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CHAPTER 1 GENERAL

A ticle 1 The Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules") and other relevant provisions, with reference to the Guidelines on the Articles of Association of Listed Companies in order to protect the legal interest of Shanghai Henlius Biotech, Inc. (the "Company"), the shareholders and creditors and standardize the organization and activities of the Company.

A ticle 2 The Company was incorporated as a joint stock limited company according to the Company Law and other PRC laws and administrative regulations.

The Company was incorporated as a joint stock limited company by means of sponsorship through the overall change of Shanghai Henlius Biotech, Inc., registered with and has received the business license of the Company from the Administration for Industry and Commerce of Shanghai on 26 September 2016. The Unified Social Credit Number is 91310000550094566N.

The promoters of the Company upon its incorporation are as follows:

N .	Name f m te	N mbe f ha e b c ibed f (0'000)	Sha eh ldi g (%)	Wa f cap ital c t ib ti	Time f cap ital c t ib ti
1	藜筋絮撂畀畋犮 Shanghai Fosun New Medicine Research Company Limited (				

No.	Name of Investor	Number of shares subscribed for (0'000)	Shareholding (%)	Way of capital contribution	Time of capital contribution
7	Shanghai Guozhi Biotech Partnership Enterprise (Limited Partnership) (上海果智生物技術合夥企業(有限合夥))	482.1425	1.37755	Shares converted from net assets	14 September 2016
8	Shanghai Qingke Pien Tze Huang Investment Management Centre (Limited Partnership) (上海清科片仔癀投資管理中心(有限合夥))	607.145	1.73470	Shares converted from net assets	14 September 2016
9	Huagai Medical Investment Management (Beijing) Co., Ltd. (華蓋醫療投資管理(北京)有限公司)	642.859	1.83674	Shares converted from net assets	14 September 2016
10	Huagai Medical Health Venture Capital Investment Chengdu Partnership Enterprise (Limited Partnership) (華蓋醫療健康創業投資成都合夥企業(有限合夥))	107.1455	0.30613	Shares converted from net assets	14 September 2016
11	Shanghai Founder KIP Equity Investment Partnership (Limited Partnership) (上海方正韓投股權投資合夥企業(有限合夥))	571.431	1.63266	Shares converted from net assets	14 September 2016
12	Suzhou Industrial Park New Metabiology Venture Capital Investment Enterprise (Limited Partnership) (蘇州工業園區新建元生物創業投資企業(有限合夥))	374.2865	1.06939	Shares converted from net assets	14 September 2016
13	Ningbo FTZ Yifei Investment Partnership Enterprise (Limited Partnership) (寧波保稅區益飛投資合夥企業(有限合夥))	197.1445	0.56327	Shares converted from net assets	14 September 2016
14	Shanghai Orient Securities Innovation Investment Company Limited (上海東方證券創新投資有限公司)	357.1435	1.02041	Shares converted from net assets	14 September 2016
	Total	**35,000**	**100**	**–**	**–**

On 5 July 2019, the Company obtained the approval of China Securities Regulatory Commission for the initial public offering of the overseas listed foreign shares (H shares). H shares on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange" or "Stock Exchange") commenced trading on 25 September 2019.

A ticle 3 Registered name of the Company: 上海復宏漢霖生物技術股份有限公司.

Full name in English: Shanghai Henlius Biotech, Inc.

A ticle 4 The address of the Company: Room 901, 9th Floor, Building 1, No. 367 Shengrong Road, China (Shanghai) Pilot Free Trade Zone.

Telephone: +86 021-33395800

Fax: +86 021-34611802

Postal code: 201210

A ticle 5 The registered capital of the Company is RMB543,494,853.

A ticle 6 The Company is a joint stock limited company with permanent existence.

The Company is an independent legal person with independent legal person properties and enjoys the right to legal person property.

A ticle 7 The Company's legal representative is the chief executive officer (the "manager" as defined in the Company Law) appointed by the board of directors.

If the chief executive officer who serves as the legal representative resigns, he/she shall be deemed to have resigned as the legal representative at the same time.

If the legal representative resigns, the Company shall confirm the appointment of a new legal representative within thirty days from the date of the legal representative's resignation.

A ticle 8 The total capital of the Company is divided into equal shares. A shareholder shall be liable for the debts of the Company to the extent of the shares it has subscribed to, whereas the Company shall be liable for its debts with all of its assets.

A ticle 9 The Articles of Association has been approved by a special resolution at a general meeting of the Company and become effective; the original Articles of Association of the Company shall be invalidated automatically on the effective date of the Articles of Association.

From the date on which the Articles of Association come into effect, they shall constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations as between the Company and its shareholders and among the shareholders and are binding on the Company, shareholders, directors, supervisors and senior management personnel.

A ticle 10 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, Chief Executive Officers ("CEO") and other senior management officers, and the above-mentioned persons shall be entitled to make claims on matters relating to the Company in accordance with the Articles of Association.

Pursuant to the Articles of Association, a shareholder can sue the Company, the Company can sue its shareholders, a shareholder can sue another shareholder or other shareholders, and a shareholder can sue directors, supervisors, CEO and other senior management officers of the Company.

The term "sue" as mentioned in the preceding paragraph shall include the initiation of proceedings in a court or application to an arbitration organization for arbitration.

The term "other senior management officers" as mentioned in this Article shall include the president, senior vice president, vice president, the secretary to the board of directors and chief financial officer.

A ticle 11 The Company may invest in other limited liability companies and joint stock limited companies and undertake liabilities for the invested company as limited to the capital contribution made by it. If laws have provisions that the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the invested company, such provisions shall prevail.

CHAPTER 2 THE COMPANY'S OBJECTIVES AND SCOPE OF BUSINESS

A ticle 12 The operation objectives of the Company

The operation objectives of the Company are: to take advantage of advanced biotechnology to develop, produce and sell biopharmaceuticals with characteristics to enhance the Company's competitiveness and economic effectiveness in the domestic and foreign markets, so that all parties can obtain satisfactory economic benefits.

A ticle 13 The Company's scope of business

Research and development of monoclonal antibody drugs (except for the development and application of human stem cells, genetic diagnosis and treatment technologies), transfer of self-developed technology, and provision of related technical services and technical consultation. (Businesses subject to approvals under laws shall be carried out upon approval by relevant authorities)

CHAPTER 3 SHARES

Secti 1 I e f Sha e

A ticle 14 There must, at all times, be ordinary shares in the Company. Subject to the approval of or filing with the relevant state authorities, the Company may, according to its requirements, create other classes of shares.

A ticle 15 The issue of shares by the Company shall adhere to the principle of equality and fairness. Shares of the same class shall have the same rights.

Shares issued at the same time in the same class shall be equal in price and shall be subject to the same conditions. The price paid by any organization or individual for each share shall be the same.

A ticle 16 The Company's shares shall be in the form of share certificates. All the shares issued by the Company shall have a par value which shall be RMB1 for each share.

