

ARTICLES OF ASSOCIATION
OF
WENZHOU KANGNING HOSPITAL CO., LTD.

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CHAPTER GENERAL

Article To safeguard the legitimate right and interest of Wenzhou Kangning Hospital Co., Ltd. (the Company) and its shareholder, employee and creditor, and to regulate organization and act of the Company, the e Article of Association are formulated pursuant to the Company Law of PRC (the Company Law), the Securities Law of PRC (the Securities Law), the Guideline on Article of Association of Listed Companies, the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the Listing Rule), and other relevant provision.

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

With all shareholder of the original Wenzhou Kangning Hospital Co., Ltd. as the promoter, through the overall conversion of the audited book net asset of the original Wenzhou Kangning Hospital Co., Ltd. as at 31 J.1 2014, and conducting overall alteration, the Company was established and registered at Wenzhou Administration for Industry and Commerce on 15 October 2014, with the Business License Unified social credit code: 91330300254421649G granted.

The promoter of the Company comprise 9 parties, 3 of which are natural person shareholder, namely Gan Weili, Wang Lianjie, Wang Hongjie; 6 of which are non-natural person shareholder, namely Guangzhou GL Capital Investment Fund L.P., Beijing CDH Weixin Venture Capital L.P., Beijing CDH Weixin Venture Capital L.P., Ningbo Xinhi Kangning Investment Management L.P., Ningbo Enci Kangning Investment Management L.P. and Ningbo Renai Kangning Investment Management L.P.

Article 3 The registered Chinese name of the Company is 温州康宁医院股份有限公司.

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

- Article 4** Domicile of the Company : Shengjin Road, H. anglong Residential District, Wenzho.
Postal code: 325000
- Article 5** The registered capital of the Company is RMB70,399,100.
- Article 6** The chairman of the board of directors (the Board) is the Company's legal representative. The chairman of the Board shall be the director acting on behalf of the Company, and the resignation of the director acting on behalf of the Company shall be deemed to be the resignation of the legal representative at the same time. If the legal representative has resigned, the Company shall appoint a new legal representative within thirty days from the date of the legal representative's resignation.
- Article 7** The legal consequence of civil activities performed by the authorized representative in the name of the Company shall be borne by the Company. The limitation on the function and power of the authorized representative in the Article of Association or by the general meeting shall not be asserted against a bona fide counterpart. Where the authorized representative causes damage to another person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the authorized representative at fault in accordance with law or the Article of Association.
- Article 8** The Company is a perpetual joint stock limited company and an independent business entity with independent corporate properties. It enjoys property ownership of legal person and civil rights in accordance with the law, and shall assume civil liabilities. All the acts of the Company shall be in compliance with the requirement of the law, regulation and normative document of the PRC and shall protect the lawful rights and interests of shareholders. The Company is governed and protected by the law, regulation and normative document of the PRC.
- Article 9** Each shareholder is responsible to the Company up to his/her/its subscribed share. The Company is responsible for its debt up to its total assets.

Article 0 The e Article of A ociation take effect and be implemented on the da
hen the ere appro ed thro gh a re ol tion at the general meeting. An
propo ed amendment to the e Article of A ociation ho ld be form lated
b the Board and hall come into effect from the date of appro al at the
general meeting.

Article From the effecti e date of the e Article of A ociation, the e Article of
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and enior management.

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CHAPTER 2 OPERATIONAL OBJECTIVES AND SCOPE

Article 2 The operational objective of the Company are: to integrate advantage of all parties, abide by professional ethics, be disciplined and obedient, provide and continue to improve psychiatric and psychological treatment and other medical services, and endeavor to enhance both the economic efficiency and social efficiency of the enterprise.

Article 3 A registered according to law, the Company's scope of business is: medical service; h.5 (o)0.5 (r)0.5eco.5 (o)0n.602ongctmen; Tm0.5 (om)0.5 (e)0.5 (d)0.5

Article 6

The share issued by the Company but not listed on domestic or overseas stock exchange shall be referred to as domestic limited share. The share issued by the Company and listed on The Stock Exchange of Hong Kong Limited (herein after referred to as the Hong Kong Stock Exchange) shall be referred to as overseas-listed share (herein after referred to as H share). A holder of domestic limited share and a holder of overseas-listed share are both holder of ordinary share and shall have the same obligation and right.

Filed by securities regulator authorities under the State Council, the Company's domestic limited share may be listed and traded on an overseas stock exchange and converted into overseas-listed share. Upon conversion of each domestic limited share into overseas-listed share, listing and trading of each share on overseas stock exchange shall comply with the regulator procedure, regulation and requirement of the foreign securities market. The conversion of domestic limited share into overseas-listed share and listing on an overseas stock exchange shall not require the convening of a general meeting.

If the share capital of the Company contain different class of share, an alteration made to the right attached to any share of each class shall be approved by shareholder attending general meeting of each class of share with voting right by special resolution unless otherwise required. For the purpose of this Article, domestic limited share and H Share of the Company shall be deemed as same class of share.

Article 7 50,000,000 ordinary shares were issued to the promoter of the Company upon the establishment of the Company. Promoter and their respective shares subscribed are set out as follows:

No.	Name of promoters	Shareholding (share)	Percentage of shareholding
1.	Guan Weili	19,810,250	39.6205%
2.	Guangzhou GL Capital Investment Fund L.P.	13,416,750	26.8335%
3.	Wang Hongjie	5,304,350	10.6087%
4.	Wang Lianjie	3,794,500	7.5890%
5.	Beijing CDH Weichen Venture Capital L.P.	3,347,750	6.6955%
6.	Beijing CDH Weichen Venture Capital L.P.	2,326,400	4.6528%
7.	Ningbo Xinhi Kangning Investment Management L.P.	1,543,000	3.0860%
8.	Ningbo Enci Kangning Investment Management L.P.	258,000	0.5160%
9.	Ningbo Renai Kangning Investment Management L.P.	199,000	0.3980%
Total		<u>50,000,000</u>	<u>100%</u>

Article 8 Upon the establishment of the Company, as approved by China Securities Regulator Commission (the CSRC) and the Hong Kong Stock Exchange, the Company has issued not more than 20,240,000 H shares (including H shares issued upon the exercise of the Over-allotment Option).

