Disputes	63
Chapter 25	Supplementary Provisions	64

Note: In Articles of Association, *Mandatory Provisions* refers to *Mandatory Provisions for Articles of Association of Companies to Be Listed Overseas* jointly issued by the former Securities Committee of the State Council and the former State Commission for Restructuring the Economic System (SCRES); *Special Regulations* refers to *Special Regulations on the Overseas Offerings and Listing of Shares by Joint Stock Limited Companies* issued by the General Office of the State Council; *Listing Rules* refers to the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (SEHK)*; Zheng Jian Hai Han refers to *Letter of Opinions on Supplementary Amendment to Articles of Association of Companies Listed in Hong Kong* (Zheng Jian Hai Han [1995] No. 1) jointly issued by Overseas Listing Division of China Securities Regulatory Commission (“CSRC”) and Production System Division of the former SCRES; *Opinion* refers to *Opinion on Further Promoting Regulation of Operation and In-depth Reform of Companies Listed Overseas* jointly issued by State Economic and Trade Commission and CSRC; *Working Guidelines for Secretaries* refers to *Working Guidelines for Secretaries of Board of Directors of Companies Listed Overseas* issued by CSRC.

(This document is prepared in Chinese without an official English version. This English version is for reference only. In case of any inconsistency, the Chinese version shall prevail)

**Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
Articles of Association**

Chapter 1 General Provisions

- Article 1 Shanghai Dasheng Agriculture Finance Technology Co., Ltd. (“the Company”) is a joint stock limited company incorporated in accordance with the *Company Law of the People’s Republic of China* (“Company Law”), and other relevant laws and administrative regulations of the State. App 13D, Section 1(a), *Listing Rules*; MP1
- Established by Shanghai Donghua International Trade Co., Ltd. through integrated change upon approval by Shanghai Municipal People’s Government in its document Hu Fu Fa Gai Shen [2003] No.005, the Company was registered with Shanghai Administration for Industry & Commerce on 30 December 2003 and obtained Business License of Enterprise as Legal Person (No.: 3100001007195).
- After being listed on the GEM of SEHK, the Company applied to the Ministry of Commerce of the People’s Republic of China for changing into a foreign-funded joint stock limited company. After obtaining the Certificate of Approval for Foreign-Funded Enterprises of the People’s Republic of China from Ministry of Commerce of the People’s Republic of China, the Company registered the change with Shanghai Administration for Industry & Commerce and obtained a new business license. Upon approval of relevant government departments and SEHK, the Company transferred its listing from GEM to the Main Board of SEHK.
- The promoters of the Company are: Shanghai Changlu Trading Co., Ltd., Qian Wenhua, Lu Yong, Liu Huiping, Yao Peie, Le Fengchun, Ji Rubi, Li Hongyuan, Liu Chengyong, Zhang Jinhua, Shen Linxiang, Jin Guoren, Wang Jinfeng and Wang Jinying.
- Article 2 Registered name of the Company (in Chinese): MP 2
上海大生農業金融科技股份有限公司
(In English): Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
- Article 3 Domicile of Company: Room 706, Renhe Building, 2056 Pudong Road, MP3
Pudong New Area, Shanghai, China
- Post code: 200135
Tel: (021) 63256060
Fax: (021) 63255955
- Article 4 The legal representative of the Company is the chairman of the board of MP4
directors of the Company.
- Article 5 The Company is a permanently subsisting joint-stock company with limited MP5
liability.

The shareholders of the Company shall bear responsibilities for the Company to the extent of the shares they hold and the Company shall bear responsibilities for its debts with its entire assets.

As an independent corporate legal person, the Company shall be governed and protected by PRC laws and administrative regulations.

Article 6 Pursuant to *Company Law, Special Regulations, Mandatory Provisions* and other relevant laws and administrative regulations of the State, the Company amended the Original Articles of Association (“Original Articles of Association”) and formulated these Articles of Association (or “Articles of Association” or “these Articles of Association”) at the extraordinary general meeting held on 9 August 2004, annual general meeting on 24 June 2005, extraordinary general meeting on 16 February 2006, annual general meeting on 16 May 2006, extraordinary general meeting on 17 January 2007, annual general meeting on 22 May 2008, extraordinary general meeting on 19 February 2009, annual general meeting on 20 May 2010, extraordinary general meeting on 21 April 2011, annual general meeting on 15 June 2012, extraordinary general meeting on 27 December 2012, extraordinary general meeting on 29 April 2013, annual general meeting on 6 June 2013, annual general meeting on 25 June 2014, extraordinary general meeting on 19 December 2014, annual general meeting on 23 June 2015, extraordinary general meeting on 16 November 2015, annual general meeting on 23 August 2016 and extraordinary general meeting on 20 January 2017. The Company may amend these Articles of Association if necessary.

Article 7 The Original Articles of Association become effective as from the date of registration of the Company.

Upon adoption by special resolution on the general meeting of the Company and all necessary approvals from the Company, these Articles of Association shall take effect once these Articles of Association become effective, if will supersede the original Articles of Association as from the date of listing of the Company on the Main Board of SEHK.

Article 8 Commencing from the date that the Articles of Association take effect, the Articles of Association shall become a binding legal document for regulating the organization and behaviour of the Company, as well as the rights and obligations shared between the Company and its shareholders and between and among the Company’s shareholders. MP 6

Article 9 The Articles of Association shall be binding upon the Company and its shareholders, directors, supervisors, manager, and other senior executives, who shall have the right to make any claims and propositions regarding the Company’s affairs in accordance with the Articles of Association. MP 7

Pursuant to the Articles of Association, shareholders may pursue actions against the Company; the Company may pursue actions against its shareholders; shareholders may pursue actions against other shareholders; shareholders may pursue actions against directors, supervisors, manager and other senior executives of the Company.

The actions, as referred to in the preceding paragraph, include instituting of legal proceedings with a court or filing with an arbitral authority for arbitration.

Article 10 The Company may invest in other limited liability companies or joint-stock companies, and the Company's liability towards such companies shall be limited to the amount of the Company invested. MP 8

The Company shall not become an unlimited liability shareholder of any other profit-making organisation.

Upon the approval from the company approval authority authorized by the State Council, the Company may, based on the Company's managerial needs, operate as a holding company.

Article 11 Provided that the relevant PRC laws and regulations are observed, the Company shall have the right to raise capital or seek loans, including (but not limited to) issuing corporate bonds, and to mortgage or pledge its property. The Company shall also have the right to provide guarantee for any third party. However, when the Company exercise the aforesaid powers, rights of the shareholders of any class of the Company shall not be damaged or abolished.

Chapter 2 Objective and Scope of Business

Article 12 The business objectives of the Company are: operating independently, taking fully responsibility for its own profits and losses, seeking self-development and self-perfection, participating actively in market competition, enlivening the incentive mechanism, and intensifying restraint mechanism; actively promoting democratic management with a view of economic returns; making distribution according to the combination of work and shareholding. MP9

Article 13 The business scope of the Company shall be as approved by the company registration authority. MP10

The business scope of the Company is: self-employed and agents of various imports and exports commodities and technologies, excluding those whose import and export are limited or prohibited by the state; wholesale of edible agricultural products, asphaltum, fuel oil, building materials and chemical products (hazardous chemicals operations is subject to the scope of the license); business consulting services; wholesale, import and export, commission agency of chemical fertilizer (excluding auction); warehousing (limited to branch operation); engaging in technical consulting, technology services in the field of network technology; computer software development, design, production, sales of self-developed products, and providing related technical consulting and technology services; computer system integration design, installation, debugging, maintenance and providing relevant technical consulting services (excluding state-operating trading commodities; commodities involving quota and licensing shall be subject to application under the relevant national regulations).

Projects that are subject to approval in accordance with laws must be approved by relevant departments before the commencement of operation activities.

Article 14 The Company may establish holding subsidiaries, shareholding subsidiaries, branches, representative offices, etc. based on business needs.

The Company may, based on business needs and upon approval of relevant government agencies, adjust the scope and mode of businesses in due course and establish branches (whether wholly owned or not) and/or offices in foreign countries, Hong Kong Special Administrative Region (Hong Kong), Macao Special Administrative Region (Macao) and Taiwan.

Chapter 3 Shares and Registered Capital

Article 15 The Company shall have common shares at all times. The common shares issued by the Company include domestic shares and foreign shares. With the approval of the company examination and approval authority authorized by the State Council, the Company may have other forms of shares when needed. MP11; App 3, Para 9, *Listing Rules*

Article 16 All shares issued by the Company shall have par values, with each share having a par value of RMB0.10. MP12

Renminbi referred to in the preceding paragraph shall mean the legal tender of the PRC.

Article 17 The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council. MP13

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 18 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas listed foreign shares. Both the holders of domestic shares and overseas listed foreign shares are the shareholders of ordinary shares, and have the same rights and obligations. MP14; App3, Para 9 *Listing Rules*

The foreign currency referred to in the preceding paragraph is a legal currency (other than Renminbi) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for payment of the Company's shares.

Shares issued by the Company but not listed in the stock exchanges in or outside the PRC referred to as non-listed shares. Upon approval from the securities regulatory authorities of the State Council, the non-listed shares can be listed and traded on the overseas stock exchanges and converted to overseas listed foreign shares. The listing and trading of the transferred shares on the overseas stock exchanges shall also in all respects comply with the regulatory procedures, regulations and requirements prescribed by the relevant overseas stock exchanges.

No general meeting or class meeting is required to be held for non-listed shares that are listed and traded on the overseas stock exchanges and converted to overseas listed foreign shares. Upon transfer to overseas listed foreign shares, the non-listed shares shall be as the same class of original overseas listed foreign shares.

Article 19 The overseas listed foreign shares offered by the Company on SEHK are called H Shares for short. H Shares are shares listed on SEHK, with par values stated in RMB, and subscribed and traded in HK\$.

Article 20 With the approval of the Shanghai Municipal People's Government, the Company, at the time of its incorporation, issued to its promoters a total of 24,000,000 ordinary shares (representing 100% of the total number of ordinary shares that may be issued by the Company at the time) with a par value of RMB1.00 per share, all of which have been subscribed by the promoters, among which: MP15

Qian Wenhua subscribed for 9,589,600 shares, representing 39.96% of the total issued ordinary shares of the Company at the time of its incorporation;

Lu Yong subscribed for 3,130,900 shares, representing 13.05% of the total issued ordinary shares of the Company at the time of its incorporation;

Liu Huiping subscribed for 1,792,700 shares, representing 7.47% of the total issued ordinary shares of the Company at the time of its incorporation;

Yao Peie subscribed for 1,727,300 shares, representing 7.2% of the total issued ordinary shares of the Company at the time of its incorporation;

Le Fengchun subscribed for 1,120,000 shares, representing 4.67% of the total issued ordinary shares of the Company at the time of its incorporation;

Ji Rubi subscribed for 1,038,900 shares, representing 4.32% of the total issued ordinary shares of the Company at the time of its incorporation;

Li Hongyuan subscribed for 920,000 shares, representing 3.83% of the total issued ordinary shares of the Company at the time of its incorporation;

Liu Chengyong subscribed for 789,100 shares, representing 3.29% of the total issued ordinary shares of the Company at the time of its incorporation;

Zhang Jinhua subscribed for 757,600 shares, representing 3.15% of the total issued ordinary shares of the Company at the time of its incorporation;

Shen Linxiang subscribed for 738,200 shares, representing 3.08% of the total issued ordinary shares of the Company at the time of its incorporation;

Jin Guoren subscribed for 472,700 shares, representing 1.97% of the total issued ordinary shares of the Company at the time of its incorporation;

Wang Jinfeng subscribed for 334,500 shares, representing 1.39% of the total issued ordinary shares of the Company at the time of its incorporation;

Wang Jinying subscribed for 227,300 shares, representing 0.95% of the total issued ordinary shares of the Company at the time of its incorporation;

Shanghai Changlu Trading Company Limited (上海昌魯貿易有限公司) subscribed for 1,361,200 shares, representing 5.67% of the total issued ordinary shares of the Company at the time of its incorporation.

Article 21

Upon approval by the securities regulatory authorities of the State Council, the Company split its 24,000,000 shares at RMB1.00 per share into 240,000,000 shares at RMB0.10 per share, and additionally issued 103,000,000 H shares at RMB0.10 per share, accounting for 30.03% of the total ordinary shares that may be issued by the Company. After the above additional offering, the Company's share capital increased from 240,000,000 shares to 343,000,000 shares, each bearing a par value of RMB0.10.

MP16;
App3,
Para 9
Listing Rules

The Company passed the resolution on distributing 343,000,000 bonus shares at the general meeting on 16 May 2006, each bearing a par value of RMB0.10, to the shareholders of the Company. After the above distribution of bonus shares, the Company's share capital increased from 343,000,000 shares to 686,000,000 shares, each bearing a par value of RMB0.10.

Upon approval by the securities regulatory authorities of the State Council, the Company allotted 175,000,000 H shares, each bearing a par value of RMB0.10, to Mumiya Limited and Babylon Limited and the Company also publicly offered H shares, each bearing a par value of RMB0.10, not exceeding 75,190,000 shares. After the aforesaid allotment and public offer, the Company's share capital increased from 686,000,000 shares to 936,190,000 shares, each bearing a par value of RMB0.10.