A ticle 17 The overseas listed shares of the Company listed in Hong Kong shall be referred to as H shares. H shares shall refer to shares with a par value denominated in RMB, which are approved by the Hong Kong Stock Exchange for listing and will be subscribed for and traded in Hong Kong dollars.

A ticle 22 The Company shall not repurchase its shares, except under any of the following circumstances:

(1) reducing the registered capital of the Company;

(2) merging with another company that holds shares in the Company;

(3) using the shares in the employee stock ownership plan or as share incentive;

(4) requested by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company to purchase their shares;

(5) using the shares to satisfy the conversion of corporate bonds convertible into shares issued by the listed company;

(6) safeguarding corporate value and shareholders' rights as deems necessary; or

(7) other circumstances as permitted by laws and administrative regulations.

A ticle 23 The Company may repurchase its shares through public and centralized trading or other methods as permitted by laws, administrative regulations and the CSRC and the stock exchange of the place where the shares of the Company are listed.

If the relevant laws and regulations, regulatory documents and the requirements of the securities regulatory authority of the place where the shares of the Company are listed otherwise have provisions in respect of matters related to the aforesaid share repurchase, such provisions shall prevail.

A ticle 24 Where the Company acquires its shares for purposes set out in clauses (1) and (2) of Article 22 of the Articles of Association, it shall be subject to approval by the general meeting; where the Company acquires its shares pursuant to clauses (3), (5) and (6) of Article 22, it can be carried out upon resolution by more than two-thirds of the directors present at a board meeting. If the Company repurchases its own shares in accordance with Article 22 under the circumstance set out in clause (1), the shares so repurchased shall be cancelled within ten days from the date

A ticle 27 No transfer of the shares of the Company issued before its public offering shall be made within one year from the date on which the shares are listed and traded on the stock

A ticle 32 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following:

(i) the register of shareholders maintained at the Company's domicile other than those as described in Items (ii) and (iii) of this Article;

(ii) the register of shareholders of overseas-listed shares maintained at the place where the overseas stock exchange is domiciled; and

(iii) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the shares of the Company.

A ticle 33 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any other part of the register shall, during the existence of registration of such shares, be registered in any other part of the register. Changes or corrections to each part of the register of shareholders shall be made in accordance with the laws of the places where each part of the register of shareholders is maintained.

All H shares that are fully paid up shall be freely transferable under the Articles of Association; however, unless the following conditions are satisfied, the board of directors may refuse to recognize any transfer documents and shall not be required to state any reasons:

(i) any transfer documents and other documents relating to the ownership of any shares or which may affect the ownership of the shares must be registered and must be paid to the Company in accordance with the fee standards prescribed by the Hong Kong Listing Rules, but such fees shall not exceed the maximum amount stipulated by Hong Kong Stock Exchange in the Hong Kong Listing Rules from time to time;

(ii) the transfer documents only relate to H shares that are listed in Hong Kong;

(iii) the stamp duty payable in respect of the transfer documents as required by the Hong Kong laws have been paid;

(iv) the relevant share certificates and such other evidences as are reasonably requested by the board of directors to prove the right of the transferor to transfer the shares have been submitted;

(v) if the shares are intended to be transferred to joint holders, the number of shareholders registered jointly may not exceed four;

(vi) there are no Company liens on the relevant shares.

A ticle 34 The transfer of the oversea-listed shares shall be conducted pursuant to the relevant requirements of the places where the shares are listed.

A ticle 35 Where the PRC laws and regulations and laws and regulations of the place where the Company is listed stipulate the period of closure of transfer books or registration of changes of register of shareholders prior to a general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.

A ticle 36 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve the determination of shareholdings, the board of directors or the convener of a general meeting shall decide on the date for the determination of shareholdings. Shareholders whose names appear on the register of members after the market close of such date are deemed to be shareholders of the Company entitled to relevant rights and interests.

A ticle 37 Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may (if his/her share certificate (the "original share certificate") is lost) apply for replacement in accordance with the relevant laws and regulations.

A ticle 38 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

A ticle 39 The shareholders of the Company shall have the following rights:

(i) to be entitled to dividends and other forms of distribution in proportion to the number of shares held;

(ii) to propose to call, convene and preside over, to attend or appoint a proxy to attend general meetings and to exercise the corresponding voting rights in accordance with laws;

(iii) to supervise and manage the business activities of the Company and to put forward proposals or raise inquiries;

(iv) to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;

(v) to review and make copies of the Articles of Association, the register of shareholders, minutes of shareholders' general meetings, resolutions of the board of directors, resolutions of the board of supervisors and financial and accounting reports, and (for shareholders who meet the relevant requirements) the accounting books and accounting documents of the Company;

(vi) upon termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;

(vii) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;

(viii) other rights conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

A ticle 40 Shareholders requesting to inspect or make copies of materials of the Company shall comply with the provisions of the Company Law, the Securities Law and other laws and administrative regulations.

Shareholders demanding inspection of the relevant information or requesting data mentioned in the preceding provision shall submit a written request to the Company, stating the purpose of such inspection, and provide to the Company written documents evidencing the class and number of shares of the Company held by them. The Company shall, upon verification of the shareholder's identity and the purpose of the inspection, provide such information in accordance with the provisions of relevant laws, administrative regulations, regulatory documents and the Articles of Association.

When inspecting and making copies of documents and information of the Company, the shareholders of the Company shall sign a non-disclosure agreement with the Company before inspecting documents involving the Company's trade secrets and other documents required to be kept confidential. Shareholders and the accounting firms, law firms and other intermediaries appointed by them shall comply with the provisions of laws and administrative regulations relating to the protection of state secrets, trade secrets, personal privacy and personal information, and shall bear the legal responsibility for the disclosure of such secrets.

A ticle 41 Shareholders shall have the right to protect their legitimate rights and interests through civil procedure or other legal means according to the laws, administrative regulations and the Articles of Association.

If a resolution passed at the Company's general meeting or board meeting violates the laws or administrative regulations, shareholders shall have the right to initiate proceeding to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to initiate proceeding to the People's Court to rescind such resolutions within 60 days from the date on which such resolution is adopted, except that there are only minor defects in meeting convening procedures or voting methods of the general meetings or board meetings, and such defects have no substantial impact on the resolutions.

If the Company has carried out the change of registration particulars in accordance with the resolution of the general meeting of shareholders or the board of directors and it has been declared that the resolution is invalid or the resolution has been rescinded, the Company shall apply to the company registration authority for rescission of the change in registration.

A ticle 42 Where the Company incurs losses as a result of violation by directors and senior management officers of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, the shareholders individually or in the aggregate holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the board of supervisors to initiate proceedings to the People's Court; where the Company incurs losses as a result of violation by the board of supervisors of any provisions of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, such shareholders may make a request in writing to the board of directors to initiate proceedings to the People's Court.

In the event that the board of supervisors or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date of receiving such request, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage

to the Company's interests, the shareholders described in the preceding paragraph shall have the right to, for the benefit of the Company, initiate proceedings to the People's Court directly in their own names.