The Company currently has issued 70,399,100 shares. The shareholding structure is as follows: 70,399,100 ordinary shares, comprising 26,925,459 H shares and 43,473,641 domestic listed shares.

Article 9 The domestic listed shares issued by the Company are centrally deposited at the China Securities Depository and Clearing Corporation Limited. The H shares of the Company are mainly under the central depository's custody, which belong to Hong Kong Securities Clearing Company Limited and may also be held by shareholder in individual name.

Article 20 The Company or its subsidiaries (including affiliates of the Company) shall not buy or sell shares of gift, advance, guarantee or lending provide financial assistance for other to acquire shares of the Company, except when the Company implement the employee share ownership scheme.

Article 21 Unless otherwise stipulated in the laws, administrative regulations, listing rules of the place() in which the shares of the Company are listed, or the relevant Article of Association, the shares of the Company may be freely transferred according to the laws without any lien. The transfer of shares of the Company shall be registered with registration agency appointed by the Company.

Article 22 The Company shall not accept its shares as the subject of a pledge.

Article 23 The shares issued before the Company public issuance of an share shall not be transferred within one year from the date after the shares of the Company are listed and traded in a stock exchange.

The director, supervisor and senior management of the Company shall report to the Company the shares held by them and the change thereof. During the term of their office, determined at the time of taking office, the shares transferred by any of them each year shall not exceed 25% of the total shares of the same class of the Company that he holds. The shares of the Company held by the aforeaid person shall not be transferred within one year from the date when the shares of the Company are listed and traded in a stock exchange. If any of the aforeaid person leaves from his post, he shall not transfer the shares of the Company that he holds within one month from his departure. If listing rules of the stock exchange of the place() in which the shares of the Company are listed provide otherwise on restriction on transfer of shares, such rules shall prevail.

Article 24 If a director, supervisor or senior management of the Company, or a shareholder holding more than 5% of the shares of the Company or other securities with the nature of equity sell the shares of the Company within one month after buying those shares, or buy the shares within one month after selling those shares, all the gain arising thereof shall belong to the Company, and such gain shall be collected by the Board of the Company. But if a securities company underwrite an old shares, thereby holding more than 5% of the shares, the sale of the shares shall not be subject to the said one-month restriction. If listing rules of the stock exchange of the place() in which the shares of the Company are listed provide otherwise on restriction on transfer of shares, such rules shall prevail.

The shares or other equity securities held by the Director, Supervisor, senior management officer and natural person shareholder referred to in the preceding paragraph shall include the shares or other equity securities held by their spouse, parent, children, and those held through the account of other.

If the Company's Board does not elect to act in compliance with the first paragraph, the shareholder can request the Board to do so within 30 days. If the Board does not enforce such right within the aforesaid period, the shareholder is entitled to commence litigation in court in their own name for the interest of the Company.

If the Company's Board does not elect to act in compliance with the

The reduced registered capital of the Company shall not be less than the statutory minimum. The Company shall reduce contributed amount or share according to shareholding ratio of shareholder when reducing its registered capital, except as otherwise prescribed by law or the Charter of Association.

Article 28 The Company shall not purchase its own share, except under any of the following circumstances:

- (1) Reduce the Company's registered capital;
- (2) Merge with another company holding share in the Company;
- (3) Utilizing its share in the employee share ownership scheme or for share incentive;
- (4) Acquisition of share held by shareholder (upon their request) who dissent from an resolution proposed in an general meeting on the merger or division of the Company;
- (5) Utilizing the share for conversion to corporate bond which are convertible into share issued by the listed company;
- (6) Where it is necessary to safeguard the value of the listed company and the interest of its shareholder;
- (7) Other circumstances as permitted by law, administrative regulation or the listing rule of the stock exchange on which the Company's share are listed.

Article 29 Repurchase of its own share by the Company can be made by public and centralized transaction, or other method recognized by law, administrative regulation and China Securities Regulator Commission and the securities regulator authority of the place where the Company's share are listed.

An purchase of the Company's share by the Company as a result of the circumstances set forth in items (3), (5) and (6) under the first paragraph of Article 28 of the Charter of Association shall be carried out by way of open and centralized trading, subject to compliance with the requirement of the Listing Rule and other securities regulator rule of the place where the Company's share are listed.

Article 30

The acquisition of its shares by the Company for reasons set forth in Item (1) to (2) of the first paragraph of Article 28 hereof shall be subject to the approval at the general meeting in accordance with the provision hereunder. The acquisition of its shares by the Company for reasons set forth in Item (3), (5) and (6) of the first paragraph of Article 28 hereof may be subject to the approval at the Board meeting attended by more than two-thirds of the directors in accordance with the provision hereunder. Upon the acquisition of its shares by the Company pursuant to the provision under the first paragraph of Article 28 hereof, under the circumstance set forth in Item (1), the share repurchased shall be cancelled within ten days after the

CHAPTER 5 SHAREHOLDERS

Article 32 The Company shall establish a register of shareholder in accordance with evidence from the securities registration settlement organization, which is the conclusive evidence of shareholder's holding of the Company's share. Shareholder shall enjoy right and have obligation according to the class of share held. Holder of share of the same class shall enjoy equal right and have equal obligation.