On 15 April 2014, the domestic shareholders of the Company signed a share transfer agreement with Shenzhen Dasheng Agricultural Group Co., Ltd., in relation to the transfer of 246,780,000 domestic shares in aggregate to Shenzhen Dasheng Agricultural Group Co., Ltd. Upon the completion of the transfer, the Company's ordinary shares totaled as 936,190,000 shares, each bearing a par value of RMB0.10.

The Company passed the resolution on distributing 468,095,000 bonus shares at the general meeting on 25 June 2014, each bearing a par value of RMB0.10, to the shareholders of the Company. After the above distribution of bonus shares, the Company's share capital increased from 936,190,000 shares to 1,404,285,000 shares, each bearing a par value of RMB0.10.

On 24 April 2014, domestic shareholders Qian Wenhua, Li Hongyuan entered into a supplemental agreement to share transfer agreement with Shenzhen Dasheng Agricultural Group Co., Ltd., in relation to the transfer of 32,762,997 shares of the Company to Shenzhen Dasheng Agricultural Group Co., Ltd.; on 25 April 2014, Qian Wenhua, Li Hongyuan entered into a share transfer agreement with Zhenjiang Runde Equity Investment Fund Ltd., in relation to the transfer of 200,457,003 shares of the Company to Zhenjiang Runde Equity Investment Fund Ltd.. All parties agree that bonus shares related to the subject transferred shares are owned by transferees before completion of share transfers.

The Company passed the resolution on the rights issue of domestic shares and H shares at the general meeting on 19 December 2014. Upon approval by the securities regulatory authorities of the State Council, the Company additionally issued 307,928,250 H shares, each bearing a par value of RMB0.10. According to the subscription agreement dated 23 February 2015 entered into among the domestic shareholders, Shenzhen Dasheng Agricultural Group Co., Ltd. and Zhenjiang Runde Equity Investment Fund Ltd., and the Company, Shenzhen Dasheng Agricultural Group Co., Ltd. subscribed 188,691,523 domestic shares additionally issued by the Company and Zhenjiang Runde Equity Investment Fund Ltd. subscribed 135,308,477 domestic shares additionally issued by the Company, each share bearing a par value of RMB0.10. After the above issue of shares, the Company's share capital increased from 1,404,285,000 shares to 2,036,213,250 shares, each bearing a par value of RMB0.10.

The Company passed the resolution on distributing 1,018,106,625 bonus shares at the general meeting on 23 June 2015, each bearing a par value of RMB0.10, to the shareholders of the Company. After the above distribution of bonus shares, the Company's share capital increased from 2,036,213,250 shares to 3,054,319,875 shares, each bearing a par value of RMB0.10.

The Company passed the resolutions on subscription by Shenzhen Dasheng Agricultural Group Co., Ltd. of 1,500,000,000 H shares issued to Hong Kong Dasheng Investment Holding Company Limited and issue and placement of 1,500,000,000 H shares towards not less than six places through the placing agent at the general meeting on 16 November 2015, each bearing a par value of RMB0.10. Securities regulatory authority of the State Council has approved the issue of no more than 3,000,000,000 H shares by Company, each bearing a par value of RMB0.10. The Company finally issued 1,500,000,000 H shares to Hong Kong Dasheng Investment Holding Company Limited and 534,400,000 H shares towards not less than six places. After completion of the above subscription and placing, the Company's share capital increased from 3,054,319,875 shares to 5,088,719,875 shares, each bearing a par value of RMB0.10.

The Company passed the resolution on distributing 2,544,359,937 bonus shares at the general meeting on 23 August 2016, each bearing a par value of RMB0.10, to the shareholders of the Company. After the above distribution of bonus shares, the Company's share capital increased from 5,088,719,875 shares to 7,633,079,812 shares, each bearing a par value of RMB0.10.

The Company passed the resolutions on subscription by Shenzhen Dasheng Agricultural Group Co., Ltd. and Zhenjiang Runde Equity Investment Fund Ltd. of 1,000,000,000 new Domestic shares issued to Shenzhen Dasheng Agricultural Group Co., Ltd. and Zhenjiang Runde Equity Investment Fund Ltd., and issue and placement of 1,500,000,000 H shares in up to two tranches through the placing agent at the general meeting on 20 January 2017, each bearing a par value of RMB0.10. Securities regulatory authority of the State Council has approved the issue of no more than 1,500,000,000 H shares by the Company, each bearing a par value of RMB0.10. The Company finally issued 1,000,000,000 new Domestic shares to Shenzhen Dasheng Agricultural Group Co., Ltd. and Zhenjiang Runde Equity Investment Fund Ltd., and 918,000,000 H shares towards one placee. After completion of the above subscription and placing, the Company's share capital increased from 7,633,079,812 shares to 9,551,079,812 shares, each bearing a par value of RMB0.10.

The Company's ordinary shares totaled as 9,551,079,812 shares, each bearing a par value of RMB0.10. The share capital structure of the Company is set out below:

Name of shareholders	Number of shares held (share)	Percentage of the total share capital (%)	Class of Shares
Domestic Shareholders:			
Shenzhen Dasheng Agricultural Group Co., Ltd.	1,818,013,540	19.03	Non-listed Shares
Zhenjiang Runde Equity Investment Fund Ltd.	1,530,986,460	16.03	Non-listed Shares
Sub total	3,349,000,000	35.06	
Holder of H shares	6,202,079,812	64.94	Overseas listed foreign Shares
Total	9,551,079,812	100.00	

Article 22 The board of directors of the Company may make arrangement for the separate issuance of domestic shares and overseas listed foreign shares in accordance with the issue scheme approved by the securities regulatory authority under the State Council. MP17

According to the aforesaid scheme for separate issuance of domestic shares and overseas listed foreign shares, the Company may issue shares within 15 months after the approval from the securities regulatory authority under the State Council.

Article 23 If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the issue scheme, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time, under special reasons, the said shares may be issued by several times upon approval by the securities regulatory authority under the State Council. MP18

Article 24	The registered capital of the Company is RMB955,107,981.2.	MP19
Article 25	The Company may, depending on operating and development requirements, approve an increase in its capital pursuant to the relevant provisions of the Articles of Association.	MP20

The Company may increase its capital by:

- (I) offering new shares to non-specific investors;
- (II) selling new shares to existing shareholders;
- (III) allotting bonus shares to existing shareholders; and
- (IV) other methods/modes approved by laws, administrative rules and regulations.

Issue of new shares by the Company shall be subject to approval as specified in the Articles of Association and follow the procedures specified in the relevant national laws and administrative regulations.

Article 26	Unless otherwise specified in the relevant laws and administrative regulations, all fully-paid Company's shares can be transferred freely without any limitation and not subject to any lien.	MP21; App 3, Para 1(2), <i>Listing Rules</i>
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Chapter 4 Capital Decrease and Share Buyback

Article 27	The Company may reduce its registered capital in accordance with the regulations set in the Articles of Association.	MP22
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Article 28	The Company shall prepare a balance sheet and a list of inventory of assets when reducing its registered capital.	MP23
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The Company shall notify creditors within ten (10) days after adoption of the resolution on reduction of the registered capital and shall within thirty (30) days make at least three announcements regarding the reduction on newspapers (including newspapers in the PRC that comply with the Listing Rules). The creditors shall have the right to claim full repayment of their debts or to require corresponding guarantees for debt repayment from the Company within thirty (30) days after the receipt of such notice, or within ninety (90) days after the first public announcement for creditors who did not receive the notice.

The Company's registered capital shall not, upon the reduction of capital, be less than the statutory minimum limit.

Article 29 The Company may, in the following circumstances, repurchase its outstanding shares following the procedure specified in the Articles of Association and with the approval from the regulatory authority of the State: MP24

- (I) cancellation of the shares to reduce the Company's capital;
- (II) merging with other companies holding shares of the Company; and
- (III) other circumstances stipulated by laws and administrative regulations.

The Company shall repurchase its issued shares pursuant to Article 30 to Article 33.

Article 30 The Company may repurchase its shares conducted in any of the following methods with approval from the regulatory authority of the state: MP25

- (I) offering to repurchase shares from all shareholders according to the proportion of shares they hold;
- (II) repurchasing through open transaction in the stock exchange; and
- (III) repurchasing through agreement outside the stock exchange.

Article 31 In buying back shares through agreement outside the stock exchange, the Company obtain prior approval in accordance with the Articles of Association at a general meeting. Upon the prior approval at the general meeting in the same manner, the Company may cancel or amend the contract already concluded in the aforesaid manner or waive any right under the contract. MP26

The share buyback contract mentioned in the preceding paragraph includes (but is not limited to) agreement to undertake share buyback obligations and obtain share buyback rights.

The Company shall not transfer the share buyback contract or any right thereunder.

In respect of redeemable shares that the Company is entitled to buy back:

- (I) Their price shall not exceed a specified maximum amount, if such shares are not bought back through public trading or tender;
- (II) If the shares are bought through by tender, imitation to tender bids shall be presented to all shareholders in the same manner.

App 3, Para 8(1), (2),
Listing Rules

Article 32 After repurchasing its shares according to the laws, the Company shall cancel the said shares before the deadline specified by the relevant laws and administrative regulations, and register the change of the registered capital with the original company registration authority. MP27

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

Article 33 Unless the Company is under liquidation, the Company shall observe the following regulations when repurchasing its outstanding shares: MP28

(I) If the Company repurchases its shares at par value, the payment shall be deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for buying back old shares.

(II) If the Company repurchases its shares above par value, the part equivalent to the par value shall be deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for buying back old shares; for the part that is above the par value shall be processed as follows:

1. deducted from the book balance of distributable profit of the Company if the shares repurchased were issued at par value;
2. deducted from the book balance of distributable profit of the Company and the proceeds from issue of new shares for buying back old shares if the shares repurchased were issued above par value; but the amount deducted from the proceeds from issue of new shares shall not exceed the total premium obtained at the time of issue of the shares repurchased and shall not exceed the amount (including premium from issue of new shares) in the capital reserve account of the Company at the time of the purchase.

(III) The monies paid by the Company for the following purposes shall be deducted from the distributable profits of the Company:

1. acquiring the right to repurchase its shares;
2. changing the share repurchase contract;
3. cancelling its obligations under the share repurchase contract.

(IV) After the par value of the cancelled shares is deducted from the registered capital of the Company pursuant to relevant regulations, the amount deducted from the distributable profit for paying the par value of the shares repurchased shall be recorded in the capital reserve account of the Company.

Chapter 5 Financial Assistance for Buying Company's Shares

Article 34 The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations because of the purchase of the Company's shares. MP29

The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

The provisions of this Article do not apply to the circumstances set out in Article 36.

Article 35 Financial assistance referred to in this chapter includes (but is not limited to): MP30

- (I) gift;
- (II) guarantee (including the case where the guarantor undertakes liability or provides property to ensure fulfilment of obligations by the obligor), compensation (excluding compensation arising out of the Company's own error), termination or waiver of rights;
- (III) provision of loan or execution of contract under which the Company fulfils obligations prior to other parties, change of the said loan and the parties to the contract, and transfer of the said loan and rights under the contract;
- (IV) provision of any other form of financial assistance when the Company is insolvent, has no net assets or its net assets are likely to decrease significantly.

Obligations referred herein include obligations undertaken by the obligor for entering into a contract or making an arrangement (regardless of whether the said contract or arrangement is enforceable or whether it is undertaken by the obligor individually or jointly with others) or for changing his financial position in any form.

Article 36 The following acts are not deemed as prohibited under Article 34 of the Article of Association: MP31

- (I) The Company provides the relevant financial assistance in the interest of the Company in good faith, and the main purpose of the said financial assistance is not to purchase the Company's shares, or the said financial assistance is part of a general plan of the Company;
- (II) The Company distributes its properties as dividends in accordance with the law;
- (III) The Company distributes shares as dividends;

- (IV) The Company decreases its registered capital, repurchases its shares and adjusts its equity structure in accordance with the Articles of Association;
- (V) The Company provides a loan for its normal business operations in its ordinary course of business (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is deducted from the distributable profit of the Company);
- (VI) The Company provides loan for employee stock ownership plan (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is deducted from the distributable profit of the Company).

Chapter 6 Shares and Shareholders' Register

Article 37 The Company's shares are all registered shares. MP32

The Company's shares shall specify:

- (I) Company name;
- (II) Date of incorporation of the Company;
- (III) Type of stock, par value and number of shares represented;
- (IV) Stock number;
- (V) Other matters to be specified pursuant to the Company Law, Special Regulations and as required by the stock exchange on which the Company's shares are listed.

Article 38 Shares of the Company may be transferred, presented, inherited and mortgaged in accordance with the relevant laws, administrative regulations and these Articles of Association. App 3, Para 1(1), *Listing Rules*

Transfer documents and other documents relating to or affecting the ownership of any registered share shall be registered with the agency designated by the Company.