Where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company by any other persons, the shareholders stated in Paragraph 1 of this Article may initiate proceedings to the People's Court pursuant to the provisions of the first two paragraphs.

A ticle 43 Shareholders may initiate proceedings to the People's Court in the event that a director or a senior management officer has violated the laws, administrative regulations or the Articles of Association, damaging the interests of shareholders.

A ticle 44 The shareholders of the Company shall assume the following obligations:

(i) to abide by laws, administrative regulations and the Articles of Association;

(ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(iii) not to surrender their share capital unless required by the laws and regulations;

(iv) not to abuse the shareholder's rights so as to damage the interests of the Company or those of any other shareholders; not to abuse the independent legal person status of the Company and the limited liability owed by the shareholders so as to damage the interests of the Company's creditors;

(v) other obligations imposed by laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Articles of Association.

Where shareholders of the Company abuse their shareholders' rights and thereby causing loss to the Company or other shareholders, such shareholders shall be liable for indemnity in accordance with laws. Where shareholders of the Company abuse the Company's status as an independent legal entity and the limited liability owed by the shareholders for the purposes of evading from making debt repayments, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

A ticle 45 The controlling shareholder and actual controller of the Company may not take advantage of their connected relationships to harm the interests of the Company, and shall be held liable for indemnity should their violation of regulation result in causing loss on the Company.

A ticle 46 The term "controlling shareholder" referred to in the preceding provision means a person who satisfies any one of the following conditions:

(i) a person who, acting alone or in concert with others, has the power to elect a majority of the directors;

(ii) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;

general meeting, the shareholders' general meeting may authorize the board of directors to decide upon such matters within the scope of authorization granted at the shareholders' general meeting to the extent allowed by the applicable laws, regulations and the Articles of Association.

A ticle 48 The Company shall not, without the prior approval of the general meeting, enter into any contract with any persons other than directors, supervisors, CEO and other senior management officers for authorization of management of all or significant part of business of the Company to such persons.

A ticle 49 General meetings include annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous accounting year.

The Company shall hold an extraordinary general meeting within two months from the date of occurrence of any of the following circumstances:

(i) the number of directors is less than that prescribed by the Company Law or less than the two thirds of the amount required by the Articles of Association;

(ii) the uncovered losses are in excess of one-third of the Company's total paid-in share capital;

(iii) shareholders individually or in the aggregate holding more than 10% of the Company's issued voting shares request in writing to hold an extraordinary general meeting;

(iv) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting;

(v) such other circumstances as provided for by laws, regulations, the listing rules of place where the shares of the Company are listed and the Articles of Association.

A ticle 50 The Company shall hold the general meeting at the domicile of the Company or such place as is specified in the notice from the general meeting.

The general meeting shall have a venue and be held on-site. The Company may also provide convenience for participation in the shareholders' general meeting by shareholders through other means required by the rules of the place where the shares of the Company are listed. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

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A ticle 51 The general meeting shall be convened by the board of directors, unless otherwise provided by the laws or the Articles of Association.

A ticle 52 Shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company shall have the right to request the board of directors for convening an extraordinary general meeting, and such request shall be made to the board of directors in writing.

If the board of directors cannot or fails to perform its duty to convene the general meeting, the

A ticle 53 The board of supervisors shall have the right to propose to the board of directors to convene an extraordinary general meeting and shall propose such to the board of directors in writing. The board of directors shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, inform in writing to indicate whether the board of

Shareholders individually or in the aggregate holding more than 1% of the shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said temporary proposal, to announce the contents thereof and to submit the said temporary proposal to the general meeting for consideration. The contents of the temporary proposal shall fall within the terms of reference of the general meeting and have specified subjects and specific resolutions.

The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the general meeting or that is inconsistent with this Article.

A ticle 59 General meeting cannot decide on matters that are not set out in the notice.

A ticle 60 The notice of the general meeting shall contain the following details:

(i) the time, venue and duration of the meeting;

(ii) matters and proposals to be considered at the meeting;

(iii) contain a conspicuous statement that all holders of ordinary shares (including holders of preference shares whose voting rights have been restored) are entitled to attend the general meeting and may appoint a proxy in writing to attend and vote on his/her behalf at the meeting, and that a proxy does not need not be a shareholder of the Company;

(iv) the date of registration of equity entitlements for shareholders entitled to attend the general meeting;

(v) the time and procedures for voting online or by other means.

A ticle 61 If the persons entitled to receive the notice are not notified due to negligence, or such persons have not received the notice for the meeting, the meeting and resolutions made at the meeting will not be invalidated.

Secti 5 H ldi g f the Ge e al Meeti g

A ticle 62 The board of directors and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner and shall take steps to prevent any activities interfering the general meeting and infringing the legal interests of shareholders and report such activities to the relevant authority.

A ticle 63 All holders of ordinary shares (including holders of preference shares with their voting rights restored) whose names appear on the register of members on the record date or their proxies shall have the right to attend a general meeting and to exercise their right to speak and right to vote in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend general meetings in person or, appoint a proxy (whether such person is a shareholder or not) to attend and vote at the meeting on their behalf within the scope of authorization.

If the shareholder is an accredited clearing house (or its proxy), it may, as it thinks fit, appoint one or more persons as its proxies to attend and vote at any shareholders' general meeting or creditors' meeting. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The proxy may be signed

by the authorized person of the accredited clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the accredited clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarized authorization and/or further evidences to prove the duly authorization) as if such person is an individual shareholder of the Company.

A ticle 64 If an individual shareholder attends the meeting in person, he/she shall produce his/her identity cards or other effective document or proof that can show his/her identity; if a proxy is appointed to attend the meeting, he/she shall present valid identity card and power of attorney of the relevant shareholder.

A non-natural person shareholder shall attend the meeting by its eligible/authorized proxy (and this shall be deemed to be present in person), and such proxy shall produce his/her identity card, and valid certificates that can prove his/her qualification as an eligible/authorized proxy.

A ticle 65 Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy from, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a proxy statement on behalf of the appointer, the proxy statement or other authorization documents authorized to be signed shall be notarized. The notarized proxy statement or other authorization documents shall, together with the proxy form, be maintained at the domicile of the Company or other places specified in the notice of meeting.

Where the appointer is a legal person, its legal representative or such person as is authorized by resolution of the board of directors or other governing body may attend general meetings of the Company as a representative of the appointer.

A ticle 66 The power of attorney issued by shareholders to appoint proxies to attend the general meeting shall contain the following information:

(i) name of the proxy;

(ii) whether the proxy has the right to vote;

(iii) separate instructions as to cast affirmative, negative or abstention votes in relation to each of the resolutions to be considered at, and to be listed on the agenda of, the general meeting;

(iv) date of issuance and term of validity of the power of attorney;

(v) signatur759.2 (r0eal)

A ticle 68 The general meeting shall be chaired and presided over by the chairman; if the chairman cannot or fails to perform his/her duties, the general meeting shall be chaired and presided over by a director co-elected by a majority of the directors.