Article 33 The Company may, pursuant to an understanding or agreement reached between the securities regulator authorities under the State Council and a securities regulator organization outside the PRC, keep outside the PRC its original register of holder of overseas-listed share, and entrust the administration thereof to an agent outside the PRC. The original register of public shareholder of the H share shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holder of overseas-listed share. The appointed agency outside the PRC shall ensure that the register of holder of overseas-listed share and its duplicate are consistent at all time.

Where the original and duplicate of the register of holder of overseas-listed share are inconsistent, the original shall prevail.

Article 34 Where PRC laws and regulations and the securities regulator rules of the place where the Company's share are listed stipulate on the period of closure of the register of shareholder prior to a shareholder's general

Article 36 Holder of ordinary share of the Company shall enjoy the following right :

- (1) To receive dividend and profit distribution in other form according to the number of share held by them;
- (2) To request the holding of, convene, hold, participate in or appoint proxy to attend general meeting and exercise corresponding voting right in accordance with the law;
- (3) To monitor, make suggestion or question the Company's operation;
- (4) To transfer, donate or pledge share in his/her position in accordance

Article 38

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

If the convening procedure or voting method of a general meeting or Board meeting contravenes the law, administrative regulation or the Article of Association, or if the content of the resolution of such meeting contravenes the Article of Association, the shareholder are entitled to request the court to revoke the resolution within 60 days of the resolution. Unless there is only a minor defect in the procedure for convening a shareholder's general meeting or the Board meeting or in the manner of voting thereat, which does not materially affect the resolution.

Where the Board, shareholder and other relevant parties dispute the validity of a resolution of a shareholder's general meeting, they shall promptly file a lawsuit with the people's court. Before the people's court makes a judgment or ruling, such a revocation of the resolution, the relevant parties shall implement the resolution of the general meeting. The Company, its Director and senior management shall effectively perform their duties to ensure the normal operation of the Company.

Article 39

If a director or senior management contravenes the law, administrative regulation or the Article of Association when carrying out his duties resulting in loss to the Company, shareholder individually or collectively

If an person interfere with the lawful interest of the Company resulting in loss to the Company, a shareholder stipulated under the first paragraph is entitled to commence litigation at the court in accordance with the two preceding paragraph .

Article 40 If a director or senior management contravene the law, administrative regulation or the Article of Association, thereby damaging shareholder's interest, the shareholder can commence litigation in the court.

Article 4 Holder of ordinary share of the Company shall have the following obligation :

- (1) Comply with the law, administrative regulation and the Article of Association;
- (2) Pay for the share based on the share subscribed and the method of subscription;
- (3) Cannot withdraw share capital except as prescribed by the law or regulation ;
- (4) Cannot abuse the right as a shareholder to damage the Company's or other shareholder's interest ; cannot abuse the independent status of a legal person of the Company and the limited liability of the shareholder to damage the interest of creditor ;

A shareholder who abuse his shareholder's right resulting in loss to the Company and other shareholder shall bear the responsibility for compensation according to the law.

Shareholder who abuse the independent status of a legal person of the Company and limited liability of shareholder in order to escape from debt, thereby seriously damaging the interest of creditor of the Company shall jointly be responsible for the Company's debt .

- (5) Other obligation which shall be borne as required by the law, administrative regulation and the Article of Association.

Article 42 The Company's controlling shareholder and actual controller shall exercise their right, perform their obligation and safeguard the interest of the listed company in accordance with laws, administrative regulation, and the provision of the China Securities Regulator Commission and the securities regulator authority where the Company's share are listed.

Article 43 The controlling shareholder and actual controller of the Company shall comply with the following provision:

- (1) Exercise shareholder right in accordance with the law, and do not abuse control or close connected relationship to damage the legitimate right and interest of the Company or other shareholder;
- (2) Strictly implement the public statement and commitment made, and shall not change or exempt them without authorization;
- (3) Strictly perform information disclosure obligation in accordance with relevant regulation, actively cooperate with the Company in information disclosure, and promptly inform the Company of major event that have occurred or are about to occur;
- (4) The Company's funds shall not be occupied in any way;
- (5) The Company and its related personnel shall not be forced, in traded or required to provide guarantee in violation of laws and regulation;
- (6) The Company's undisclosed important information shall not be used to seek benefit, and the Company's undisclosed important information related to the Company shall not be disclosed in any way, and the Company shall not engage in insider trading, short-term trading, market manipulation and other illegal and irregular activities;
- (7) The Company and other shareholder's legitimate right and interest shall not be damaged by any means such as unfair connected transaction, profit distribution, asset retraction, and foreign investment;

(8) The Company's assets shall be intact, personnel, financial, institutional and business independence shall be guaranteed, and the Company's independence shall not be affected in any way;

(9) Other provisions of laws, administrative regulations, regulations of the China Securities Regulator Commission, relevant rules of the stock exchange where the Company's shares are listed and the Articles of Association.

If the Company's controlling shareholder or actual controller does not serve as a director of the Company but actually intervenes in the Company's affairs, the provisions of this Article of Association regarding the director's duty of loyalty and duty of diligence shall apply.

If the Company's controlling shareholder or actual controller instructs a director or senior manager to engage in conduct that harms the interests of the Company or shareholder, he/she shall bear joint and several liability with the director or senior manager.

Article 44 If a controlling shareholder or actual controller pledges the Company's stock held or actually controlled by him/her, he/she shall maintain the Company's control and production and operational stability.

Article 45 If a controlling shareholder or actual controller transfers the shares of the Company held by him, he/she shall comply with the restrictive provisions on share transfers in laws, administrative regulations, and the regulations of the China Securities Regulator Commission and the stock exchange where the Company's shares are listed, as well as the commitment made on restricting share transfers.