- Article 39 Shares shall be signed by the chairman of the board of directors. Other relevant senior executives of the Company shall also sign the shares if required by the stock exchange on which the Company's shares are listed. The shares shall be effective upon being affixed with the seal (including securities seal) of the Company. The seal or securities seal of the Company shall only be affixed under the authorization of the board of directors. The signature of the chairman or other relevant senior executive of the Company may also be printed on the shares. MP33; App 3, Para 2(1), *Listing Rules*
- Article 40 The Company shall establish a shareholders' register recording the following matters: MP34
- (I) Names (title), addresses (residence), occupations or nature of each shareholder;
 - (II) type and number of shares held by each shareholder;
 - (III) amount paid or payable for the shares held by each shareholder;
 - (IV) the serial numbers of the shares held by each shareholder;
 - (V) the date on which each shareholders is registered as shareholders;
 - (VI) the date on which each shareholder cease to be a shareholder.
- The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.
- Article 41 The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agent in accordance with the understanding and agreement reached between the Securities Regulatory Authority under the State Council and the Overseas Securities Regulatory Authority. The original of register of holders of H-shares shall be kept in Hong Kong. MP35; App 13D, Section 1(b), *Listing Rules*
- The Company shall keep at its domicile a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agent shall maintain the consistency between the original and copies of the register of holders of overseas listed foreign shares from time to time.
- When the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.
- Article 42 The Company shall keep a complete shareholders' register. MP36
- The shareholders' register includes the following parts:
- (I) Shareholders' register kept at the domicile of the Company, save as those specified in (II) and (III) herein;

- (II) Register of holders of overseas listed foreign shares kept at the overseas stock exchange;
- (III) Shareholders' register that the board of directors decides to keep at other place for the purpose of listing the shares of the Company.

Article 43 The respective parts of the Register of members shall not overlap. In the event of transfer of shares registered in a specific part of the register of members, the said shares shall not be registered in any other part of the register of members list in the duration of the registration of the said shares. MP37

Any amendment or correction of any part of the register of members shall comply with the law of the locations where the respective parts are kept.

All fully paid up H shares may be transferred freely without any limitation in accordance with these Articles of Association; save under the following conditions, the board of directors may refuse to recognize any instrument of transfer without providing any reason: App 3, Para 1(2), *Listing Rules*

- (I) HK\$2.5 or a higher amount specified by SEHK in Listing Rules has been paid to the Company for each copy of the instrument of transfer to register the said instrument of transfer and any other document relating to or affecting the ownership of the shares; App 3, Para 1(1), *Listing Rules*
- (II) The instrument transfer only involves H shares;
- (III) Stamp duty has been paid for the instrument of transfer;
- (IV) Relevant shares and evidence reasonably required by the board of directors to prove that the transferor has the right to transfer the said shares are provided;
- (V) If the shares are transferred to joint holders, the number of joint holders shall not exceed four; and
- (VI) The relevant shares are not subject to the lien of any company. App 3, Para 1(3), *Listing Rules*

The Company's H shares shall be transferred in writing by an instrument of transfer in a regular or common format or other format accepted by the board of directors; the said instrument of transfer be signed by hand, or signed by hand or by machine imprinted signature if the transferor or transferee is a recognized clearing house or proxy thereof ("Recognized Clearing House") as defined in Hong Kong laws. App 3, Para 1(2), *Listing Rules*

All instruments of transfer shall be kept at the legal address of the Company or other places designated by the board of directors from time to time.

Article 44	Any change or correction of any part of the shareholders' register shall comply with the relevant law of the location where the said part is kept. No change of the shareholders' register arising out of a transfer of shares shall be made within 30 days prior to a general meeting or within 5 days prior to the date on which the board of directors decides to distribute dividends.	MP38
Article 45	If the Company convenes a general meeting, distributes dividends, undergoes liquidation or executes any other act requiring recognition of equity, the board of directors shall designate a certain date as equity recognition date, at the end of which the shareholders in the register shall be shareholders of the Company.	MP39
Article 46	Any person who objects to the shareholders' register and requests to have his name (or title) recorded in or deleted from the shareholders' list may apply to the court which has jurisdiction to correct the shareholders' register.	MP40
Article 47	If any shareholder in the Register of members or any person requesting to have his name recorded in the Register of members has lost his shares (i.e. "the Original Shares"), the said shareholder or person may apply to the Company to reissue new shares for the said shares (i.e. "the Relevant Shares").	MP41

Application for reissue of lost shares by holders of domestic shareholders shall be processed pursuant to Article 144 of Company Law.

Application for reissue of lost shares by holders of overseas listed foreign shares may be processed pursuant to the law, regulation of the stock exchange or other relevant regulation of the place where the original of the Register of members of overseas listed foreign shares is kept.

Application for reissue of lost shares by holders of H shares shall meet the following requirements:

- (I) The applicant shall submit an application with the standard format designated by the Company and attach a notarial deed or statutory statement. The contents of the notarial deed or statutory statement shall include the reason for application, information and evidence about how the shares are lost, and a statement that no other person may request to be registered as shareholder for the Relevant Shares.
- (II) Before reissuing the new shares, the Company has not received a statement from any person, other than the applicant to request to be registered as shareholder for the said shares.
- (III) After deciding to reissue new shares to the applicant, the Company shall publish announcement of reissue of new shares on the newspapers designated by the board of directors and in accordance with Listing Rules; the announcement period is 90 days, and shall be republished at least every 30 days.

App 3, Para
7(1),
*Listing
Rules*

- (IV) Before publishing the announcement of reissue of new shares, the Company shall submit a copy of the to-be-published announcement to SEHK, and can publish the announcement only after receiving a reply from SEHK confirming that the said announcement has been displayed in SEHK. The duration of display of the said announcement in SEHK is 90 days. If the request for reissuing shares is not approved by the registered holder of the relevant shares, the Company shall mail a copy of the to-be-published announcement to the said shareholder.
- (V) If, after expiry of the 90-day period of announcement and display specified in (III) and (IV) of this Article, the Company has not received any objection to reissue the shares, the Company may issue the shares as requested by the applicant.
- (VI) When the Company reissues new shares pursuant to this Article, the Company shall immediately deregister the Original Shares, and record such deregistration and reissue in the Register of members.
- (VII) All the expenses for deregistering the Original Shares and reissuing new shares shall be borne by the applicant. The Company may refuse to take any action before the applicant provides reasonable guarantee for the expenses required.

Article 48 After the reissuance of new shares by the Company in accordance with the Articles of Association, the name of the bona fide purchaser of the above-mentioned new shares or the shareholder (as a bona fide purchaser) later registered as owner of the said shares shall not be cancelled from the shareholders' register. MP42

Article 49 The Company has no obligation to indemnify any person for any loss arising from the cancellation of the original shares or by the reissuance of new shares, except where the said person can prove that the Company has acted fraudulently. MP43

Chapter 7 Rights and Obligations of Shareholders

Article 50 Shareholders of the Company are persons lawfully holding shares of the Company and such persons' names (or titles) are registered in the shareholders' register. MP44

Shareholders shall enjoy rights and assume obligations according to the types and percentage of the shares they hold; shareholders who hold the same type of shares shall enjoy the same rights and assume the same obligations.

In the case of joint shareholders, in the event of the decease of one of the joint shareholders, only the surviving joint shareholder(s) shall be deemed by the Company as the owners of the relevant shares, but the board of directors may, for the purpose of modifying the shareholders' register, require the provision of a death certificate of the deceased joint shareholder as it deems appropriate.

In relation to any joint shareholders of shares, only the joint shareholder whose name stands first in the shareholders' register has the right to receive the relevant shares and notices of the Company, and any notice served to the said person shall be deemed as served to all the joint shareholders.

- Article 51 The common shareholders of the Company shall have the following rights: MP45;
App 3,
Para 9,
Listing Rules
- (I) to receive dividends and other distributions in proportion to the shares they hold;
 - (II) to attend general meetings either in person or by proxy and to exercise the voting right;
 - (III) to supervise, present suggestions on or make inquiries about the business activities of the Company;
 - (IV) to transfer their shares in accordance with the laws, administrative regulations and the Articles of Association;
 - (V) to obtain relevant information in accordance with the Articles of association, including:
 - 1 · receiving the Articles of Association after payment of the production cost;
 - 2 · having the right to inspect and make copies of the relevant information after paying a reasonable fee;
 - (1) all parts in the registers of various shareholders;
 - (2) personal data of directors, supervisors, managers and other senior executives of the Company, including:
 - (a) present and former names and aliases;
 - (b) principal addresses (domicile);
 - (c) nationalities;
 - (d) full-time and all part-time occupations and positions;
 - (e) identity documents and numbers thereof.
 - (3) the Company's share capital;
 - (4) report(s) showing the aggregate par value, quantity, and the highest and lowest prices of each class of shares repurchased by the Company from the previous fiscal year, and the total amount paid by the Company for this purpose;
 - (5) minutes of general meetings.
 - (VI) In the event of termination or liquidation of the Company, to participate in the distribution of the residuary assets of the Company as per their shares; and

(VII) other rights entrusted to them by laws, administrative regulations and by the Articles of Association of the Company.

The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person on the sole basis that the said person has not disclosed his equity to the Company. App 3, Para 12, *Listing Rules*

Article 52 The common shareholders of the Company shall have the following obligations: MP46

- (I) to abide by the Articles of Association;
- (II) to pay subscription funds as per the shares subscribed and the method of subscription; and
- (III) to fulfill other obligations as stipulated by laws, administrative regulations and the Articles of Association.

Shareholders do not have the obligation to increase any equity capital unless under the conditions accepted by the subscribers at the time of subscription.

Article 53 Save for the obligations under the relevant laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, the controlling shareholders, in exercising their rights as shareholders, shall not make any decision detrimental to all or some shareholders in connection with the following issues: MP47

- (I) to exempt directors and supervisors from the obligation to act in the best interest of the Company in good faith;
- (II) to allow directors and supervisors (for the interests of their own or others) to seize from the Company any asset, including (but not limited to) any opportunity favourable to the Company;
- (III) to allow directors and supervisors (for the interests of their own or others) to seize from any shareholder any personal interests, including (but not limited to) any right to profit distribution and right to vote, but excluding corporate reorganization submitted for adoption at the general meeting pursuant to the Articles of Association.

Article 54 A controlling shareholder, as referred to in the preceding article, is a person who has any of the following conditions: MP48

- (I) when acting alone or acting in concert with other persons, such a person can select more than half of the Company's directors;
- (II) when acting alone or acting in concert with other persons, such a person can exercise more than 30% (inclusive) of the voting rights or can control the exercising of more than 30% (inclusive) of the voting rights of the Company;
- (III) when acting alone or acting in concert with other persons, such a person holds more than 30% (inclusive) of the outstanding shares of the Company; and
- (IV) when acting alone or acting in concert with other persons, such a person has de facto control of the Company through other methods.

Chapter 8 General Meeting

Article 55 The general meeting shall be the authority of power of the Company and shall exercise its functions and powers according to law. MP49

Article 56 A general meeting shall exercise the following functions and powers: MP50

- (I) to decide the business operation guideline and investment plan for the Company;
- (II) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (III) to elect and replace supervisors who are representatives of shareholders and to decide on matters relating to the remuneration of supervisors;
- (IV) to examine and approve reports of the board of directors;
- (V) to examine and approve reports of the supervisory committee;
- (VI) to examine and approve the annual financial budgets and the financial statements of the Company;
- (VII) to examine and approve the Company's profit distribution plan and loss recovery plan;
- (VIII) to pass resolutions on capital increase or decrease of the Company;
- (IX) to pass resolutions on matters such as proposals for material acquisition or disposal of the Company, and on merger, division, dissolution and liquidation of the Company;
- (X) to pass resolutions on the issue of bonds of the Company;

- (XI) to pass resolutions on the appointment, removal or non-reappointment of an accounting firm;
- (XII) to amend the Articles of Association;
- (XIII) to examine proposals made by shareholders representing more than 5% (inclusive) of the voting shares of the Company;
- (XIV) other matters which, in accordance with the laws, administrative regulations and Articles of Association, shall be approved at a general meeting.

The general meeting may authorize or appoint the board of directors to handle matters authorized or assigned by the general meeting.

Article 57 The Company may not enter into any contract with anyone other than a director, supervisor, manager or other senior executive to assign all or a significant part of the management of the Company's business to said person, unless with the prior approval of the shareholders at a general meeting. MP51

Article 58 Shareholders' meetings are classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. The annual general meetings shall be convened once a year within six (6) months after the end of the preceding fiscal year. MP52

In any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two (2) months:

- (I) the number of directors is less than the minimum number required by the Company Law, or is less than two-thirds of the number required by the Articles of Association;
- (II) the unrecovered losses of the Company amount to one-third of the total amount of its paid-up share capital;
- (III) shareholder(s) holding more than 10% (inclusive) of the Company's outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (IV) the board of directors deems it necessary, or the supervisory committee proposes, to convene an extraordinary general meeting;
- (V) it is proposed by more than two independent directors to convene an extraordinary general meeting.