A general meeting convened by the board of supervisors on their own shall be chaired and presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his/her duties, a supervisor elected as the chairman of the meeting by a majority of the supervisors shall preside over the meeting.

A general meeting convened by the shareholders on their own shall be chaired and presided over by a representative elected as the chairman of the meeting by the convener.

A ticle 69 The Company shall formulate rules of procedure for the general meetings defining the convening and voting procedures of the general meetings, covering notification, registration, consideration of proposal, voting, counting of ballots, announcement of voting result, formation of resolution, meeting minutes and signing thereof and announcement, and the principle and contents of authorization of the board of directors on the general meetings. The rules of procedures for the general meeting are appendix to the Articles of Association and shall be formulated by the board of directors and approved on the general meetings.

A ticle 70 All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the general meeting.

A ticle 71 Minutes shall be recorded for the general meeting, and the secretary to the board of directors shall be in charge of recording the minutes.

The minutes shall contain the following information:

(i) the time, venue, and agenda of the meeting, as well as the name (or corporate name) of the convener;

(ii) the names of the chairman of the meeting, and the directors, supervisors, CEO and other senior management personnel who have present at or attended the meeting;

(iii) the number of shareholders and proxies present at the meeting, the total number of shares with voting rights held by such shareholders and proxies, and the percentage of such shares to the total number of shares of the Company;

(iv) voting result for each resolution;

(v) the names of the vote counter and scrutineer;

(vi) any other matters that should be recorded in the minutes as required by the Articles of Association.

A ticle 72 The convener shall ensure the truthfulness, accuracy and completeness of the minutes. The present directors, supervisors, secretary to the board of directors, the convener or representative thereof, and the chairman of the meeting shall sign on the minutes of the meeting. The meeting minutes shall be kept together with the signature book of shareholders attending the site meeting and proxy statement and also the valid information on votes cast online or by other means for a period of not less than ten years.

Section 6 Voting and Resolution of the General Meeting

Article 73 Resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing a majority of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting.

Shareholders attending a general meeting (including their proxies) shall expressly specify whether they are in favor of or against any matter which is being voted for. Any abstention vote or waiver of voting shall be deemed as "abstain". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstain". The abstention vote shall be regarded as valid votes when the Company counts the voted bstenthall be c/ abste the geetini

A ticle 77 The following matters shall be resolved by an ordinary resolution at a general meeting:

(i) work reports of the board of directors and the board of supervisors;

(ii) profit distribution plans and plans to cover losses to be formulated by the board of directors;

(iii) election, dismissal of members of board of directors and non-employee representative supervisors, their remuneration and manner of payment; and

(iv) other matters other than those which are required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be adopted by special resolution.

A ticle 78 The following matters shall be resolved by a special resolution at a general meeting:

(i) increase or reduction in the registered capital of the Company;

(ii) division, spin-off, merger, dissolution and liquidation of the Company;

(iii) amendment of the Articles of Association;

A ticle 82 If the chairman of the meeting has any doubt as to the result of a resolution which has been presented for voting at a general meeting, he/she may organize a vote count on the votes cast. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the chairman of the meeting shall organize a vote count immediately.

CHAPTER 5 BOARD OF DIRECTORS

Secti ₁ 1 Di ect

A ticle 83 Directors shall be elected at the general meeting and a director's term of office shall be three years. The term of office of a Director may be renewed upon reelection when it expires.

The chairman of board of directors shall be elected and removed by a majority of all directors, and term of office thereof shall be three years, and may be renewed upon reelection when it expires.

It is unnecessary for directors to hold shares of the Company.

A ticle 84 Generally, a proposal for candidates for directors will be submitted by the board of directors at the general meeting. The shareholders and the board of supervisors of the Company may nominate candidates for directors in accordance with the Articles of Association.

The Company will fully disclose in the meeting notice announcement the resume, reasons for election of the proposed director as well as the attitude of candidates about the nomination.

A ticle 85 A director may resign before expiry of his/her term of office, subject to submission of a written resignation report to the board of directors. Except as otherwise provided in Article 87 of the Articles of Association and laws and regulations, the resignation of a director shall take effect on the date of receipt of the written resignation report by the board of directors.

Subject to the relevant regulations and regulatory rules of the place where the shares of the Company are listed, if the board of directors appoints a new director to fill up the temporary vacancy of the board of director or add the number of directors, the term of office of the director so appointed shall end only upon the next annual general meeting of the Company, and the said director shall be qualified for reelection and renewal.

A ticle 86 Any director whose term of office has not expired shall be liable for any loss of the Company arising from his/her leaving office without authorization.

The general meeting may, subject to compliance with relevant laws and administrative regulations, by way of ordinary resolution, remove any director whose term of office has not expired, without prejudice to the director's claim for damages available under any contract.

In case a director has failed to be present in person twice consecutively without any due causes, nor authorized another director to be present at the board meeting on his/her behalf, he/she shall be considered unable to fulfill his/her duties as a director, and the board of directors shall accordingly suggest the general meeting making replacement.

A ticle 87 If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director's resignation during his/her term of office, before the reelected director takes office, the original director shall still perform his/her duties as a director in accordannSdirector

A ticle 95 The board of directors shall be accountable to the general meeting, and shall exercise the following powers:

(i) to convene the general meeting and to report on its work to the general meeting;

(ii) to implement the resolutions adopted by the general meeting;

(iii) to determine the Company's business plans and investment plans;

(iv) to decide on the Company's plans for annual financial budgets;

(v) to formulate the Company's profit distribution plans and plans to cover losses;

(vi) to formulate the plans for the increase or reduction of the Company's registered capital and the plans for the issuance of the Company's bonds;

(vii) to draft the plans for major acquisitions, repurchases of the Company's shares or merger, division, dissolution or change of the corporate form of the Company;

(viii) to decide on the establishment of the Company's internal management organizations;

(ix) to appoint or remove the Company's CEO, and, according to the nomination of the CEO, to appoint or remove the Company's other senior management officers including president, senior vice president, vice president and chief financial officer and decide on their remuneration;

(x) to formulate the Company's basic management system;

(xi) to formulate the plans for the amendment of the Articles of Association;

(xii) to consider and approve the change of use of proceeds;

(xiii) to propose to the general meeting the appointment or replacement of an accounting firm that performs audits for the Company;

(xiv) to listen to the work report of the CEO of the Company and inspect the work of the CEO;

(xv) to exercise any other powers granted by the laws, regulations, the listing rules of the place where the shares of the Company are listed, the general meeting and the Articles of Association.

If the contents of a matter considered by the board of directors are beyond the scope of authority delegated to it by the general meeting and the Articles of Association, such matter shall be submitted to the general meeting for consideration. The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the shares of the company are listed, the Articles of Association and the resolutions of the general meeting.