CHAPTER 6 GENERAL MEETING

Section General Provisions on General Meeting

Article 46 The general meeting of shareholder of a Company is composed of all shareholder. The general meeting shall be the organ of authority of the Company and shall exercise the functions and powers according to law.

Article 47 The general meeting shall exercise the following functions and powers:

- (1) Elect and replace director and supervisor who are not staff representative. Make decision on matters in relation to the remuneration of the relevant director and supervisor;
- (2) Review and approve the report of the Board;
- (3) Review and approve the report of the Supervisor Committee;
- (4) Review and approve the profit distribution plan and long-term compensation plan of the Company;
- (5) Pass resolution on increasing or reducing the registered capital of the Company;
- (6) Pass resolution on merger, division, winding up, liquidation or changing the form of the Company;
- (7) Pass resolution on the issuance of corporate bonds or other securities and listing plan;
- (8) Pass resolution on the appointment, reappointment or dismissal of accounting firm by the Company undertaking company audit;
- (9) Amend the Articles of Association;

- (10) Re ~~ice~~ and appro e the e ternal g. arantee i . e ~~h~~ich hall be re ~~ice~~d at the general meeting a p re cribed in Article 48 of the e Article of A ociation;
- (11) Re ~~ice~~ p rcha e and ale of ignificant a et ~~h~~ithin a ear e ceeding 30% of the late t a dited total a et of the Compan ;
- (12) Re ~~ice~~ and appro e the change of . e of proceed ;
- (13) Re ~~ice~~ hare incenti e plan ;
- (14) Re ~~ice~~ propo al of the hareholder ~~h~~o repre ent 1% or more of the Compan ' oting hare ;
- (15) Re ~~ice~~ other matter to be re ol ed at the general meeting a req i red b the la~~h~~, admini trati e reg. lation , department reg. lation , li ting r. le of the tock e change of the place() in ~~h~~ich the hare of the Compan are li ted or a p re cribed b the e Article of A ociation.

In the ab ence of iolation of the mandator p ro i ion . nder the rele ant la~~h~~, reg. lation , normati e doc. ment and li ting r. le of the tock e change of the place() in ~~h~~ich the hare of the Compan are li ted, the general meeting ma a thorize or entr. t the Board to deal ~~h~~ith matter o a thorized or entr. ted.

Article 48

The follo~~h~~ing e ternal g. arantee of the Compan hall be re ~~ice~~d and pa ed at the general meeting:

- (1) An g. arantee in addition to the aggregate of e ternal g. arantee p ro ided b the Compan and it holding . b idiar ~~h~~ith a total amo. nt eq. al to or more than 50% of the Compan ' late t a dited net a et ;
- (2) An g. arantee in addition to the aggregate of e ternal g. arantee p ro ided b the Compan ~~h~~ith a total amo. nt eq. al to or more than 30% of the Compan ' late t a dited total a et ;

- (3) To provide guarantee to entities with more than 70% debt to asset ratio;
- (4) A single guarantee whose amount exceeds 10% of the latest audited net asset;
- (5) To provide guarantee for shareholder, de facto controller and their connected parties;
- (6) Other guarantee which shall be passed at the general meeting as prescribed by the local stock exchange where the Company's shares are listed and the relevant Article of Association.

The term external guarantee refers to the guarantee provided by the Company to others, including guarantee provided to any of its controlling subsidiaries. The term total amount of external guarantee of the Company and its holding subsidiaries refers to the sum of total amount of the Company's external guarantee (including the Company's guarantee to its holding subsidiaries) and the external guarantee provided by the Company's holding subsidiaries.

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

Article 49 Except when the Company is under a special circumstance such as a crisis, the Company shall not, without an approval by a special resolution at a general meeting, enter into a contract to hand over all or material business management of the Company to a person other than to a director, supervisor or other senior management.

Article 50 The general meeting shall include annual general meeting and extraordinary general meeting. Annual meeting shall be convened once a year and shall be held within six months from the end of the preceding financial year.

Article 5

The Board shall convene an extraordinary general meeting ~~within~~ ~~the~~ month following the occurrence of any of the following circumstances :

- (1) The number of directors is less than the number stipulated in the Company Law or less than ~~two~~ two-thirds of the number prescribed in the Articles of Association;
- (2) The losses of the Company that have not been made up reach one-third of the total share capital;
- (3) Shareholders ~~who~~ who individually or collectively hold more than 10% of the shares of the Company require to convene an extraordinary general meeting in ~~written~~ written form;
- (4) Whenever the Board considers necessary ;
- (5) When the Supervisory Committee proposes to convene a meeting;
- (6) Other circumstances prescribed by the law ~~the~~, administrative regulations, departmental regulations, listing rules of the stock exchange() of the place() in ~~which~~ which the shares of the Company are listed or the Articles of Association.

Article 53 The Board shall convene the shareholder ' meeting on time within the prescribed time limit.

Section 2 Proposing and Convening of General Meeting

Article 54 With the consent of more than half of all the independent non-executive director , independent non-executive director are entitled to propose to convene an extraordinary general meeting to the Board. Concerning the proposal of convening an extraordinary general meeting requested by the independent non-executive director , the Board shall, in accordance with the requirement of the law , administrative regulation and the Article of Association, reply with a written opinion to state whether it agree or disagree to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

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

If the executive regulator authority of the place where the Company ' share are listed has otherwise stipulate , such provision shall prevail.

Article 55 The Supervisor Committee is entitled to propose to convene an extraordinary general meeting to the Board, which shall be made in writing. The Board shall, in accordance with the law , administrative regulation and the Article of Association, reply with a written opinion to state whether it agree or disagree to convene an extraordinary general meeting within 10 days upon receipt of the proposal.