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Article 59 Where the Company convenes a general meeting, a written notice shall be given 45 days prior to the meeting (excluding the day of the meeting) to notify all shareholders in the shareholders' register of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder who intends to attend the meeting shall deliver to the Company a written reply stating his or her intention to attend at least 20 days prior to the meeting. MP53;
App 3, para
7(2), *Listing
Rules*

- Article 60 When the Company convenes an annual general meeting, shareholders holding more than 5% (inclusive) of the total voting shares of the Company shall have the right to submit new proposals in writing to the Company, and the Company shall place the said proposals on the agenda for the said annual general meeting if the said proposals fall within the functions and powers of the general meetings. MP54
- Article 61 The Company shall, based on the written replies received from shareholders twenty (20) days prior to the general meeting (excluding the date of the meeting), calculate the number of shares with voting rights held by the shareholders intending to attend the meeting. Where the number of voting shares held by shareholders intending to attend the meeting amounts to more than one-half (1/2) of the total voting shares of the Company', the Company may convene the general meeting; otherwise, the Company shall, within five (5) days, notify the shareholders again of the issues to be considered, date and venue of the meeting in the form of public announcements. The Company may then convene the general meeting after such announcements has been made. MP55
- An extraordinary general meeting shall not decide to matters not specified in the notice.
- Article 62 The notice of a general meeting shall meet the following requirements: MP56;
App 3, para
7(2), *Listing
Rules*
- (I) in writing;
 - (II) specifies the venue, date and time of the meeting;
 - (III) states matters to be discussed at the meeting;
 - (IV) provides the shareholders with such information and explanation necessary for them to make informed decisions regarding the matters to be discussed; this principle includes (but is not limited to) the provision of detailed terms and contract(s) (if any) of the proposed transaction where a proposal is made to merge, to repurchase of shares, to reorganize its share capital or to make any other reorganization, and the cause and effect of such proposal shall also be properly explained;
 - (V) where any director, supervisor, manager and senior executive have a material interest in the proposed transaction to be discussed, the nature and extent of that interest shall be disclosed; where the impact of the matters to be discussed on such director, supervisor, manager or senior executive in their capacity as shareholders is different from the impact on other shareholders of the same class, the difference shall be described;
 - (VI) contains the full text of any special resolution proposed to be passed at the meeting;

(VII) provides a clear statement that shareholders entitled to attend and vote at such general meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his or her behalf and such proxy need not be a shareholder;

(VIII) specifies the time and venue for serving the proxy statement.

- Article 63 The notice of a general meeting shall be delivered to shareholders (whether or not they are entitled to vote at the general meeting) by person or by pre-paid mail to their addresses as registered in the shareholders' register. For holders of domestic shares, notices of general meetings may be issued in the form of public announcement. MP57
- The public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the Securities Regulatory Authority under the State Council during the period between 45 days to 50 days prior to the date of the meeting (excluding the day of the meeting). Once the announcement has been published, all holders of domestic shares shall be deemed to have received that notice of the general meeting. App 3, Para 7 (1), Listing Rules
- Article 64 The accidental omission to give notice of meeting to, or non-receipt of notice of meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions adopted at the meeting. MP58
- Article 65 Any shareholder entitled to attend and vote at a general meeting may appoint one or more persons (who need not be a shareholder or shareholders) as his or her proxies to attend and vote on his or her behalf. Any joint shareholder may in person, or appoint a proxy to, attend and vote at the general meeting. If more than one joint shareholders attend a general meeting in person or by proxy, only the joint shareholder whose name appears first in the shareholders' register of the Company among the attendees shall have the right to vote in respect of such shares. Any shareholder's proxy may exercise the following rights as granted by the said shareholder: MP59
- (I) to exercise the shareholder's right to speak at the general meeting;
- (II) to severally or jointly request to vote by ballot;

(III) to exercise the right to vote by a show of hand or ballot. Where there is more than one proxy, the said proxies shall only vote by ballot.

If the shareholder is a Recognised Clearing House (or proxy thereof) as defined in Hong Kong laws, the said shareholder may authorise one or more persons as he deems appropriate to act on his behalf at any general meeting or class of general meeting; however, where several persons are thus authorised, the power of attorney shall specify the numbers and classes of shares each of the said persons is authorized to represent by such power of attorney. The persons thus authorised may exercise rights on behalf of the Recognised Clearing House (or proxy thereof) as if the said persons were individual shareholders of the Company.

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| Article 66 | Proxy statements shall be in writing and signed by the principal or his agent duly authorised in writing or, if the principal is a legal person, it shall be under seal or signed by a director or an authorized signatory. The said proxy statement shall specify the number of shares to be represented by the proxy. If several persons are appointed as the shareholder's proxies, the proxy statement shall specify the number of shares to be represented by each proxy. | MP60;
App 3,
Para 11(2),
<i>Listing
Rules</i> |
| Article 67 | The proxy statement shall be delivered to the domicile of the Company or other location specified in the notice of meeting at least 24 hours prior to the date of the relevant general meeting, or 24 hours before the scheduled voting time. Where the proxy statement is signed by a person authorised by the principal, the power of attorney or other authorisation documents authorising the agent to sign on behalf of the principal shall be notarised. The notarised power of attorney and other authorisation documents shall, together with the proxy statement, be delivered to the Company's domicile or other location as specified in the notice of the meeting. The proxy statement shall specify the date of issue.

Where the principal is a legal person, its legal representative or the person authorised by the board of directors and other decision-making authority shall attend the general meeting of the Company. | MP61 |
| Article 68 | Any proxy statement form issued to the shareholder by the board of directors of the Company for appointing a proxy shall provide the shareholder with the flexibility to instruct the proxy to vote for or against at the meeting, and shall give directives on each of the resolutions to be decided at the meeting. Such a proxy statement form shall contain a statement that, in default of directives, the proxy may vote in his discretion. | MP62;
App 3,
para 11(1),
<i>Listing
Rules</i> |
| Article 69 | A vote given in accordance with the terms of the proxy statement shall be valid notwithstanding the death, loss of capacity, revocation of the proxy statement, revocation of the power of attorney to sign the proxy statement or the transfer of the share(s) in respect of which the proxy is given prior to voting, provided that no written notice of such death, loss of capacity, revocation or transfer has been received by the Company before the commencement of the meeting. | MP63 |

- Article 70 Individual shareholders attending a general meeting in person shall present his/her proof of identity and share certificate. Where shareholder appoints another person to be his/her proxy to attend the general meeting, the proxy shall present his/her proof of identity and proxy statement signed by the principal or the principal's legal representative. Where a legal person appoints its representative to attend a general meeting, the said proxy shall present his/her proof of identity and a certified true copy of resolutions or other verified copy as approved by the by the board of directors or other competent authorities of the said corporate shareholder (other than the Recognised Clearing House or proxy thereof).
- Article 71 Resolutions of general meetings shall be divided into ordinary resolutions and special resolutions. MP64
- Ordinary resolutions made at the general meeting shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting.
- Special resolutions made at the general meeting shall be passed by votes representing more than two-thirds of voting rights held by shareholders (including proxies thereof) attending the general meeting.
- The attending shareholders (including proxies thereof) shall declare their affirmative or dissenting votes on every issue to be voted on. Abstentions will not be counted in the votes when the Company calculates the voting result concerning the said issue.
- Article 72 Shareholders (including proxies thereof) who vote at a general meeting shall exercise their voting rights as per the voting shares they represent. Each share carries the right to one vote. Pursuant to the Listing Rules, any appendix of the Listing Rules, any rules of the Stock Exchange of Hong Kong Limited (collectively referred to as "Listing Rules of the Stock Exchange"), where any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote declared by the said shareholder or proxy thereof that is contrary to the said provision or restriction shall not be counted in the voting results. MP65
App 3, para
14, *Listing
Rules*
- Article 73 Voting at general meeting shall be conducted by show of hands unless voting by ballot is specifically required according to the Listing Rules of the Stock Exchange, or is required before or after the voting by show of hands by the following persons: MP66
- (I) the chairman of the meeting;
 - (II) at least two shareholders with voting rights or proxies thereof; or
 - (III) shareholder(s) (including proxies thereof) severally or jointly holding more than 10% (inclusive) of shares with voting rights at the meeting.

Unless anybody requires voting by ballot, the chairman of the meeting shall announce the result of voting by show of hands on proposals, and record the results in the minutes as final evidence without specifying the number or percentage of affirmative or negative votes at the meeting.

The request for voting by ballot may be revoked by the person tendering the request.

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| Article 74 | If the issue requested to be voted by ballot relates to election of chairman or termination of meeting, voting by ballot shall be conducted immediately; in respect of other issues requested to be voted by ballot, the chairman shall decide the time of voting by ballot, and the meeting may proceed to consider other issue(s). The voting results shall still be deemed as passed at such meeting. | MP67 |
| Article 75 | When voting, shareholders (including proxies) entitled to two or more votes need not cast all the votes in the same way of affirmative or negative. | MP68 |
| Article 76 | The following matters shall be approved by ordinary resolutions at a general meeting:

(I) work reports of the board of directors and the supervisory committee;

(II) profit distribution plans and loss recovery plans formulated by the board of directors;

(III) appointment and removal of member(s) of the board of directors and the supervisory committee, and their remunerations and method of payment;

(IV) annual budgets, final accounts, balance sheets, income statements and other financial statements of the Company;

(V) other matters than those that should be passed by special resolutions pursuant to laws, administrative regulations or the Articles of Association of the Company. | MP70 |

Article 77 The following matters shall be approved by special resolutions at a general meeting: MP71

- (I) increase or reduction in share capital of the Company, and issuance of shares of any class, warrants and other similar securities;
- (II) issue of bonds of the Company;
- (III) division, merger, dissolution and liquidation of the Company, and material acquisition or disposal;
- (IV) amendment to these Articles of Association of the Company;
- (V) change or cancellation of the rights of a class shareholder;
- (VI) any other issue confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and shall be approved by a special resolution, or required to be passed by special resolution in accordance with Listing Rules of the Stock Exchange.

Article 78 All resolutions adopted at the general meetings shall comply with PRC Laws, administrative regulations and these Articles of Association.

Article 79 If shareholders require the convening of an extraordinary general meeting or a class general meeting, the following procedure shall be followed: MP72

- (I) (Save as otherwise specified in Article 189) two or more shareholders jointly holding more than 10% (inclusive) of shares with voting rights at the general meeting to be convened may sign one or several written requests in the same format and with the same content to propose to the board of directors to convene the extraordinary general meeting or class general meeting, and specify the topics of the meeting. The board of directors shall convene an extraordinary or class general meeting responsively after receipt of the aforesaid written request. The aforesaid amount of shareholding is calculated as on the day when the shareholders make the request in writing.
- (II) If the board of directors fails to issue a notice of meeting within thirty (30) days after receiving the aforesaid written request, the shareholders tendering the said request may by themselves convene a meeting within four months after the board of directors receives the said request, and the convening procedure shall to the extent possible be the same as the procedure by which the board of directors convenes general meetings.

Where the shareholders convene a general meeting due to the board of directors' failure to convene the meeting pursuant to the aforesaid provision, the reasonable expenses incurred shall be borne by the Company and shall be deducted from the monies payable by the Company to the defaulting directors.

- Article 80 General meetings shall be convened and presided over by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting for any reason, the vice chairman of the board of directors shall convene and preside over the meeting. If neither the chairman nor the vice chairman of the board of directors can attend the meeting, the board of directors may designate a director of the Company to convene and preside over the meeting on behalf the chairman of the board of directors. If no person is designated to preside over the meeting, the attending shareholders may elect a person to preside over the meeting. If for any reason the shareholders cannot elect a person to preside over the meeting, the shareholder (including proxy thereof) holding the most voting shares among the attending shareholders shall preside over the meeting. MP73
- Article 81 The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes. MP74
- Article 82 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at the general meeting, he may have the ballots counted. If the chairman of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman of the meeting shall have the ballots counted immediately. MP75
- Article 83 If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes. MP76
- Minutes of general meetings shall be recorded by the secretary and signed by the attending directors.
- Resolutions adopted at general meetings shall be recorded as minutes. Meeting records and minutes shall be in Chinese, and the minutes, together with the signature register of attending shareholders and the power of attorney of attending proxies, shall be kept at the domicile of the Company.
- Article 84 Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. The Company shall send out the said copies to any shareholder requesting copies of the relevant meeting minutes within seven days after receipt of reasonable fees. MP77

Chapter 9 Special Voting Procedures for Class Shareholders

- Article 85 Holders of different classes of shares are class shareholders. MP78
- Class shareholders shall enjoy rights and fulfill obligations pursuant to the laws, administrative regulations and these Articles of Association of the Company. App 3, para 6 (1), *Listing Rules*
- Article 86 Any proposed change or cancellation by the Company of the rights of class shareholders shall not come into effect unless approved by special resolutions at a general meeting and a separate general meeting convened by the class shareholders so affected in accordance with Articles 88 to 92, except for the transfer of non-listed shares to overseas listed foreign shares set out in Clause 3 and 4 of Article 18 herein. MP79
- Article 87 The following circumstances shall be deemed as change or cancellation of the rights of a certain class shareholder: MP80
- (I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal to or superior to those of the shares of such class;
 - (II) to change all or part of the shares of such class into shares of another class, or to change all or part of the shares of another class into shares of such class or to grant the right to make the said change;
 - (III) to cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
 - (IV) to reduce or cancel rights attached to the shares of such class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
 - (V) to add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of such class;
 - (VI) to cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of such class;
 - (VII) to create a new class of shares with voting rights, distribution rights or other privileges equal to or superior to those of the shares of such class;
 - (VIII) to restrict the transfer or ownership of the shares of such class or to impose additional restrictions;

- (IX) to issue rights to subscribe for, or to convert into, shares of such class or another class;
- (X) to increase the rights and privileges of the shares of another class;
- (XI) to restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructure; and
- (XII) to amend or abrogate any clause of these Articles of Association.

Article 88 Where issues specified in items (II) to (VIII) and (XI) to (XII) of Article 87 are involved, the affected class shareholders, whether or not they are entitled to vote at the general meetings originally, shall have the right to vote at class meetings. However, interested shareholders shall not be entitled to vote at such class meetings. MP81

Interested shareholders as specified in the preceding paragraph refer to:

- (I) in the event of a repurchase of shares by the Company by way of a general offer to all shareholders of the Company or by way of public transactions on a stock exchange pursuant to Article 30 of these Articles of Association, an “interested shareholder” is a controlling shareholder as defined in Article 54 of these Articles of Association;
- (II) in the event of a repurchase of shares by the Company by an off-market agreement pursuant to Article 30 of these Articles of Association, an “interested shareholder” is a shareholder related to the said agreement; and
- (III) in the event of reorganisation of the Company, an “interested shareholder” is a shareholder who assumes a relatively less proportion of obligation than that of other shareholder of that class or who has an interest different from that of other shareholder of that class.