A ticle 96 The chairman of the board of directors shall exercise the following powers:

(i) to preside over general meetings and to convene and preside over meetings of the board of directors;

(ii) to inspect the implementation of resolutions passed by the board of directors;

(iii) to sign the securities certificates issued by the Company;

(iv) to exercise other powers granted by the board of directors or the listing rules of the place where the shares of the Company are listed.

If the chairman of the board of directors is unable or fails to perform his/her duties, a director elected by a majority of the directors shall perform such duties.

A ticle 97 Meetings of the board of directors are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year, and convened by the chairman of the board of directors. A notice shall be given no less than 14 days in the case of regular meetings, or no less than 5 days in the case of interim meetings, before the proposed date of the meeting; with the consent of all directors of the Company, the abovementioned notice period may be waived. If an interim meeting of the board of directors is required to be held as soon as possible under emergencies, a meeting notice may be given at any time by telephone or other oral means, however, the convener shall make explanations at the meeting.

An interim meeting of the board of directors may be convened under any of the following circumstances:

(i) the shareholders representing one tenth or more of the voting rights propose to hold such meeting;

(ii) one third or more directors jointly propose to hold such meeting;

(iii) the board of supervisors proposes to hold such meeting;

(iv) the chairman of the board of directors considers necessary to hold such meeting;

(v) more than one half of independent non-executive directors propose to hold such meeting;

(vi) the CEO proposes to hold such meeting.

The chairman of the board of directors shall convene and preside over the meetings of the board of directors within ten days of receipt of the proposal.

A ticle 98 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.

If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.

Regular or interim meetings of the board of directors may be held by conference call, video conference or similar communication tools, provided that, all directors present at the meeting can hear and exchange with each other, and all directors that attend the meeting by such means shall be deemed presence at the meeting in person.

Unless otherwise provided by the laws and regulations or the listing rules of the place where the shares of the Company are listed, the board of directors may use the method of adoption of written

A ticle 102 The board of directors and its committee shall prepare meeting minutes in respect of the resolutions on the matters to be considered thereat, make records in sufficient details of the matters to be discussed and the resolutions to be adopted thereat, including any doubts or dissenting opinions from directors. The board of directors shall, after the end of the meeting, send the preliminary and finalized draft of the meeting minutes to all directors in a reasonable period of time successively, the former shall be used for expression of opinions by directors, and the latter shall be used for record purpose.

The directors present at the meeting and the recorder shall sign on the meeting minutes. The meeting minutes shall be kept for at least ten years. The directors shall be responsible for any resolutions adopted by the board of directors. If any resolution of the board of directors violates the laws, administrative regulations or the Articles of Association, and the Company suffers serious losses as a result thereof, the directors who have participated in the passing of such resolution shall compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted, and that such objection was recorded in the meeting minutes, such director shall be released from such liability.

The opinions from independent non-executive directors shall be indicated in the resolutions of the board of directors.

Secti ₁₄ 4 Sp ecial C mmittee f the B a d f Di ect

A ticle 103 The board of directors shall have special committees, namely the audit committee, the remuneration committee and the nomination committee, and formulate corresponding implementation rules to specify the main duties, decision procedures and rules of procedures of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

A ticle 104 Each special committee shall be accountable for the board of directors, and submit their proposals to the board of directors for examination and making decision. Each special committee may engage an intermediary to provide professional opinions, at the expense of the Company.

Secti ₁₄ 5 Sec eta t the B a d f Di ect

A ticle 105 The Company shall have a secretary to the board of directors. The secretary to the board of directors shall be a senior management officer of the Company.

A ticle 106 The secretary to the board of directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the board of directors, with the main responsibilities as follows:

(i) to ensure that the Company have complete organizational documents and records;

(ii) to ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities, and to accept and organize accomplishment of any relevant tasks sent down by the regulatory authorities;

(iii) to ensure proper establishment of the register of shareholders of the Company, and ensure that the persons entitled to obtain related records and documents of the Company timely obtain such records and documents;

(iv) to be responsible for the disclosure of information of the Company to ensure the timely, accurate, legal, true and complete information disclosure; and

(v) to perform other duties as granted by the board of directors and required by the stock exchange at the place where the shares of the Company are listed.

A ticle 107 The secretary to the board of directors may be held concurrently by a director or senior management officer. The accountant from the accounting firm engaged by the Company shall not sever as the secretary to the board of directors concurrently.

Where the office of secretary to the board of directors is held concurrently by a director, and an act is required to be conducted by a director and a secretary to the board of directors separately, the person who holds the offices of director and secretary to the board of directors concurrently may not perform such act in a dual capacity.

CHAPTER 6 CEO AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

A ticle 108 The Company shall have one CEO, who shall be appointed or dismissed by the board of directors.

The board of directors may decide on the issue that a member of the board of directors may serve as the CEO concurrently.

The term of office of the senior management officers shall be three years, renewable upon re-appointment.

Other senior management officers refer to CEO, the president, senior vice president, vice president, the secretary to the board of directors and chief financial officer.

The term "other senior management officers" as mentioned in the Articles of Association shall include the president, senior vice president, vice president, the secretary to the board of directors and chief financial officer.

A ticle 109 The CEO of the Company shall be accountable to the board of directors and shall exercise the following powers:

(i) to preside over the operation and management of the Company and report to the board of directors;

(ii) to organize the implementation of the resolutions of the board of directors and organize the implementation of the Company's annual operation plans and investment plans;

(iii) to organize the drafting and implementation of the strategic plan of the Company;

(iv) to draft the plan for the establishment of the Company's internal management organizations;

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

(vi) to formulate specific rules and regulations of the Company;

(vii) to propose to the board of directors on the appointment or dismissal of the Company's other senior management officers including president, senior vice president, vice president, secretary to the board of directors and chief financial officer;

(viii) to determine to appoint or dismiss the management personnel except for those who should be appointed or dismissed by the board of directors;

(ix) other powers granted by the Articles of Association or the board of directors.

A ticle 110 The CEO of the Company shall attend meetings of the board of directors. The CEO who is not a director shall not have any voting rights at meetings of the board of directors.

A ticle 111 The senior management officers of the Company, in exercising his/her powers, shall act honestly and diligently in accordance with laws, administrative regulations, rules, regulatory documents, relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association.

CHAPTER 7 BOARD OF SUPERVISORS

A ticle 112 The Company shall have the board of supervisors.

A ticle 113 The board of supervisors shall consist of 3 supervisors, and one of whom shall act as the chairman of the board of supervisors. Each supervisor shall serve for a term of three years, renewable upon reelection upon expiration.

The chairman of the board of supervisors shall be elected by a majority of all supervisors.

A ticle 114 The members of the board of supervisors shall consist of 2 shareholder representatives who shall be elected and dismissed by the general meeting and one employee representative who shall be elected and dismissed democratically by the employees of the Company.

If no reelection is made timely upon expiration of the term of office of a supervisor, or the number of members of the board of supervisors is less than the quorum due to any supervisor's resignation during his/her term of office, before the reelected supervisor takes office, the original supervisor shall still perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association.