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

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

Article 56 Shareholder holding more than 10% of shares (individually or collectively with others) shall be entitled to request to convene an extraordinary general meeting according to the following procedure :

- (1) Upon signing one or several written requests with the same content and format, and stating the subject of the meeting, the aforementioned shareholder may request the Board to convene an extraordinary general meeting. The Board shall, in accordance with the requirement of law, administrative regulation and the Articles of Association, reply with a written opinion to state whether it agrees or disagrees to convene an extraordinary general meeting within 10 days upon receipt of the proposal. Shares held by the above shareholder shall be calculated as at the date of submitting the written request.
- (2) If the Board agrees to convene an extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon being resolved by the Board. Any change made to the original request in the notice shall be agreed by the relevant shareholder.
- (3) If the Board disagrees to convene the extraordinary general meeting, or does not reply within 10 days upon receipt of the proposal, shareholders individually or collectively holding more than 10% of the shares of the Company are entitled to request the Superiors Committee in writing to convene an extraordinary general meeting.
- (4) If the board of superiors agrees to convene the extraordinary general meeting, it shall issue a notice of convening the general meeting within 5 days upon receipt of the proposal. Any change made to the original request in the notice shall be agreed by the relevant shareholder.

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

Before making an announcement on the resolution of the general meeting, the convening shareholder shall hold no less than 10% of the share. When the convening shareholder issues the notice of general meeting and the announcement on the resolution of the general meeting, the shareholder shall submit the relevant proof material to the securities regulator authority and relevant stock exchange where the Company is located.

Article 57 Where the Shareholders' Committee or shareholder convene a meeting by themselves in accordance with the provision of this section, a written notice shall be submitted to the Board and filed with the securities regulator authority and relevant stock exchange where the Company is located. The Board and the secretary to the Board shall cooperate in terms of each meeting. The Board shall provide the register of shareholders on the shareholding record date. The expenses reasonably accrued therefrom shall be borne by the Company and be deducted from the amount due for payment to the directors as a result of their negligent manner.

Section 3 Proposals and Notices of General Meeting

Article 58 The content of the proposal to be raised shall be within the scope of duties of the general meeting. It shall have a clear topic and specific matter to be resolved on, and shall be in compliance with relevant requirements of the law, administrative regulation and the Articles of Association.

Article 59 When a general meeting is convened by the Company, the Board, Shareholders' Committee or shareholder who individually or collectively hold more than 1% of the share of the Company shall be entitled to propose resolution to the Company.

Shareholder who individually or collectively hold more than 1% of the share of the Company submit ad hoc proposal in writing to the convenor of the general meeting 10 days before the convening of the general meeting. The convenor shall issue a supplemental notice of the general meeting within 2 days upon receipt of the proposal and announce the content of the ad hoc proposal, and include it for consideration at the shareholder's general meeting. Unless the ad hoc proposal violates the provision of law, administrative regulation, or this Article of Association, or does not fall within the scope of the general meeting.

Except for circumstances provided in the above paragraph, the convenor, after issuing the notice and announcement of the general meeting, shall neither revise the proposal stated in the notice of general meeting nor add new proposal.

If a notice of general meeting does not specify the proposed resolution or does not comply with Article 58 herein, no voting for resolution shall be carried out at the general meeting.

Article 60

Where an annual general meeting is convened by the Company, it shall inform all shareholder of the time and venue of the meeting and the matter to be considered thereat 20 days before the meeting is held in the manner prescribed by law, administrative regulation and the relevant regulatory rule of the place where the Company's share are listed, and where an extraordinary general meeting is convened, it shall inform all shareholder 15 days before the meeting is held in the manner prescribed by law, administrative regulation and the relevant regulatory rule of the place where the Company's share are listed.

When calculating the time limit of the notice, the date of the meeting convened shall be excluded.

Article 6

A general meeting shall not pass a resolution on matter not specified in the notice.

Article 62

Notice of the general meeting shall include the following:

- (1) Time, place and duration of the meeting;
- (2) Specified matter and resolution to be proposed at the meeting;

- (3) Provision to the shareholder of the detailed information and explanation necessary for the shareholder to make sound decision about the matter to be decided. This principle include (but not limited to) the provision of the specific term and contract(), if any, of the proposed transaction() and detailed explanation about the cause and effect. When the Company propose merger, recapitalization of share, restructuring of share capital or other restructuring;
- (4) In the event that any of the director, supervisor, manager or other senior management has material interest at stake in matter to be decided, the nature and extent of the interest at stake shall be disclosed. If the matter to be decided affect any director, supervisor, manager or other senior management as a shareholder in a manner different from how it affect the same type of other shareholder, the difference shall be explained;
- (5) Inclusion of the full text of any special resolution to be proposed for approval at the meeting;
- (6) A clear explanation in word indicating that the entire shareholder are entitled to attend and vote at the general meeting, or to appoint proxy to attend and vote at the meeting on his or her behalf and that each proxy are not necessarily shareholder ;
- (7) Record date for shareholder entitled to attend the meeting;
- (8) Name and telephone number of the contact person;
- (9) Specified delivery time and place of the power of attorney for proxying at the meeting.

Article 63

For matter of decision in relation to the election of director and supervisor, the notice of general meeting shall adequately disclose the detailed information of the candidate for each director and supervisor, which shall at least include the following:

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

Such proxy may exercise the following right conferred by the shareholder:

- (1) The shareholder's right to speak at the general meeting;
- (2) The right to demand by himself or jointly with other persons by a poll;
- (3) Unless otherwise provided in the applicable listing rule or other securities law and regulation, the right to vote may be exercised either by a show of hand or by poll. However, if a shareholder has appointed more than one proxy, each proxy may only exercise their voting right by poll.