Article 89 Resolutions of a class general meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with Article 88, are entitled to vote at the meeting. MP82
App 3, para
6(2), *Listing
Rules*

Article 90 When the Company convenes a class meeting, a written notice shall be given 45 days prior to the date of the meeting (exclusive) to notify all registered shareholders of the said class of the issues to be considered at the meeting, and the date and venue of the meeting. Any shareholder intending to attend the meeting shall serve to the Company a written reply confirming his or her intention to attend the meeting at least 20 days prior to the date of the meeting (exclusive). MP83
App 3,
para7(2),
Listing Rules

Where the number of voting shares represented by the shareholders intending to attend the meeting amounts to more than half of the total number of voting shares of that class, the Company may convene the class meeting; otherwise, the Company shall, within 5 days, notify the shareholders again of the issues to be considered, the date and venue of the meeting in the form of public announcements. The Company may then convene the class meeting after such announcements have been made.

A quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.

Article 91 Notice of a class meeting shall be served only to shareholders entitled to vote at the said meeting. MP84

Class meetings shall follow a procedure most similar to that for general meetings, and the provisions in these Articles of Association of the Company concerning the procedure for general meetings shall apply to class meetings.

Article 92 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed as shareholders of different classes. MP85; App
13D, Section
1(f)(i), (ii),
Listing Rules

The special procedures for approval by class shareholders shall not apply in the following circumstances:

- (I) with the approval by special resolutions at a general meeting, the Company, in every 12 months, separately or simultaneously issues domestic shares and overseas listed foreign shares and the respective number domestic shares and overseas listed foreign shares to be issued shall not exceed 20% of the issued and outstanding domestic shares and overseas listed foreign shares; or
- (II) the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is completed within 15 months from the date of approval by the CSRC.

Chapter 10 Board of Directors

- Article 93 The Company shall have a board of directors, consisting of seven directors, more than three of whom shall be independent (non- executive) directors (meaning directors independent of the shareholders and not serving position inside the Company). MP86; 3.10(i), *Listing Rules*
- The board of directors shall include one chairman and may include one vice-chairman if necessary.
- If necessary, the board of directors may establish special committees, such as strategy committee, audit committee and remuneration committee.
- Article 94 Directors shall be elected at general meetings. A director shall serve a term of three years, and is eligible for re-election upon expiry of the said term. MP87
- Any person nominated as a temporary or additional director by the board of directors shall be subject to election by shareholders, their appointment and term of office shall take effect only after adoption by the general meeting, and they shall be eligible for re-election. App 3, Para 4(2), *Listing Rules*
- A notice nominating a person as candidate for election as a director and a notice in writing by that person indicating his acceptance of such nomination shall be given to the Company not earlier than the date of the notice of general meeting but not later than seven days before the date of the said general meeting. App 3, Para 4(4), 4(5), *Listing Rules*
- The number of directors elected shall neither be less than that specified in Article 93 of these Articles of Association nor be more than the maximum number of directors determined by an ordinary resolution at the general meeting; if the number of directors approved exceeds the maximum number of directors, election of directors shall be determined in the order of the number of votes they won according to the maximum number.
- A director may be dismissed in a general meeting. (including a director serving concurrently as manager or other executive director) within his term of office by an ordinary resolution provided that the relevant laws and administrative regulations are complied with (but without prejudice to the claim for compensation under any contract). App 3, Para 4(3), *Listing Rules*
- The chairman and the vice chairman shall be elected and removed by more than half of all the directors, their terms of service shall be three years, and is eligible for reelection.
- Directors not originated from the Company shall have sufficient time and necessary knowledge and ability to perform their duties. The Company shall provide information that is necessary for those directors to perform their duties. In particular, independent (non- executive) directors may directly report to the general meeting, the securities regulatory authority under the State Council and other relevant authorities. R.6, *Opinion*
- Executive directors shall handle the matters authorised by the board of directors.

A director shall not be required to hold shares of the Company.

Article 95 The board of directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers: MP88

- (I) to convene the general meetings, and to report its work to the general meetings;
- (II) to execute resolutions of general meetings;
- (III) to decide on the business operation plans and investment plans of the Company;
- (IV) to formulate the annual financial budgets and final accounts of the Company;
- (V) to formulate the profit distribution plan and loss recovery plan of the Company;
- (VI) to formulate the plan for the increase or reduction of the Company's registered capital, and the plan for the issuance of the Company's bonds;
- (VII) to formulate plans for material acquisition or disposal, and merger, division and dissolution of the Company;
- (VIII) to decide on the internal management structure of the Company;
- (IX) to appoint or dismiss the Company's manager; to appoint or dismiss the Company's deputy manager and chief financial officer as nominated by the manager; to appoint or dismiss secretary to the board of directors; and to determine their remunerations;
- (X) to formulate the plan for any amendment to these Articles of Association;
- (XI) to formulate the basic management system of the Company;
- (XII) other than those which should be resolved at general meetings pursuant to the Company and these Articles of Association or have been delegated to the Company's manager, to resolve on issues authorized by the general meeting and administrative issues and other powers and functions conferred by the general meeting and these Articles of Association.

The board of directors may resolve the issues specified in items (VI), (VII) and (X) by the vote of two-thirds of the directors; and the rest shall be resolved by the vote of the majority of the directors.

A resolution made by the board of directors on the Company's connected transaction shall not be valid unless signed by the independent non-executive directors.

R.6, *Opinion*

Article 96 The board of directors shall not dispose of or agree to dispose of any fixed assets without prior approval by the general meeting if the sum of the expected value of the fixed assets to be disposed and the value derived from the disposal of fixed assets within four months before such proposal to dispose exceeds 33% of the value of the fixed assets, as shown on the latest audited balance sheet approved by the general meeting. MP89

The board of directors shall not dispose of or agree to dispose of any fixed assets without prior approval by the general meeting if the sum of the expected value of the fixed assets to be disposed and the value derived from the disposal of fixed assets within four months before such proposal to dispose exceeds 33% of the value of the fixed assets, as shown on the latest audited balance sheet approved by the general meeting.

The disposals of fixed assets mentioned in this Article include the transfer of interests in some asset, but do not include guarantee provided by pledge of the fixed assets.

The effectiveness of the Company's disposal of fixed assets shall not be affected by any breach of the forgoing provisions in Paragraph 1 of this Article.

Article 97 The chairman of the board of directors shall exercise the following functions and powers: MP90

- (I) to preside over general meetings, and to convene and preside over meetings of the board of directors;
- (II) to organise the performance of duties of the board of directors, and to inspect the implementation of resolutions of the board of directors;
- (III) to sign the securities certificates issued by the Company;
- (IV) to exercise other functions and powers conferred by the board of directors.

If the chairman of the board of directors is unable to perform his duties, such duties shall be performed by the vice chairman of the board of directors designated by the chairman.

Article 98 Meetings of the board of directors shall be held at least twice a year, and shall be convened by the chairman, with the notice of meeting sent to all the directors ten (10) days prior to the date of the meeting (exclusive). In the event of an emergency, an extraordinary meeting of the board of directors may be convened upon proposal by the chairman, by over one-third of directors, or by the Company's manager notwithstanding the restriction of notice of meeting as specified in Article 99. The reasonable expenses incurred by the directors to attend meetings of the board of directors shall be borne by the Company. MP91

Meetings of the board of directors shall be held at least twice a year, and shall be convened by the chairman, with the notice of meeting sent to all the directors ten (10) days prior to the date of the meeting (exclusive). In the event of an emergency, an extraordinary meeting of the board of directors may be convened upon proposal by the chairman, by over one-third of directors, or by the Company's manager notwithstanding the restriction of notice of meeting as specified in Article 99. The reasonable expenses incurred by the directors to attend meetings of the board of directors shall be borne by the Company.

Meetings of the board of directors shall be conducted in Chinese with English translators on site if necessary.

- Article 99 Meetings of the board of directors shall be notified as follows: MP92
- (I) no notice shall be served if the time and venue of a regular meeting of the board of directors have been specified by the board of directors in advance.
 - (II) if the board of directors has not determined the time and venue of the meeting of the board of directors in advance, the chairman shall, at least 10 days in advance, notify all directors of the time and venue of the meeting of the board of directors by telex, telegram, fax, express mail or registered mail, or personal delivery, save as otherwise specified in Article 98. Any director may waive the right to obtain the notice of meeting of the board of directors.
- Article 100 In respect of any issue subject to voting and approval of more than two-thirds of the board of directors, a notice with adequate information shall be sent to all directors in accordance with the notice period specified in Article 99 and in strict compliance with the specified procedure. Where more than one-fourth of directors or more than two outside directors consider the information to be inadequate or the certification to be unclear, they may jointly propose to adjourn the meeting of the board of directors, or to suspend discussing some topics considered at the said meeting, and the board of directors shall adopt such proposal. R.3, Opinion
- Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he has not received the notice of meeting.
- Regular or extraordinary meetings of the board of directors convened in the form of teleconference or with the help of audio-visual transmission equipment; so long as the attending directors are able to listen the other directors clearly and to communicate amongst themselves, all the participating directors shall be deemed as having attended the meeting in person.
- Article 101 Meetings of the board of directors shall be convened only if more than half of the board of directors (including directors who authorise in writing other directors to attend the meeting on their behalf according to Article of 102 of these Articles of Association) are present. Each director shall have the right to one vote. Resolutions made by the board of directors shall be approved by more than half of all the directors. Where there is a tie vote, the chairman of the board of directors shall be entitled to an additional vote. MP93
- Article 102 Directors shall attend the meetings of the board of directors in person. Where any director is unable to attend the meeting of the board for any reason, he may appoint another director in writing to attend the meeting on his behalf and the power of attorney shall specify the scope of authorisation. MP94
- The director attending the meeting on behalf of another director shall exercise rights as granted by the principal. Where a director is not present at a meeting of the board of director and fails to appoint a proxy to act on his behalf, the said director shall be deemed to have waived his rights to vote at that meeting.

Article 103 The board of directors may vote on written proposals by televoting in lieu of a meeting of the board of directors, but the draft of the said proposal shall be sent to every director by personal delivery, registered mail, express mail, telegram or fax. If the proposal has been sent to all members of the board of directors, and the number of the directors who have signed the proposal and sent to the secretary of the board of directors by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed as the resolution of the board of directors, and no further meeting of the board of directors will be necessary.

Article 104 The meeting of the board of directors shall record the matters decided at the meeting of the board of directors and by televoting as minutes in Chinese. The independent non-executive directors' opinions shall be set out in the resolutions of the board of directors. The minutes of each meeting of the board of directors shall be provided to all directors as soon as possible. Directors who wish to make supplementary amendments to the minutes shall report their opinions on the proposed amendment to the chairman within a week after receipt of the minutes. After the minutes are finalised, the attending directors and persons recording the minutes shall sign on the minutes. The minutes of the meetings of the board of directors shall be kept at the Company's domicile in China, and a complete copy shall be sent to every director as soon as possible.

MP95;
R.6, Opinion

The directors shall be responsible for the resolutions passed at the meetings of the board of directors. Any director who votes for a resolution which is contrary to the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation to the Company; provided that a director who has been proven as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

Chapter 11 Secretary to the Board of Directors

Article 105 The Company shall have one secretary to the board of directors. The secretary shall be a senior executive of the Company.

MP96

The board of directors shall set a secretary office if necessary.

Article 106 The secretary to the Company's board of directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the board of directors.

MP97

The main duties of the secretary to the board of directors are:

- (I) to ensure that the Company has complete organisation documents and records;
- (II) to ensure that the Company prepare and submit reports and documents as required by the regulatory authorities;

(III) to ensure that the shareholders' register of the Company is properly established and that the persons who have the right of access to the relevant documents and records of the Company can obtain the same in a timely manner;

Article 107 A director or other senior executive of the Company may serve concurrently as secretary to the board of directors. Any accountant of the accounting firm engaged by the Company shall not act in the capacity of the secretary to the board of directors. MP98

In the event that a director also acts in the capacity of the secretary to the board of directors, where any act requires to be made by the director and the secretary to the board of directors separately, such director who also acts in the capacity of the secretary to the board of directors shall not make such actions in both capacities.

Article 108 The secretary to the board of directors shall fulfil his/her duties with due diligence pursuant to these Articles of Association.

The secretary to board of directors shall assist the Company to abide by the relevant PRC laws and to the rules of the stock exchange on which the Company's shares are listed.

Chapter 12 The Manager

Article 109 The Company shall have one manager, who shall be nominated by the chairman and shall be appointed or dismissed by the board of directors. MP99

The Company shall have several deputy managers and one chief financial officer to assist the manager. The deputy managers and the chief financial officer shall be nominated by the manager and shall be appointed or dismissed by the board of directors.