A ticle 115 The directors, CEO and other senior management officers of the Company shall not act concurrently as supervisors.

A ticle 116 Meetings of the board of supervisors are divided into regular meetings and interim meetings. Regular meetings shall be held at least once every six months, and convened and presided over by the chairman of the board of supervisors. Supervisors may propose to hold an interim meeting of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform the duties, a majority of supervisors shall jointly elect a supervisor to convene and preside over the meeting of the board of supervisors.

A ticle 119 The board of supervisors shall formulate rules of procedures of the board of supervisors, specify the method for conducting business and the voting procedures of the board of supervisors, so as to ensure the working efficiency and scientific decision of the board of supervisors.

A ticle 120 Minutes shall be prepared for the meeting of the board of supervisors, and supervisors and recorder present at the meeting shall sign thereon. Such minutes as archives of the Company shall be kept by a person designated by the chairman of the board of supervisors for at least ten years.

A ticle 121 All reasonable expenses incurred for the engagement by the board of supervisors of professionals such as lawyers, certified public accountants or licensed auditors in the exercise of its powers shall be borne by the Company.

A ticle 122 The supervisors shall faithfully perform the supervision duties in accordance with the laws, administrative regulations and the Articles of Association.

CHAPTER 8 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, CEO AND OTHER SENIOR MANAGEMENT OFFICERS OF THE COMPANY

A ticle 123 No one shall be a director, supervisor, CEO or other senior management officer of the Company if falling under any of the following circumstances:

(i) being without civil capacity or having limited civil capacity;

(ii) having been penalized or sentenced due to corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy order, or having been deprived of political rights due to the committing of any crime, and in each case, five years not having elapsed since the completion of the relevant penalty, sentence or deprivation, or being sentenced to probation, where less than two years have elapsed from the date of the expiration of probation;

(iii) having been a director, factory director or manager of a company or enterprise which had been bankrupt and liquidated whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having elapsed since the date of completion of the liquidation of the company or enterprise;

(iv) having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such person was personally liable, and three years not having elapsed since the date of revocation of the business license or order of shutting down of the company or enterprise;

Any election, appointment or employment by the Company of any directors, supervisors or senior management officers in violation of the preceding paragraph shall be invalid.

Any director, supervisor or senior management officer who falls under the circumstances as set out in Paragraph (i) of this Article shall be removed from office and suspended from performing duties by the Company.

A ticle 124 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed, each of the Company's directors, supervisors, CEO and other senior management officers shall have the following obligations to each shareholder, in the exercise their powers conferred by the Company:

(i) not to cause the Company to exceed the scope of business stipulated in its business license;

(ii) to act honestly in the best interests of the Company;

(iii) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which benefit the Company;

(iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the general meeting for approval in accordance with the Articles of Association.

A ticle 125 Each of the Company's directors, supervisors, CEO and other senior management officers shall be obligated, in the exercise of his/her powers or performance of his/her duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

A ticle 126 Each of the Company's directors, supervisors, CEO and other senior management officers shall perform his/her duties in accordance with fiduciary principles; and shall not put himself/herself in a position where his/her duty and his/her interest may conflict. These principles include (without limitation):

(i) to act honestly in the best interests of the Company;

(ii) to act within the scope of its powers and not to exceed such powers;

(iii) to exercise his/her discretionary power in person without being subject to the manipulations of other persons, and not to transfer such power to other persons unless permitted by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed or approved by the general meeting with full knowledge;

(iv) to treat shareholders of the same class with equality, and shareholders of different classes with fairness;

(vi) not to employ the Company's assets in any way so as to pursue interests for himself unless approved by the general meeting with full knowledge;

(vii) not to accept any bribery or other illegal income by using his/her powers and position, nor seize the assets of the Company in any manner, including (but not limited to) opportunities beneficial to the Company;

(viii) not to accept commissions relating to the transactions of the Company, without the approval of the general meeting with full knowledge;

(ix) to obey the Articles of Association, perform his/her duties honestly and faithfully, protect the Company's interests, and not to pursue his/her personal gain by taking advantage of his/her powers and positions in the Company;

(x) not to compete with the Company in any way unless approved by the general meeting with full knowledge;

(xi) not to misappropriate the funds of the Company or loan the funds of the Company to other persons, open accounts in his/her own name or another individual's name for deposit of the Company's assets, or use Company's assets as security for the debts of the shareholders of the Company or other individuals; and

(xii) not to divulge the confidential information relating to the Company received during his/her term of office, unless approved by the general meeting with full knowledge; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court or other governmental authorities under the following circumstances:

1. as prescribed by law;

2. as required for the purpose of public interest;

3. as required for the purpose of such director's, supervisor's, CEO's and other senior management officers' own interests.

A ticle 127 The fiduciary duty of a director, supervisor, CEO and any other senior management officer of the Company may not necessarily cease upon the conclusion of his/her term of office, their obligations to keep confidential the business secrets of the Company shall survive since the conclusion of his/her term of office. The duration of the other obligations and duties shall be determined in accordance with the principle of fairness, depending upon the time of length between the occurrence of the relevant event and the time when he leaves the office, and the situation and the circumstances and terms under which his/her relationship with the Company is ended.

A ticle 128 A director, supervisor, CEO and any other senior management officer of the Company who directly or indirectly has material interests in any contracts, transactions, or arrangements that are being planned or have already been concluded by the Company (except for the employment contracts between the directors, supervisors, CEO and other senior management officers and the Company), shall, as soon as possible, disclose to the board of directors the nature and extent of his/her interests, regardless of whether or not the relevant matters require the approval of the board of directors under normal circumstances.

Any director who has connected party relationship with the enterprise involved by the matters subject to resolution at the meeting of the board of directors shall not exercise the voting right on such resolution, nor exercise the voting right on behalf of another director and shall withdraw from voting. Such meeting of the board of directors may be held only if a majority of the directors without connected party relationship are present at the meeting, and the resolutions of the meeting of the board of directors shall be approved by a majority of the directors without connected party relationship. If the number of the directors without connected party relationship present at the meeting is less than three, such matters shall be submitted to the general meeting of the listed company for consideration.

Subject to the exceptions as provided by the Hong Kong Listing Rules or as approved by the Hong Kong Stock Exchange, no director shall vote for any resolutions of the board of directors regarding the approval of any contracts, transactions, arrangements or any other suggestion in which he/she

The preceding provision shall not apply to the following circumstances:

(i) the provision by the Company of a loan or loan guarantee to its subsidiaries;

(ii) the provision by the Company of a loan or loan guarantee or any other funds available to any of its directors, supervisors, CEO and other senior management officers to meet expenditures incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him to perform his/her duties in accordance with the employment contract approved by the general meeting; and

(iii) if the ordinary course of the business of the Company includes the provision of a loan or loan guarantee, the Company may provide a loan or loan guarantee to the relevant directors,

(iv) to recover any money which shall have been received by the Company but were received by relevant director, supervisor, CEO and other senior management officer instead, including (without limitation) any commissions;

(v) to demand repayment of any interests earned or which may have been earned by relevant director, supervisor, CEO and other senior management officer on moneys which shall have been received by the Company.