If a shareholder is a recognized clearing house or its agent within the meaning of the relevant regulation imposed in Hong Kong from time to time, he may authorize one or more proxies as he thinks fit to act as his proxy at a general meeting. However, if more than one proxy are appointed, the proxy form shall specify the number and class of shares represented by each of such proxies under the authorization, and signed by a authorized proxy of recognized clearing house. Such authorized proxies are entitled to attend the meeting on behalf of the recognized clearing house or their agent (with the presentation of evidence of their shareholding, notarized authorization and/or further proof demonstrating the delegation of the same) and exercise the right of the recognized clearing house or their agent, as if they were the individual shareholder of the Company.

Article 67

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

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

Article 68

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

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

- (1) Name of the appointor, the class and number of shares of the Company held by him/her;
- (2) Name of the proxy;
- (3) Specific indication from shareholder, including indication of consent, objection or abstention concerning each proposal to be resolved on the agenda of general meeting;
- (4) Date of signing of the instrument and term of validity;
- (5) Signature (or seal) of the principal. If the principal is a legal person shareholder, the seal of the legal person shall be affixed.

Article 69

Where the instrument is signed by another person authorized by the principal, the authorization letter or other document authorizing the signator shall be notarized. The notarized authorization letter or other authorized document shall be placed together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of convening the meeting.

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

Article 70 Where the entrusting party is deceased or incapacitated to act or ~~who~~ has signed proxy form ~~is withdrawn~~ or the relevant share has been transferred prior to the voting, a vote given in accordance ~~with~~ the terms of the proxy form shall remain valid as long as the Company has not received a ~~written~~ notice of such matter before the commencement of the relevant meeting.

Article 7 A registration record for attendees at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the name of the attendee (or name of organization), identification number, the number of shares held or voting rights represented and name of the proxy (or name of organization).

Article 72 The company shall verify the shareholder's qualification according to the register of members provided by the securities registration and clearing institution. The name of shareholder and the total number of shares ~~with~~ voting rights held by them shall be registered. The registration at the meeting shall end before the chairman of the meeting announces the number of shareholder and proxy attending the meeting and the total number of shares held ~~with~~ voting rights.

Article 73 The director, supervisor and senior management of the Company shall, upon request of the general meeting, be present at each meeting for answering queries raised by the shareholder.

Article 74

convene and preside over the meeting. Where a majority of the directors cannot designate a director to convene and preside over the meeting, the shareholder attending the meeting may elect one person to preside over the meeting. If for any reason the shareholders are unable to elect a chairman, the attending shareholder holding the largest number of voting shares (whether in person or by proxy) shall preside over the meeting.

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

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

In a general meeting, if the chairman of the meeting contravenes the rules of procedure of general meeting, rendering the meeting impossible, the chairman of the meeting shall be deemed to have resigned his/her/its office. In such case, the shareholders shall elect a new chairman of the meeting. If the chairman of the meeting is unable to discharge or fails to discharge his/her/its duties, a majority of the shareholders shall nominate a new chairman of the meeting. If the chairman of the meeting is unable to discharge or fails to discharge his/her/its duties, a majority of the shareholders shall nominate a new chairman of the meeting.

Article 76 In the annual general meeting, the Board and the Supervisor Committee shall report their work for the past year to the general meeting. Each independent non-executive director shall also present a work report.

Article 77 Director, Supervisor and senior management shall provide explanation regarding and answer the enquiry and suggestion from shareholder at the general meeting.

Article 78 The chairman of the meeting shall, prior to voting, announce the number of shareholder and proxy attending the meeting in person as well as the total number of voting share, which shall be the number of shareholder and proxy attending the meeting in person and the total number of their voting share as indicated in the meeting's registration record.

Article 79 Minutes shall be prepared for general meeting by the secretary to the Board. The minutes shall state the following content :

- (1) Time, venue and agenda of the meeting and name of the convener;
- (2) The name of the chairman of the meeting and the name of the director, Supervisor and senior management attending or present at the meeting;
- (3) The number of shareholder and proxy attending the meeting, total number of voting share the represent and the percentage of their voting share to the total share capital of the Company for each shareholder;
- (4) The process of review and discussion, summary of an speech and voting result of each proposal;
- (5) Shareholder's question, opinion or suggestion and corresponding answer or explanation ;
- (6) Name of vote counter and scrutinizer of the voting;
- (7) Other content to be included as specified in the relevant Article of Association.

Article 80 The convener shall ensure that the content of the minutes are true, accurate and complete. Director, Supervisor, Secretary to the Board, convener or his/her representative and the chairman of the meeting attending or present at the meeting shall sign on the minutes. The minutes shall be kept together with the attendance register, proxy form and valid record on internet voting and other means of voting, for a period of no less than 10 years.

Article 8 The convener shall ensure that the general meeting be conducted continuously until final resolutions are made. If the general meeting is suspended or resolution cannot be made because of force majeure and other special cases, the convener shall take necessary measures to resume the meeting or directly terminate that meeting as soon as practicable followed by a timely public announcement and report in accordance with the laws, regulations or listing rules of the stock exchange() of the place() in which the shares of the Company are listed.

Section 5 Voting and Resolutions at General Meetings

Article 82 Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than one half of the voting shares held by shareholder (including their proxy) attending the general meeting.

Special resolutions at a general meeting shall be passed by more than two-thirds of the voting right held by shareholder (including their proxy) attending the general meeting.

Article 83 When shareholder (including proxy) vote at the general meeting, they shall exercise their voting right according to the number of voting shares they represent. Each share shall carry one voting right.

Shares held by the Company do not carry voting right, and shall not be counted in the total number of voting shares represented by shareholder present at a general meeting.

Subject to and conditional upon compliance with applicable law, regulation or requirement of the listing rule of the stock exchange() of the place() in which the share of the Company are listed, the Board, independent non-executive director and other shareholder who qualify with relevant specified condition may solicit for the voting share from shareholder .