Article 110 A director may serve concurrently as manager or deputy manager. The manager shall be accountable to the board of directors and shall exercise the following functions and powers: MP100

(I) to manage the production, operations and management of the Company, and organise the implementation of the resolutions of the board of directors;

(II) to organise the implementation of the annual business plans and the investment plans of the Company;

(III) to prepare the plan for the internal management structure of the Company;

(IV) to prepare the plan for the branch setup of the Company;

- (V) to formulate the basic management system of the Company;
- (VI) to formulate the basic rules of the Company;
- (VII) to propose the appointment or dismissal of deputy managers and the chief financial officer;
- (VIII) to appoint or dismiss management personnel, except for those who shall be appointed or dismissed by the board of directors;
- (IX) to appoint, remove or recommend shareholders' representatives, directors and supervisors of the holding subsidiaries and shareholding subsidiaries;
- (X) to resolve on the setup of branches of the Company;
- (XI) to exercise other functions and powers conferred in these Articles of Association and by the board of directors.

Article 111 The Company's manager may attend the meetings of the board of directors and is entitled to receive the notice of the meetings and relevant documents; a manager who is not a director of the Company shall not have any voting right at the meeting of the board of directors. MP101

Article 112 In exercising their functions and powers, the manager, deputy managers and the chief financial officer shall not modify the resolutions of general meetings and meetings of the board of directors or go beyond the scope authorised.

Article 113 In exercising their functions and powers, the manager, deputy managers and the chief financial officer shall fulfil their obligations in good faith and diligence in accordance with the laws, administrative regulations and these Articles of Association. MP102

Article 114 A manager, deputy manager, chief financial officer or other senior executive who resigns shall notify the board of directors in writing three months in advance; a department manager shall notify the manager in writing two months before resignation.

Chapter 13 Supervisory Committee

Article 115 The Company shall have a supervisory committee, which is a standing organisation of the Company responsible for supervising the board of directors and its members, the manager, chief financial officer and other senior executives and preventing the same from abusing their powers to infringe upon the legitimate rights and interests of the shareholders, the Company and employees thereof. MP103

Article 116	<p>The supervisory committee shall comprise five supervisors.</p> <p>The supervisory committee shall have one chairman and one vice chairman. The term of office of a supervisor shall be three years, and is renewable upon re- election when it expires.</p> <p>The chairman and vice chairman of the supervisory committee shall be appointed or dismissed by more than two-thirds votes (inclusive) of the members of the supervisory committee.</p> <p>The chairman of the supervisory committee shall organise and exercise the duties of the supervisory committee. The vice chairman will perform the duties on behalf of the chairman when the chairman fails to perform his duties.</p>	<p>MP104; R.7, <i>Opinion</i></p> <p>App 13D, Section 1(d)(i), <i>Listing Rules</i></p>
Article 117	<p>The supervisory committee shall consist of one shareholders' representative supervisor, two employees' representative supervisors and two independent supervisors. Shareholders' representative supervisor and independent supervisor shall be elected and removed by general meetings; employees' representative shall be elected and removed democratically by staffs at the staff representative meeting of the Company.</p> <p>If necessary, the supervisory committee shall set up an office responsible for the routine work of the supervisory committee.</p>	MP105
Article 118	<p>Directors, manager, chief financial officer and other senior executive of the Company shall not serve as supervisor(s) concurrently.</p>	MP106
Article 119	<p>A meeting of the supervisory committee shall be convened at least once every six months, and shall be convened and presided over by the chairman of the supervisory committee.</p>	MP107
Article 120	<p>The supervisory committee shall be accountable to the general meeting and shall exercise the following functions and powers according to laws:</p> <ul style="list-style-type: none"> (I) to examine the financial affairs of the Company; (II) to supervise the directors, the manager and other senior executives to ensure that they do not act in contravention of any laws, administrative regulations or these Articles of Association during the performance of their functions; (III) to demand redress from directors, the manager and other senior executives should their acts be deemed harmful to the Company's interests; (IV) to examine financial information such as financial reports, business reports and profit distribution plans as proposed by the board of directors to the general meeting and if there are any queries, to engage certified public accountants or practicing auditors in the name of the Company to assist in the examination; (V) to propose the convening of an extraordinary general meeting; 	MP108

(VI) to negotiate with the directors or to lodge legal actions against the same on behalf of the Company;

(VII) to exercise other functions and powers specified in these Articles of Association.

The supervisory committee may express opinion on the appointment of a certified public accountant for the Company; it may, if necessary, appoint another certified public accountant to independently examine the financial operations of the Company, and may directly report to the Securities Regulatory Authority under the State Council and other relevant authorities.

R.7, Opinion

External supervisors shall independently report to the general meeting on the honesty and due diligence of the senior executives of the Company.

Supervisors shall attend meetings of the board of directors.

Article 121	Resolutions of the supervisory committee shall be approved by more than two-thirds (inclusive) of the members of the supervisory committee.	MP109; App 13D, Section 1(d)(ii), Listing Rules
Article122	The Company shall bear the reasonable expenses arising from the supervisory committee's engagement of lawyers, certified public accountants and practicing auditors in exercising its functions and powers.	MP110
Article123	Supervisors shall honestly fulfil the supervisory duty in accordance with the laws, administrative regulations and these Articles of Association.	MP111
Chapter 14	Qualifications and Obligations of Directors, Supervisors, the Manager and Other Senior Executives	
Article 124	In any of the following circumstances, a person shall not serve as director, supervisor, the manager and other senior executive of the Company: (I) is without capacity or with limited capacity for civil conduct; (II) was imposed criminal penalty due to corruption, bribery, appropriation of property, embezzlement or disrupting socialism market economic order and it has been less than five years since completion of the enforcement of the criminal penalty; or is deprived of political rights due to offence and it has been less than five years since completion of the enforcement of the penalty;	MP112

- (III) was once the director, factory manager or manager of any company or enterprise which was bankrupted due to bad operation, and was responsible for the bankruptcy of the said company or enterprise, and it has been less than three years since the completion of liquidation of the said company or enterprise;
- (IV) was once the legal representative of any company or enterprise whose Business License was revoked due to illegal activities and was responsible for such illegal activities, and it has been less than three years since the revocation of Business License of the said company or enterprise;
- (V) has large outstanding debts;
- (VI) is under investigation by the judiciary authority for violation of criminal law;
- (VII) is disqualified as corporate leader in laws and regulations;
- (VIII) is not a natural person;
- (IX) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and has committed any fraudulent or dishonest act, and it has been less than five years since the ruling;

Article 125 The validity of an act of a director, the manager or other senior executive on behalf of the Company to a bona fide third person is not affected by any incompliance in the appointment, election or qualification thereof. MP113

Article 126 In exercising the functions and powers conferred by the Company, directors, supervisors, the manager and other senior executives shall fulfil the following obligations to each shareholder in addition to the obligations required by laws, regulations or the Listing Rules of the stock exchange on which the Company's shares are listed: MP114

- (I) not to allow the Company to operate beyond the business scope specified in its business license;
- (II) to sincerely act in the best interest of the Company;
- (III) not to seize from the Company any asset, including (but not limited to) opportunity favourable to the Company; and
- (IV) not to seize from shareholders any personal interests, including (but not limited to) the right to profit distribution and the right to vote, but excluding corporate reorganisation submitted for adoption at the general meeting pursuant to these Articles of Association.

Article 127 In exercising their rights or fulfilling their obligations, the directors, supervisors, the manager and other senior executives have the duty to act with due discretion, diligence and skill as a reasonable discreet person in similar circumstances. MP115

Article 128 In fulfilling their duties, the directors, supervisors, the manager and other senior executives shall observe the principle of honesty and shall not set themselves in a position where their own interests conflict with their obligations. The said principle includes (but not limited to) the following obligations: MP116

- (I) to sincerely act in the best interest of the Company;
- (II) to exercise their rights within the scope of their powers;
- (III) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others; save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a general meeting, not to transfer the right of discretion to others;
- (IV) to be equitable towards shareholders of the same class and fair towards shareholders of different classes;
- (V) not to enter into any contract, conduct any transaction or make any arrangement with the Company, save as otherwise specified in these Articles of Association or with the informed consent of shareholders given at a general meeting;
- (VI) not to seek personal gains by using the property of the Company in any form without the informed consent of shareholders given at a general meeting;
- (VII) not to abuse his official powers to accept bribes or other unlawful income, and not to expropriate the Company's property in any form, including (but not limited to) opportunity favourable to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions without the informed consent of shareholders given at a general meeting;
- (IX) to observe these Articles of Association, fulfil duties honestly, protect the interests of the Company, and not to seek personal gains by using their positions and powers in the Company;
- (X) not to compete with the Company in any form without the informed consent of shareholders given at a general meeting;

- (XI) not to appropriate the monies of the Company or lend the same to others, not to deposit the Company's assets in the accounts of their own or others, and not to use the Company's assets as security for the personal debts of the shareholders of the Company or others;
- (XII) without the informed consent of the shareholders at a general meeting, not to disclose any confidential information related to the Company acquired by them during their term of office; not to use the said information save for the interest of the Company; however, they may disclose such information to a court or other competent government authorities in the following circumstances:
 1. as required by law;
 2. as required for the purpose of public interest; and
 3. as required for the interests of the said directors, supervisors, the manager and other senior executives.

Article 129 Directors, supervisors, the manager and other senior executives of the Company shall not direct the following persons or institutions ("connected persons") to do anything that the directors, supervisors, the manager and other senior executives cannot do: MP117

- (I) spouses or minor children of directors, supervisors, the manager and other senior executives;
- (II) trustees of directors, supervisors, the manager and other senior executives or persons set out in item (I) of this Article;
- (III) partners of directors, supervisors, the manager and other senior executives or persons set out in items (I) and (II) of this Article;
- (IV) companies under the exclusive control of directors, supervisors, the manager and other senior executives of the Company, or under the joint control of the persons set out in items (I), (II) and (III) of this Article or other directors, supervisors, the manager and other senior executives of the Company;
- (V) directors, supervisors, the manager and other senior executives of the controlled companies as set out in item (IV) of this Article;

Article 130 The fiduciary duty of the directors, supervisors, managers and other senior executives of the Company may not necessarily terminate with the expiry of their terms of office, and their confidential obligations in respect of any commercial secrets of the Company shall survive after expiry of their terms of office. 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 act concerned and the termination, and the specific circumstances and condition under which the relationship between the director and the Company was terminated. MP118

- Article 131 The liability of directors, supervisors, managers and other senior executives of the Company for breaching certain obligation may be exempted by the shareholders' meeting under an informative circumstance save for the circumstances specified in Article 53 of these Articles of Association. MP119
- Article 132 (I) If the directors, supervisors, the manager and other senior executives of the Company have any direct or indirect material interests in any contracts, transactions or arrangements already concluded or under planning with the Company (exclusive of their engagement contracts with the Company), they shall disclose the nature and extent of the said interests to the board of directors as soon as possible regardless of whether the relevant matters require approval by the board of directors in normal circumstances. MP120
- (II) A director shall not vote on any resolution of the board of directors with contracts, transactions, arrangements or any suggestion where he or any of his associates has a material interest, and shall not be counted in the quorum of the relevant meetings. If the relevant resolution involves any one or more of the following matters, the aforesaid provisions shall not apply and the said director may vote (and be counted in the quorum):
- (a) any guarantee, compensation assurance or mortgage is provided for the director or any of his associates in relation to the loans borrowed from or liabilities undertaken by a director or any of his associates as required by the Company or any of its subsidiaries and the Company or for the interests of the Company or any of its subsidiaries;
- (b) The director or any of his associates solely or jointly with others undertakes all or part of the liabilities arising from provision of any guarantee, compensation assurance or mortgage to the third party for the debts or liabilities of the Company or any of its subsidiaries; App3 Para 4(1), Listing Rules
- (c) If the Company or any of its subsidiaries offers securities for sale, and the relevant director or any of his associates subscribes or buys shares of the Company or other companies (which are funded by the Company or in which the Company has a stake) according to the offer from others or the Company, and the said director or his associate owns or will own equities for participating in the sub-underwriting or underwriting of the said offer;
- (d) Any contract or arrangement in which the director or any of his associates also has some interests just like other persons holding shares, bonds or other rights and interests in securities of the Company as a result of their holding of the same;
- (e) Any contract or suggestion of any other company (a company in which the director or any of his associates shall not jointly hold 5% or more of the equity or voting right) in which the director or any of his associates directly or indirectly has interests in the capacity of a senior executive or shareholder;
- App3 Note 1, Listing Rules

- (f) Any suggestions or arrangements involving the interests of the employees of the Company or its subsidiaries including (i) adopting, amending or implementing any employees' share scheme or any share award scheme or preferential share subscription scheme from which the director can benefit; or (ii) adopting, amending or implementing the provident fund, pension, or death or disability allowance schemes relating to the board of directors or employees of the Company or its subsidiaries, in which the directors are not given the privileges or benefits that the persons related to the said schemes do not generally have;
- (III) If a company in which a director or any of his jointly associates holds 5% or more of its equity has material interests in a contract, the said director shall also be deemed as having material interests in the said contract.
- (IV) If such problems as to whether a director (excluding the chairman of the meeting) or any of his associates has material interests or a director (excluding the chairman of the meeting) has the voting right at any meeting cannot be solved with the voluntary waiver of the voting right by the said director, the said problem shall be submitted to the chairman of the meeting, whose ruling on the related director shall be final. If the nature or extent of the interests of the related director or any of his associates is not fairly disclosed, the aforesaid provisions shall not apply. If any problem relating to the chairman of the meeting or any of his associates arises and the said problem cannot be solved with the voluntary waiver of the voting right of the chairman of the meeting, the said problem shall be subject to the resolution of the board of directors (in this respect, the chairman shall be counted in the quorum but shall not vote on this), which resolution shall be final. Where the nature or extent of the interests of the chairman or any of his associates is not fairly disclosed, the aforesaid provisions shall not apply.
- (V) Unless the directors, the supervisors, the manager and other senior executives of the Company having material interests have disclosed to the board of directors in accordance with the preceding paragraph of this Article, and the board of directors has not counted them in the quorum, and the said transaction is approved at the meeting at which they do not vote, the Company shall have the right to cancel the said contract, transaction or arrangement, save for the circumstance in which the other party is a bona fide one uninformed of the breach of obligation of the related directors, supervisors, the manager and other senior executives of the Company.
- (VI) If the connected persons of the directors, the supervisors, the manager and other senior executives of the Company have any interests in a given contract, transaction or arrangement, the said directors, supervisors, manager and other senior executives shall also be deemed as having interests.
- (VII) The "associates" mentioned herein shall have the meaning as defined in *Listing Rules*.