A ticle 136 The Company shall, with the prior approval of the general meeting, enter into a written contract with any director or supervisor in respect of his/her remuneration.

Any contracts for remuneration between the Company and its directors or supervisors may provide that in the event that the Company is to be acquired by others, the Company's directors and supervisors shall, subject to the prior approval of the general meeting, have the right to receive compensation or other payment in respect of his/her loss of office or retirement.

For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

(i) an acquisition offer made by any person to all the shareholders; or

(ii) an acquisition offer made by any person with a view to enable the offeror to become a "controlling shareholder", which has the same meaning as that prescribed in Article 46 of the Articles of Association.

If the relevant director or supervisor does not comply with this Article, any sum so received by him/her shall belong to those persons who have sold their shares as a result of acceptance such offer. The expenses incurred for distributing such sum on a pro rata basis amongst such persons shall be borne by such director or supervisor and shall not be paid out of such sum.

CHAPTER 9 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

A ticle 137 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and provisions of competent state authorities.

A ticle 138 The Company shall disclose its preliminary announcement of annual results within three months from the end of each accounting year, and its annual report within four months from the end of each accounting year, and its preliminary announcement of interim results within two months from the end of first half of each accounting year and its interim report within three months from the end of first half of each accounting year.

The Company shall file, disclose, and/or submit annual reports, interim reports, preliminary announcements of annual results and other documents to shareholders in accordance with the securities regulatory rules of the place where the shares of the Company are listed.

A ticle 139 The board of directors of the Company shall present to the shareholders, at every annual general meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the shares of the Company are listed.

A ticle 140 Unless otherwise specified herein, the Company shall, at least 21 days before the date of the annual general meeting, deliver to each shareholder of overseas-listed shares, such financial and accounting reports, together with report of the board of directors and the balance sheet (including each document required to be attached to the balance sheet as provided by laws), the income statement or the statement of revenues and expenditures or the financial summary report.

A ticle 141 Any financial information published or disclosed by the Company shall be prepared in accordance with the relevant laws, administrative regulations, and the requirements of the CSRC and stock exchanges.

A ticle 142 The Company shall not establish accounting book other than those required by law. No assets of the Company shall be deposited in any account opened in the name of any individual.

A ticle 143 The capital reserve fund includes the following:

(i) any premium from share issuance at the price higher than the par value of shares;

(ii) any other income designated for the capital reserve fund as required by the competent finance authority under the State Council.

A ticle 144 The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. The reserve funds of the Company shall be used to:

(i) cover losses, and the discretionary reserve fund and statutory reserve fund shall be utilized first. Where they are not enough to cover such losses, the capital reserve fund may be utilized according to relevant requirements.

(ii) be converted into the increased capital. Where the statutory reserve fund is to be converted into capital by capitalization, the retained reserve fund may not fall below 25% of the registered capital of the Company before such conversion.

(iii) expand production and operation of the Company.

A ticle 145 The Company will give full consideration to the interests of shareholders and make the implementation of a reasonable profit distribution policy each year according to business situation and market environment. The Company may distribute dividends in cash or by way of shares.

A ticle 146 In distributing its after-tax profits, the Company shall allocate ten percent of profits to the statutory reserve fund of the Company. Allocation to the Company's statutory reserve fund may be waived once the cumulative amount of statutory reserve fund is 50% or more of the Company's registered capital.

Where the statutory reserve fund of the Company is not sufficient to cover the Company's loss for the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

After allocation to the statutory reserve fund has been made from the after-tax profits of the Company, allocation may be made to discretionary reserve fund if a resolution is adopted at the general meeting.

If the general meeting or the board of directors, in violation of the previous paragraph, distributes profits to shareholders before covering losses of the Company and making allocation to the Company's statutory reserve fund, the profits so distributed must be returned by the shareholders to the Company.

The shares of the Company held by the Company may not be applied to profit distribution.

CHAPTER 10 INTERNAL AUDIT AND ENGAGEMENT OF ACCOUNTING FIRMS

A ticle 147 The Company shall implement an internal auditing system and appoint full time auditors to carry out internal auditing and supervision of the Company's incomes and expenses and economic activities.

A ticle 148 The term of the accounting firm engaged by the Company shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting; the accounting firm may be re-engaged upon expiration of the term.

A ticle 149 The accounting firm engaged by the Company shall have the following rights:

(i) to inspect the books, records or vouchers of the Company at any time, to require the directors, CEO or other senior management officers of the Company to provide relevant information and explanations;

(ii) to require the Company to take all reasonable measures to obtain from its subsidiaries such information and explanations as are necessary for the discharge of its duties by the accounting firm; and

(iii) to attend the general meeting and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

A ticle 150 If there is a vacancy in the position of accounting firm of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the general meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period during which a vacancy exists.

A ticle 151 The general meeting may by ordinary resolution remove any accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

A ticle 152 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the general meeting. The remuneration of the accounting firm engaged by the board of directors shall be determined by the board of directors.

A ticle 153 The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the general meeting.

A ticle 154 When the Company intends to remove or do not renew the engagement of an accounting firm, it shall notify the said firm thirty days in advance. The accounting firm shall have the right to state its opinions to the general meeting. Where the accounting firm proposes for resignation, it shall state to the general meeting whether or not there is anything improper in the Company.

CHAPTER 11 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

A ticle 155 In the event of the merger or division of the Company, a plan shall be presented by the board of directors of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association, the Company shall then handle the relevant approval procedures according to the laws. A shareholder who objects to the plan of merger or division may request the Company to acquire its shares at a reasonable price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

A ticle 156 The merger of the Company may take the form of either merger by absorption and merger by consolidation.

A company that absorbs other company is known as merger by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the merged companies shall be dissolved.

Where the consideration of the merger of the Company does not exceed 10% of the net assets of the Company, it is not subject to a resolution of the general meeting. Where the merger of the Company is not subject to a resolution of the general meeting in accordance with the provisions of the preceding paragraph, it shall be subject to a resolution of the board of directors.

A ticle 157 In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of, and make announcement in the newspapers or through the National Enterprise Credit Information Publicity System within thirty days of, the date of the Company's resolution for merger. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

After merger, any creditor's rights and indebtedness of the merged parties shall be assumed by the Company which survives the merger or the newly established company.

In the event of division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of, and make announcement in the newspapers or through the National Enterprise Credit Information Publicity System within thirty days, of the date of the Company's division resolution.

Debts owed by the Company prior to the division shall be jointly and severally assumed by the companies upon the division according to the agreement entered into unless provided otherwise in a written agreement on debt repayment reached between the Company and a creditor prior to the division.

A ticle 158 The Company must prepare a balance sheet and an inventory list of its assets when it intends to reduce its registered capital.