When the general meeting consider related party transaction , the related party shareholder shall not participate in the voting if so specified in the applicable law, regulation or listing rule of the stock exchange() of the place() in which the share of the Company are listed. His share held with voting right shall not be counted within the total number of valid vote . The public announcement on the voting result of the general meeting shall fully disclose the voting result of the non-related party shareholder .

In accordance with the applicable law, regulation and listing rule of the stock exchange() of the place() in which the share of the Company are listed, where an shareholder shall abstain from voting for an particular resolution, or restricted to vote only for or against such resolution, an vote in violation of such requirement or restriction by the shareholder (or their proxy) shall not be counted in the voting result .

Article 84 Voting is conducted by open ballot at the general meeting.

Article 85 The following matters shall be passed by a majority of ordinary resolution at a general meeting:

- (1) Work report of the Board and the Supervisor Committee;
- (2) Profit distribution plan and long term compensation plan formulated by the Board;
- (3) The appointment and removal of non-employee representative supervisor among member of the Board and member of the Supervisor Committee;

Article 88

If the chairman of the meeting has an doubt about the voting result of a resolution, he may arrange the recounting of the vote. If the chairman of

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

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

A director need not hold the shares of the Company.

Article 92 The directors, both collectively and individually, are expected to fulfill fiduciary duties and duties of skill, care and diligence at least to the standard established by the law of Hong Kong. This means that each

Article 93 Subject to compliance with relevant laws, regulations and the Listing Rules, a director can be removed by a resolution passed at a general meeting before the expiry of his term of office. Such removal does not prejudice the director's claim for damages payable under a contract.

Article 94 If a director is unable to attend Board meeting in person for two consecutive meetings, and does not appoint other director to attend the Board meeting on his behalf, he shall be deemed as failing to carry out his duties. The Board shall propose to the general meeting to replace him.

Article 95 A director may resign before expiry of his term of office. When a director resigns, he shall submit a written resignation notice to the Board.

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

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

Article 96 When a director's resignation takes effect or his term of office expires, the director shall complete all transfer procedures with the Board. His fiduciary duties towards the Company and the shareholders do not necessarily cease after the end of his term of office and shall still be in effect for a period of two years. The duty of confidentiality in respect of trade secrets of the Company arises from his resignation or expiry of his term of office, until such trade secrets become publicly available information. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has elapsed between the occurrence of the event concerned and the termination of tenure, and the circumstances and terms under which the relationship between them and the Company has been terminated.

Article 97 In the absence of specification in the e Article of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party reasonably believes that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

Article 98 If a director breaches the law, administrative regulation, departmental regulation or the e Article of Association when carrying out his corporate duties and causes loss to the Company, he shall be held responsible for damage.

Section 2 Independent Non-executive Directors

Article 99

- (3) Have the basic knowledge of the operation of a listed company, and be familiar with the relevant laws, administrative regulations, rules and regulations;
- (4) Possess more than five years of experience in law, economic or such other working experience as required for discharging duties of an independent non-executive director; and
- (5) Such other conditions as required under the relevant Article of Association.

Article 00 No less than one-third of the Board members and no less than three Board members of the Company shall be independent non-executive directors; among whom, at least one independent non-executive director

Other than the power conferred upon by the Companies Law and other relevant law, regulation, listing rule of the stock exchange() of the place() where the Company's shares are listed and the Article of Association, an independent non-executive director shall have the following special power:

- (1) Significant connected transaction, as determined according to the criteria issued, from time to time, by the regulator bodies in the place() of listing, shall be submitted to the Board for decision after having been endorsed by the independent non-executive director. Prior to making an judgment, the independent director may engage an intermediary in consultation to issue an independent financial advisor.

Article 02 The Company shall formulate working rule of independent non-executive director, which will specify the qualification, nomination, election and replacement, right and obligation, and liabilities of independent non-executive director.

Article 03 Matter relating to independent non-executive director not covered in this section shall be handled according to the relevant applicable law, regulation or listing rule of the stock exchange() of the place() where the Company's share are listed.

Section 3 Board of Directors

Article 04 The Company shall elect the Board which shall be accountable to the general meeting.

Article 05 The Board shall be composed of 9 director, including 3 independent non-executive director. The Board shall have one chairman and may have one vice chairman.

The chairman and vice chairman (or vice chairmen) of the Board shall be elected and dismissed by more than one half of all the director. The chairman and vice chairman (or vice chairmen) of the Board shall serve a term of 3 year and may be re-elected upon the expiry of their term. (The provision related to the vice chairman as provided herein shall be only applicable to each circumstance where the position() of vice chairman is elected in the Company, same as below.)

Article 06 The Board exercise the following function and power:

- (5) to formulate proposal for the Company to increase or decrease its registered capital, issue corporate bond or other securities and prepare an listing thereof;
- (6) to formulate plan for merger, division, dissolution and alteration of corporate form of the Company;
- (7) to formulate plan for the Company's substantial acquisition and purchase of the share of the Company;
- (8) Within the scope authorized by the general meeting, to decide, among other, the Company's external investment, purchase and sale of assets, provision of securities on the Company's assets, matters on external guarantee, entrusted wealth management, connected transaction, external donation and other;
- (9) to decide on the establishment of internal management organization of the Company;
- (10) to determine the establishment of the special committee under the Board, appoint or dismiss the chairman (convenor) of such committee;
- (11) to appoint or dismiss the general manager, the secretary to the Board and the company secretary; to appoint or dismiss the senior management including the deputy general manager and the chief financial officer of the Company in accordance with the nomination made by general manager, and to decide on their remuneration;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposal to amend the Articles of Association;
- (14) to formulate the incentive stock option plan of the Company;
- (15) to manage information disclosure of the Company;

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

(17) to listen to work report of the general manager of the Company and receive the work of the general manager;

(18) to consider, receive and approve the matter on the Company's external guarantee which shall not fall into the scope required to be considered 5 (e) 0.5 (r) 0.5 .5

Should the foregoing exercise of each function and power by the Board, or an transaction or arrangement of the Company be considered and resolved by a general meeting according to the listing rule of the stock exchange() of the place() where the Company's share are listed, each shall be submitted to the general meeting for consideration and resolution.