Article 133 If, before the Company considering concluding relevant contracts, transactions or arrangements for the first time, the directors, supervisors, managers and other senior executives of the Company have notified the board of directors in writing that they will have interests in the contracts, transactions or arrangements to be concluded by the Company in the future because of the content set out in the notice, they will be deemed as having conducted the disclosure as specified in the preceding article of this chapter. MP121

Article 134 The Company shall not, in whatsoever way, pay taxes for its directors, supervisors, managers and other senior executives. MP122

Article 135 The Company shall not directly or indirectly provide loan or loan guarantee to the directors, supervisors, managers and other senior executives of the Company or its parent company, or to the connected persons of the aforesaid persons. MP123

The preceding paragraph shall not apply in the following circumstances:

- (I) the Company provides loan or loan guarantee to its subsidiaries;
- (II) the Company, in accordance with the engagement contracts approved at the shareholders' general meeting, provides loan, loan guarantee or other monies to the directors, supervisors, managers and other senior executives of the Company for their payment of the expenses incurred for the Company or for fulfilling their duties in the Company;
- (III) If the normal business scope of the Company includes provision of loan and loan guarantee, the Company may provide loan and loan guarantee to the relevant directors, supervisors, managers and other senior executives as well as their connected persons, but the conditions for providing such loan or loan guarantee shall be normal business conditions.

Article 136 If the Company provides loan in violation of the preceding article, the recipient of the loan shall return the same immediately, regardless of the conditions of such loan. MP124

Article 137 The Company shall not be forced to perform the loan guarantee it provides in violation of Paragraph 1 of Article 135, except in the following circumstances: MP125

- (I) The loan provider does not know in case the loan is provided to the connected persons of the directors, supervisors, managers and other senior executives of the Company or its parent company;
- (II) The collateral provided by the Company has been legally sold by the loan provider to a purchaser with goodwill.

Article 138 The guarantee mentioned in the preceding articles includes the act that the guarantor undertakes the responsibility or provides property to ensure that the obligor fulfils its obligations. MP126

Article 139 If the directors, supervisors, managers and other senior executives of the Company violate their obligations to the Company, the Company shall be entitled to take the following actions in addition to the rights and remedies under the laws and administrative regulations: MP127

- (I) to require the directors, supervisors, managers and other senior executives to compensate the Company for the losses arising from their neglect of duty;
- (II) to revoke the contracts or transactions concluded between the Company and the relevant directors, supervisors, managers and other senior executives, or between the Company and a third party (if the third party knows or is supposed to know that the directors, supervisors, managers and other senior executives representing the Company have breached their obligations to the Company);
- (III) to require relevant directors, supervisors, managers and other senior executives to surrender the benefit gained from breach of obligations;
- (IV) to recover monies, including (but not limited to) commissions, received by the relevant directors, supervisors, managers and other senior executives that shall be received by the Company;
- (V) to require the relevant directors, supervisors, managers and other senior executives to surrender the interests earned or to be earned from monies payable to the Company;

Article 140 The Company shall conclude written contracts with its directors and supervisors in relation to their remunerations after seeking prior approval at a shareholders' general meeting. The aforesaid remunerations include: MP128

- (I) remunerations for acting as directors, supervisors or senior executives of the Company;
- (II) remunerations for acting as directors, supervisors or senior executives of subsidiaries of the Company;
- (III) remunerations for providing other services for management of the Company and its subsidiaries;
- (IV) compensations for the said directors or supervisors for losing their positions or retirement.

Save as otherwise specified in the aforesaid contracts, the directors or supervisors shall not file a lawsuit or arbitration against the Company for the interest they shall obtain from the aforesaid remuneration.

Article 141 The Company shall specify in the contracts concluded with the directors or supervisors in relation to remunerations that if the Company is acquired, the directors or supervisors shall, with the prior approval at the shareholders' general meeting, be entitled to compensations or other monies for losing their positions or for retirement. The acquisition referred to in the preceding paragraph refers to any of the following circumstances: MP129

- (I) tender offer of any person to all the shareholders;
- (II) tender offer of any person for the purpose to become a controlling shareholder of the Company. The definition of controlling shareholder shall have the same meaning as the "Controlling Shareholder" defined in Article 54 of these Articles of Association.

Any monies received by the relevant directors or supervisors in violation of this Article shall belong to those who sell their shares in response to the aforesaid tender offer; and the said directors or supervisors shall bear the expenses for distributing the said monies in proportion, which shall not be deducted from the said monies.

Chapter 15 Financial Accounting System and Profit Distribution

Article 142 The Company shall formulate its financial and accounting system in accordance with the laws, administrative regulations and the PRC accounting standards formulated by the financial authority under the State Council. MP130

Article 143 The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year.

The Company shall use Renminbi as the recording currency and the accounts shall be written in Chinese.

The Company shall prepare financial reports at the end of each fiscal year, which shall be examined and verified according to the laws. MP131

Article 144 The board of directors shall, at each annual shareholders' general meeting, submit to the shareholders the financial reports prepared by the Company in accordance with the relevant laws, administrative regulations, and regulatory documents of local governments and competent authorities. MP132

- Article 145 The financial reports of the Company shall be kept in the Company and be accessible to the shareholders 20 days before convening of the annual general meeting. Every shareholder of the Company shall have the right of access to the aforesaid financial reports. MP133
- The reports of the board of directors together with balance sheet (including appendixes required by laws and regulations), income and expenditure statement, or financial highlights (provided that the relevant PRC laws and regulations do not prohibit) shall be served or sent by prepaid mail to each holder of H shares at the address registered in the shareholders' register at least 21 days before the annual general meeting. If necessary, any holder of H shares may require in writing the Company to send them the complete copies of the annual report of the Company and report of the board of directors. App 3, Para 5, Listing Rules
- Article 146 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be explained in the notes to the financial statements. The Company shall distribute the after-tax profit of the relevant fiscal year as per the lesser of the after-tax profits provided in the aforesaid two financial statements. MP134
- Article 147 The interim financial results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas listing place. MP135
- Article 148 The Company shall announce financial reports twice each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal year. MP136
- Article 149 The Company shall not establish accounting books other than the statutory accounting books. MP137
- Article 150 The Company shall withdraw 10% of the annual after-tax profits as the statutory common reserve fund of the Company. Such withdrawal may be stopped when the statutory common reserve fund of the Company accumulated has exceeded fifty percent (50%) of the registered capital of the Company.
- If the statutory common reserve fund is insufficient to make up for the losses of the preceding year, the profits of the current year shall first be used to make up for the said losses before any statutory common reserve fund is withdrawn as per the preceding paragraph.
- After statutory common reserve fund is withdrawn out of the after-tax profits, discretionary common reserve fund may be withdrawn as per resolutions of shareholders' general meeting.
- The remaining profits after recovering losses and withdrawing common reserve funds shall be distributed as dividends to the shareholders in the proportion of their shareholding percentages.

- Article 151 The Company shall not distribute dividend or bonus before recovering the losses and withdrawing statutory common reserve fund.
- Monies paid for any shares before dunning shall be entitled to dividends, but the shareholders shall not be entitled to dividends announced afterwards in respect of the advances on subscription. App 3, Para 3(1), *Listing Rules*
- Article 152 Capital reserve shall include the following: MP138
- (I) premium arising from issue above the par value of the shares;
- (II) other revenues included in capital reserve as required by the financial authority of the State Council.
- Article 153 The common reserve fund of the Company shall be used to make up for the losses, to enhance the manufacturing and operating scale, or to increase the capital of the Company.
- If the Company converts the common reserve fund into capital upon a resolution of the shareholders' general meeting, the Company shall distribute new shares as per the existing equity structure held by the shareholders or shall increase the par value per share. However, when the statutory common reserve fund is converted into capital, the remaining amount of the said fund shall not be less than twenty-five percent (25%) of the registered capital of the Company.
- Article 154 The Company may distribute dividends in the following forms: MP139
- (I) Cash;
- (II) Shares.
- Article 155 Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other monies paid by the Company to holders of overseas listed foreign shares shall be stated and announced in RMB and paid in HKD. Foreign currency needed by the Company to pay cash dividends and other monies to holders of overseas listed foreign shares shall be obtained pursuant to the relevant national regulations on foreign exchange administration.
- Article 156 Save as otherwise specified by the relevant laws and administrative regulations, if the cash dividends and other monies are paid in HKD, the exchange rate shall be the average benchmark rate issued by the People's Bank of China one Gregorian week before the announcement of the said dividends and other monies.
- Article 157 Pursuant to Articles 56 and 95(XII) of these Articles of Association, the board of directors may decide to distribute interim or special dividends.
- Article 158 When distributing dividends to the shareholders, the Company shall withhold and pay taxes payable by the shareholders for their dividend income based on the amount of such distribution pursuant to PRC tax laws.

Article 159 The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends distributed and other payables by the Company for the overseas listed foreign shares. MP140

The collection agents appointed by the Company shall meet the relevant requirements of the laws of the place where the Company is listed or the stock exchange.

The collection agents appointed by the Company for holders of overseas listed foreign shares listed in Hong Kong shall be trust companies registered pursuant to the Trustee Ordinance of Hong Kong. App 13D, Section 1(c), *Listing Rules*

Chapter 16 Appointment of Certified Public Accountants

Article 160 The Company shall engage qualified and independent accounting firm to audit the annual reports and review other financial reports of the Company. MP141

The first accounting firm of the Company may be appointed at the founding meeting before the first annual general meeting. The term of the said accounting firm shall end at the conclusion of the first annual general meeting.

If the aforesaid power is not exercised at the founding meeting, the board of directors shall exercise such power.

Article 161 The term of appointment of the accounting firm engaged by the Company shall start from the conclusion of one annual general meeting to the conclusion of the next annual general meeting. MP142

Article 162 The accounting firm engaged by the Company shall have the following rights: MP143

- (I) to access the accounting books, records or vouchers of the Company at any time, and to ask directors, managers or other senior executives to provide relevant documents and explanations;
- (II) to require the Company to take all reasonable actions to obtain documents and explanations from its subsidiaries needed for the accounting firm to perform their duties;
- (III) to attend the general meetings, to receive meeting notice or other relevant information relating to general meetings that any shareholders shall be entitled to receive, and to deliver speeches at any general meeting in relation to the matters concerning it acting as accounting firm of the Company.

Article 163 In the event that the position of the accounting firm is vacant, the board of directors may appoint an accounting firm to fill the said vacancy before convening of a general meeting. During said vacancy, if the Company has any incumbent accounting firm, the said accounting firm may still fulfil its duties. MP144

Article 164 Regardless of the terms in the contract entered into between the accounting firm and the Company, the general meeting may, through an ordinary resolution, dismiss the said accounting firm before expiry of the term thereof. In regards to any rights the accounting firm may claim against the Company, the said rights shall not be affected. MP145

Article 165 The remunerations of the accounting firm or the method for determining the same shall be decided at the general meeting. The remunerations of the accounting firm appointed by the board of directors shall be determined by the board of directors. MP146

Article 166 The appointment, dismissal or non-appointment of the accounting firm shall be decided at the general meeting and shall be filed with the Securities Regulatory Authority under the State Council. MP147

The general meeting shall comply with the following provisions in passing a resolution to appoint a non-incumbent accounting firm to fill any vacancy, to continue to appoint an accounting firm appointed by the board of directors to fill the vacancy, or to dismiss an incumbent accounting firm: App 13D, Section 1(e)(i), Listing Rules

(I) The proposal for appointment or dismissal shall, before the notice of a general meeting is sent, be served to the accounting firm to be appointed or whose service is to be terminated, or who has terminated its service in the relevant fiscal year. Termination of service shall include dismissal, resignation or retirement.

(II) If the accounting firm about to terminate service makes a written statement and requests the Company to notify its shareholders of the said statement, the Company shall take the following actions unless the statement is received too late:

1 · Describe in the notice issued for the resolution that the accounting firm about to terminate service have made a statement; and

2 · Send to the shareholders a copy of the statement as an appendix to the notice in the form specified in these Articles of Association.

(III) If the Company fails to send out the statement of the accounting firm as per item (II) herein, the relevant accounting firm may require that the said statement be read at the general meeting and may lodge a complaint.

(IV) An accounting firm about to terminate service shall have the right to attend the following meetings:

- 1 · the general meeting at which its term of appointment expires;
- 2 · the general meeting for filling the vacancy due to the dismissal;
- 3 · the general meeting held due to their resignation.

The accounting firm about to terminate service shall have the right to receive all notices of the aforesaid meetings or other information relating to the meetings, and to deliver speeches at the aforesaid meetings in relation to the matters concerning the accounting firm.