The Company shall notify its creditors within ten days of, and make announcement in the newspapers or through the National Enterprise Credit Information Publicity System within thirty days, of the date of the Company's resolution for reduction of capital. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

When the Company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the capital contributions or shares held by shareholders,(by)usgaderf2ions

If the Company is dissolved upon the reasons stipulated in the preceding paragraph, it shall publicize the reasons for dissolution through the National Enterprise Credit Information Publicity System within ten days.

A ticle 161 In the circumstance as set out in the Items (i) and (ii) of the preceding article and that the assets have not been distributed to the shareholders, the Company may continue to exist

A ticle 164 After it has liquidated the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation plan and present it to the general meeting or to the People's Court for confirmation.

The assets of the Company shall be applied in the sequence below: payment of liquidation cost, salary of employees, social insurance premiums, statutory compensation, taxes payable, and debts of the Company.

The remaining assets after payment is made pursuant to the foregoing provision shall be distributed to its shareholders according to the category and proportion of the shares held by shareholders.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activities unrelated to liquidation.

The Company's assets shall not be distributed to its shareholders before payment is made pursuant to the foregoing provision.

A ticle 165 After liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation team discovers that the Company's assets are insufficient to pay the Company's debts in full, the liquidation team shall file an application to the People's Court for bankruptcy liquidation in accordance with laws.

After bankruptcy liquidation is accepted by the People's Court, the liquidation team shall transfer all matters relating to the liquidation to the bankruptcy administrator designated by the People's Court.

A ticle 166 Upon completion of the liquidation, the liquidation team shall prepare a liquidation report and submit it to the general meeting or the People's Court for confirmation, and shall submit the same to the company registration authority and apply for cancellation of registration of the Company.

A ticle 167 Members of the liquidation team shall perform their liquidation obligations and hold fiduciary and diligence obligations. Members of the liquidation team who neglect to perform their liquidation duties and cause loss to the Company shall be liable for compensation. Any member of the liquidation team who causes losses to the Company or its creditors due to his/her intentional misconduct or gross negligence shall be liable for damages.

A ticle 168 Where the Company is declared bankrupt in accordance with the laws, bankruptcy liquidation shall be carried out in accordance with the laws concerning bankruptcy of enterprises.

CHAPTER 12 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

A ticle 169 The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association.

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

(i) the Articles of Association are contradictory to any provision of the amended version of the Company Law or other relevant laws or administrative regulations;

(ii) there is any change to the condition of the Company, which is inconsistent with any matter recorded in the Articles of Association;

(iii) the general meeting adopts a resolution for amendment of the Articles of Association.

A ticle 170 If an amendment of the Articles of Association adopted by the resolution of the general meeting needs to be approved by the competent authority, it shall be submitted to the competent authority for approval; if there is any change relating to the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the laws.

A ticle 171 The board of directors shall amend the Articles of Association according to the resolution of the general meeting for amendments hereof and the approval opinions of competent authority.

Any amendments to the Articles of Association which are required to be disclosed pursuant to laws and regulations shall be made known to the public in accordance with the relevant laws and regulations.

CHAPTER 13 NOTICES AND ANNOUNCEMENTS

A ticle 172 Any and all notices of the Company shall be delivered as follows:

(i) personally;

(ii) by mail;

(iii) by facsimile or email;

(iv) by means published on the website designated by the Company and the Hong Kong Stock Exchange, subject to compliance with the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed;

(v) by announcement;

(vi) by other means previously agreed by the Company or the receiving party or as recognized by the receiving party after receipt of the notice; or

(vii) by other means as recognized by the relevant regulatory authority at the place where the shares of the Company are listed or prescribed by the Articles of Association.

The term "announcement" as mentioned herein, unless otherwise stated in the context, for purposes of the announcement made to the shareholders of unlisted shares or which shall be made within PRC in accordance with the relevant regulations and the Articles of Association, means publication of announcement in the newspapers and periodicals of China. The relevant newspapers and periodicals shall be those prescribed by the laws and regulations of China, or designated, agreed or permitted by the securities regulatory authority under the State Council; for purposes of the announcement made to the shareholders of H-shares of the Company or which shall be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in the newspapers and periodicals and/or other designated media (including websites) as required by the Hong Kong Listing Rules.

Unless otherwise specified herein, if any notice issued to the shareholders of H-shares of the Company is delivered by announcement, according to the requirements of the Hong Kong Listing Rules, on the same day, the electronic version available for publication immediately shall be submitted to the Hong Kong Stock Exchange via the electronic system of the Hong Kong Stock Exchange, for publication on the website of the Hong Kong Stock Exchange, or announcement shall be published in the newspapers (including publication of advertisements in the newspapers). The announcement must also be posted on the Company's website. In addition, unless otherwise provided in the Articles of Association, the notice must be delivered personally or by postage prepaid mail at the address registered in the register of shareholders of each shareholder of overseas-listed shares, so that the shareholder may have sufficient notice and enough time to exercise its rights or act upon the terms notified.

The shareholders of overseas-listed shares of the Company may in writing select to receive, by electronic means or by mailing, any company communications which shall be mailed by the Company to shareholders, and to only receive the Chinese version or the English version, or both; and may also within reasonable time give a prior written notice to the Company to change the method for receiving the above information and the language version according to the appropriate procedures.

If a shareholder or director intends to prove that he/she has served a notice, document, information or written statement on the Company, he/she must provide the evidence to prove that the relevant notice, document, information or written statement has been served in the usual manner within the time specified or by postage prepaid mail mailed to the correct address.

Even if the foregoing provision expressly requires the provision and/or distribution of company communications to shareholders in writing, for purposes of the means for provision and/or distribution of company communications to shareholders according to the requirements of the Hong Kong Listing Rules, the Company may, with the prior written consent or implicit consent of the shareholders in accordance with the relevant laws and regulations and relevant requirements of the Hong Kong Listing Rules amended from time to time, send or provide company communications to shareholders of the Company by electronic means or by posting information on the Company's website. Company communications include, but are not limited to, circulars, annual reports, mid-year reports, notices of the general meeting, and other company communications listed in the Hong Kong Listing Rules.

A ticle 173 When a notice from the Company is sent out by hand, the recipient of the notice shall sign (or seal) on the return receipt of delivery and the date of the recipient's signature for receipt shall be deemed to be the delivery date; when a notice from the Company is sent out by mail, the delivery date shall be three days after such notice is delivered to the post office; when a notice from the Company is sent out by facsimile, the delivery date shall be the date when the facsimile enters the designated receiving system of the person to be served; when a notice from the Company is sent by e-mail, the delivery date shall be the date when the e-mail enters the mailbox system designated by the person to be served; when a notice from the Company is sent out by announcement, the delivery date shall be the first date of publication of such announcement on the media designated by the Company.

CHAPTER 14 SUPPLEMENTARY PROVISIONS

A ticle 174 The phrases "more than" and "less than" herein for the numbers shall include the numbers indicated themselves, while the phrases "exceed", "beyond" and "over" shall exclude the numbers indicated themselves.