Article 167

Where the Company dismisses or does not continue to appoint the accounting firm, prior notice shall be given to the said accounting firm, and the accounting firm shall have the right to state its opinions at the general meeting. Where the accounting firm tenders its resignation, it shall state to the general meeting whether the Company has improper matters.

MP148

The accounting firm may resign by placing a written notice of resignation at the registered address of the Company. The said notice shall take effect as on the date of placement of the resignation notice at the address of the Company, or on a later date specified in the notice. The said notice shall include the following statements:

App 13D,
Section
1(e)(ii),
Listing Rules

(I) a statement that its resignation does not involve any information needed to be disclosed to the shareholders or creditors of the Company; or

(II) a statement that any such information is to be disclosed.

The Company shall send a copy of the written notice as mentioned in the preceding paragraph to the relevant competent authority within 14 days after receipt of the said notice. If the notice contains the statement mentioned in item (II) of the preceding paragraph, the Company shall also keep a copy of the said statement in the Company for shareholders' reference, and shall send the aforesaid copy by prepaid mail to each holder of H shares and holder of domestic shares at the address registered in the shareholders' register.

App 13D,
Section
1(e)(iii),
Listing Rules

If the notice of resignation of the accounting firm contains a statement with respect to any matters which shall be brought to the attention of the shareholders, the accounting firm may require the board of directors to convene an extraordinary general meeting to listen to its explanation of its resignation.

App 13D,
Section
1(e)(iv),
Listing Rules

Chapter 17 Insurance

- Article 168 The Company shall effect various types of insurance with insurance companies registered in the PRC and allowed by the laws of PRC to provide insurance coverage to PRC companies.
- Article 169 The types of insurance, insured amount, period of insurance and other insurance terms are determined after discussion by the board of directors of the Company in accordance with the practices of companies in the same industry in other countries and the conventions and legal requirements in the PRC.

Chapter 18 Labor Management

- Article 170 The Company shall formulate its regulations regarding labor management, personnel management, wages and welfare and social insurance systems in accordance with the laws, administrative rules and regulations, and relevant regulations of the PRC.
- Article 171 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.
- Article 172 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
- Article 173 The Company shall arrange medical insurance, retirement insurance and unemployment insurance for its management personnel and staff and workers in accordance with the relevant administrative regulations of the PRC government and local government and shall implement the laws, regulations and relevant requirements in respect of labor insurance for retired and unemployed staff and workers.

Chapter 19 Labour Union

- Article 174 The staff and workers of the Company shall have the right to establish a labor union and engage in labor union activities in accordance with the Labor Union Law of the PRC. The activities of the labor union shall be conducted beyond the normal working hours unless otherwise prescribed by the board of directors.

Chapter 20 Merger and Division of the Company

- Article 175 In respect of a merger or a division of the Company, the board of directors shall propose a plan and shall, after following all the procedures specified in the Articles of Association, proceed with the relevant approval process according to law. Any shareholder objecting to the merger or division of the Company shall have the right to require the Company or the shareholders approving the merger or division of the Company to purchase his shares at a fair price. MP149
- Resolution on merger or division of the Company shall be archived as document for reference by the shareholders. The aforesaid document shall also be served by mail to holders of H shares.
- Article 176 A merger of the Company may be in two forms: merger by absorption and merger by consolidation. MP150
- In the event of a merger of the Company, the parties concerned shall enter into a merger agreement and shall prepare balance sheets and property inventories. The Company shall notify its creditors within ten (10) days after the adoption of the merger resolution and shall publish at least three announcements in newspapers within thirty (30) days.
- The credits and debts of the Company after merger shall be inherited by the company subsisting after merger or by the newly established company.
- Article 177 Where the Company is divided, its assets shall be divided accordingly. MP151
App3,
para7(1),
Listing Rules
- In the event of a division of the Company, the parties concerned shall enter into a division agreement and shall prepare balance sheets and property inventories. The Company shall notify its creditors within ten (10) days after the adoption of the division resolution and shall publish at least three announcements in newspapers (including newspapers in the PRC that comply with the Listing Rules) within thirty (30) days.
- The debts of the Company prior to the division shall be undertaken by the companies after division as per the contracts entered into.
- Article 178 Change of registered particulars arising from a merger or division of the Company shall be registered with the Company Registration Authority according to law. Where the Company is dissolved, a cancellation of its registration shall be effected according to law. If a new company is incorporated, the registration of such incorporation shall be effected according to law. MP152

- Article 179 The Company shall be dissolved and liquidated according to law in any of the following circumstances: MP153
- (I) The general meeting has resolved to dissolve the Company;
 - (II) Merger or division of the Company entails dissolution;
 - (III) The Company is declared insolvent lawfully as it fails to pay its debts as they fall due;
 - (IV) The Company has been ordered to close down for violation of laws or administrative regulations;
 - (V) The People's Court dissolves the Company in accordance with Article 183 of Company Law.
- Article 180 In the event of dissolution pursuant to (I) and (V) of the preceding article, the Company shall set up a liquidation committee within 15 days, and the members of the committee shall be decided by an ordinary resolution in a general meeting. If the liquidation committee is not duly set up, the creditors may request the People's Court to designate related persons to form a liquidation committee to carry out liquidation proceeding. MP154
- If the Company is dissolved pursuant to (III) of the preceding article, a liquidation committee comprising shareholders, relevant departments and relevant professionals shall be established by the People's Court in accordance with relevant laws to carry out the liquidation.
- If the Company is dissolved pursuant to (IV) of the preceding article, a liquidation committee comprising shareholders, relevant departments and relevant professionals shall be established by relevant supervisory authority to carry out the liquidation.
- Article 181 If the board of directors decides to liquidate the Company (save for liquidation when the Company is declared bankrupt), the notice of general meeting to be held for that purpose shall contain a statement that the board of directors has made a thorough investigation on the conditions of the Company and that the Company may repay all its debts within 12 months after commencement of liquidation. MP155
- After the resolution on liquidation is adopted at the general meeting, the functions and powers of the board of directors shall be terminated immediately.
- The liquidation committee shall, as per the instructions of the general meeting, report to the general meeting at least once a year about the revenues and expenses of the liquidation committee, the businesses of the Company and the progress of liquidation, and shall deliver a final report to the general meeting at the end of liquidation.

- Article 182 The liquidation committee shall notify the creditors of the Company of its establishment within ten (10) days after its establishment and shall make at least three announcements in newspapers (including newspapers in the PRC that comply with the *Listing Rules*) within sixty (60) days. The liquidation committee shall register the creditor's rights. MP156; App 3, Para 7(1), *Listing Rules*
- Article 183 During liquidation, the liquidation committee shall exercise the following functions and powers: MP157
- (I) to examine and take possession of the assets of the Company and to separately prepare a balance sheet and an inventory of assets;
 - (II) to notify creditors by notice or announcement;
 - (III) to deal with the outstanding businesses of the Company relating to liquidation;
 - (IV) to settle outstanding tax payment;
 - (V) to settle claims and debts;
 - (VI) to dispose of the remaining assets of the Company after repayment of debts; and
 - (VII) to represent the Company in civil proceedings.
- Article 184 After the liquidation committee has examined and taken possession of the assets of the Company and has prepared a balance sheet and an inventory of assets, it shall formulate a liquidation proposal and submit such proposal to the general meeting or relevant supervisory authority for confirmation. MP158
- After payment of liquidation expenses, the assets of the Company shall be liquidated in the following order of priority: (i) salaries and labour insurance premiums of employees of the Company; (ii) outstanding taxes; (iii) bank loans, bonds and other debts of the Company.
- The remaining assets of the Company after repayment as specified in the preceding paragraph shall be distributed in the following order to the shareholders as per the types of their shares and their shareholding percentages:
- (I) to distribute to holders of preferred shares, if any, as per the par value of the preferred shares; to distribute to holders of preferred shares as per the percentages of preferred shares held by the said holders if the remaining assets are insufficient to repay the preferred shares;
 - (II) to distribute to common shareholders as per their shareholding percentages.
- The Company shall not conduct any new business activity in the course of liquidation.

Article 185 If the Company is liquidated due to dissolution, and the liquidation committee, after it has examined and taken possession of the assets of the Company and prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration that the Company is bankrupt. MP159

Following a ruling by the People's Court that the Company is bankrupt, the liquidation committee shall transfer to the People's Court all matters relating to the liquidation.

Article 186 After completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report, an income and expenditure statement and an account book in respect of the liquidation period and, after verification by the Chinese certified public accountants, shall submit the same to the general meeting or relevant supervisory authority for confirmation. MP160

The liquidation committee shall, within 30 days after obtaining confirmation from the general meeting or the relevant supervisory authority, submit the aforesaid documentation to the Company Registration Authority, and apply to cancel the registration of the Company and announce the termination of the Company.

Chapter 22 Procedure for Amending Articles of Association

Article 187 The Company may amend these Articles of Association pursuant to the laws, administrative regulations and these Articles of Association. MP161

Article 188 These Articles of Association shall be amended as per the following procedures:

- (I) 1. Any shareholder(s) acting alone or jointly holding more than 20% (inclusive) of the voting shares of the Company shall make a proposal for amendment to these Articles of Association to the board of directors in writing, and require the board of directors to convene a general meeting to consider the proposal for amendment;
- 2. The board of directors shall notify the shareholders of the proposal for amendment and convene a general meeting to vote on it;
- 3. The amendment contents submitted to the general meeting shall be passed by a special resolution;

Or

- (II)
1. The board of directors shall formulate the proposal for amendment to these Articles of Association by passing a resolution pursuant to these Articles of Association;
 2. The board of directors shall notify the shareholders of the proposal for amendment and convene a general meeting to vote on it;
 3. The amendment contents submitted to the general meeting shall be passed by a special resolution;

Article 189 If the amendment to these Articles of Association involves any content of the *Mandatory Provisions*, the said amendment shall be subject to approval by the Company Examination and Approval Authority authorized by the State Council; if the amendment involves registration of the Company, the said change shall be registered pursuant to law. MP162

Chapter 23 Notice

Article 190 Save as otherwise specified in these Articles of Association, notices, documents or written statements sent by the Company to holders of H shares shall be served by personal delivery or prepaid mail to the registered addresses of all holders of H shares. App 3, Para 7(3), *Listing Rules*

Article 191 Save as otherwise specified in the context, the “announcement” as mentioned herein, in respect of the announcement sent to holders of domestic shares or required to be sent in China pursuant to the relevant regulations and these Articles of Association, refers to announcement published in the newspapers in China as specified in the Chinese laws and regulations or designated or suggested by the Securities Regulatory Authority under the State Council; in respect of the announcement sent to holders of H shares or required to be sent in Hong Kong pursuant to the relevant regulations and these Articles of Association, refers to announcements published in newspapers as specified in the *Listing Rules*.

Article 192 Notices sent by the Company to holders of domestic shares shall be published in one or more newspaper(s) designated by the Securities Regulatory Authority under the State Council. Once the announcement is made, holders of domestic shares shall be deemed to have received the said notice.

Article 193 If the notice of the Company is sent by mail, it is required to specify the address and prepaid postage and put the said notice in an envelope, and putting the envelope enclosing the said notice into the mailbox shall be deemed as sending out the notice, and the notice shall be deemed as served 48 hours after being sent out.

Article 194 The Company shall settle disputes following the rules below:

MP163

- (I) In the event of any dispute or claim between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and a director, supervisor, manager or other senior executives, and between a holder of overseas listed foreign shares and a holder of domestic shares arising from rights and obligations as specified in these Articles of Association, the Company Law and other relevant laws and administrative regulations relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration.

The aforesaid dispute or claim submitted for arbitration shall be the entire dispute or claim; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its shareholders, directors, supervisors, manager, or other senior executives. Disputes relating to definition of shareholders and shareholders' register may be settled other than through arbitration.

- (II) The applicant for arbitration may select China International Economic and Trade Arbitration Commission for arbitration by following the arbitration rules thereof, or may select Hong Kong International Arbitration Centre for arbitration by following the securities arbitration rules thereof. After the applicant for arbitration submits the dispute or claim for arbitration, the other party shall accept arbitration at the arbitral body selected by the applicant.

If the applicant for arbitration selects Hong Kong International Arbitration Centre for arbitration, either party may request that the arbitration be conducted in Shenzhen following the securities arbitration rules of Hong Kong International Arbitration Centre.

- (III) Settlement of disputes or claims set out in rule (I) of this Article by way of arbitration shall be governed by the PRC laws, save as otherwise specified by laws and administrative regulations.
- (IV) The arbitration award made by the arbitral body shall be final and binding on both parties.

Chapter 25

Supplementary Provisions

Article 195 These Articles of Association shall be executed both in Chinese and English. The English version of these Articles of Association is for reference only and in case of discrepancy between the English and Chinese versions, the Chinese version of these Articles of Association shall prevail.

Article 196 These Articles of Association shall be subject to the interpretation by the board of directors and amendment by the general meeting.

Article 197 The meaning of the “certified public accountants” mentioned in these Articles of Association is the same as that of “auditors”. MP165

“The manager” and “deputy managers” mentioned in these Articles of Association refer to the “general manager” and the “deputy general managers” of the Company, respectively.

[This page, containing no text, is the signing page of Articles of Association of Shanghai Dasheng Agriculture Finance Technology Co., Ltd.]

Signatures of directors:

Shanghai Dasheng Agriculture Finance Technology Co., Ltd.
20 January 2017