Except for the Board resolution in respect of the matter specified in paragraph (5), (6) and (13) which shall be passed by more than two-third of the director, the Board resolution in respect of all other matters set out in the preceding paragraph may be passed by over one half of the director.

The Board shall provide explanation to the general meeting with respect to the audit report of a non-standard opinion, issued by a certified public accountant, regarding the Company's financial statement.

Article 07 The Board shall formulate the rule of procedure for meeting of the Board to ensure implementation of the resolution of the general meeting, improve the efficiency of work and ensure scientific decision-making. The rule of procedure for the Board stipulate the procedure for holding the Board meeting and voting at the Board meeting, and shall be appended to the Charter of Association, being formulated by the Board and approved by the general meeting.

Article 08 The Board shall establish the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, and may establish other special committee including the Strategic Committee, to advise and consult with the Board on major decision.

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

of the Remuneration and Appraisal Committee, and the chairman thereof shall be an independent non-executive director. The special committee shall perform its duties in accordance with the listing rule of the stock exchange where the Company is listed, the Company's special committee work rule and the authorization of the Board, and the proposal of the special committee shall be submitted to the Board for deliberation and decision. The Board shall be responsible for formulating the special committee work rule.

Article 09 The chairman of the Board shall exercise the following functions and powers:

- (1) to preside over general meeting and to convene and preside over Board meeting;
- (2) to procure and check the implementation of resolution of the Board;
- (3) to sign on share certificate, bond certificate and other securities issued by the Company;
- (4) to organize the formulation of internal rule for the operation of the Board and to coordinate for the operation of the Board;
- (5) to sign on important document of the Board and to externally sign on each legally binding document on behalf of the Company;
- (6) to exercise the powers and functions of a legal representative;
- (7) to nominate candidate for the secretary to the Board, member and chairmen of the special committee under the Board;
- (8) to listen to regular or irregular work report of the senior management of the Company, and provide guiding opinion regarding the implementation of the Board resolution;

- (9) in the event of an emergency of force majeure including man-made natural disaster, to exercise the special right of disposal over the Company's affair, being in line with the requirement of law and the interest of the Company, and to report to the Board and the general meeting thereafter;

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

Board meeting may be convened by means of telephone conference, video conference, circulation of document, facsimile etc. provided that director can fill in their vote, and all director who participate in Board meeting held in such form shall be deemed to have attended the meeting in person. For a Board meeting which is held by means of telecommunication, the notice of meeting shall set out the details of the resolution of the meeting, and shall state the deadline date for voting. The director who participate in such meeting shall prepare their vote to the Company via facsimile by the deadline date for such voting as stated in the notice of meeting, and the original copy of such voting decision, which shall be signed by such director themselves, shall be sent to the Board of the Company.

If there is a conflict of interest deemed to be material by the Board found in the matter to be considered by substantial shareholder or director at the Board, the relevant matter shall be handled by means of holding a Board meeting (but not written resolution). Independent non-executive director themselves and their associate, have no material interest in the transaction should be present at such Board meeting.

Article The notice of Board meeting may be delivered in the manner() as set out in Article 195 of the Company Law of Association.

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

Article 2 A notice of Board meeting shall include the following content :

- (1) Date and place of meeting;
- (2) Duration of the meeting;
- (3) Cause and agenda;
- (4) Date of issuance of notice.

Article 3 For an important matter to be determined by the Board of the Company, sufficient information shall be provided to the director and the director are entitled to request the preparation of the material. When the director has been notified in the Company or elsewhere, the director shall be entitled to request the preparation of the material.

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The director shall be entitled to request the preparation of the material and the director shall be entitled to request the preparation of the material.

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

The Company shall bear the reasonable expense incurred by a director attending the Board meeting. Such expense may include cost for transportation from the place where the director resides to the venue of

The minutes of Board meeting shall be kept as a company file for a period of no less than ten years.

Article 9

- (3) to ensure that the register of shareholder of the Company is kept in a proper manner and that the person entitled to the access to the relevant record and document of the Company may obtain the same in a timely manner;
- (4) to carry out any other duties as prescribed by law, administrative regulation, departmental rule and regulation or the Charter Article of Association.

Article 22 Director or other senior management officer may concurrently act as the secretary to the Board. No accountant() of the accounting firm that is appointed by the Company may concurrently act as the secretary to the Board.

Where the secretary to the Board concurrently acts as a director, for an act which is required to be made by a director and the secretary to the Board separately, the person who concurrently acts as a director and the secretary to the Board may not perform the act in dual capacity.

Article 23 The Company's director, general manager and related internal department shall support the secretary to the Board to perform his or her duties legally and shall provide guarantee in respect of organizational setup, staff deployment, and funding. All relevant department of the Company shall actively cooperate with the secretary to the Board regarding the work of the latter's working organization.

CHAPTER 9 COMPANY SECRETARY

Article 24 The Company shall appoint a company secretary to ensure good

Article 25 The election, appointment and dismissal of a company secretary shall be subject to approval by the Board. Decision in this regard shall be made by convening physical meeting of the Board but not by way of written resolution. The company secretary shall be an individual who, by virtue

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

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

Article 30 The Company's general manager shall be accountable to the Board and shall exercise the following functions and powers:

- (1) to lead the Company's production, operation and management, and report to the Board;
- (2) to organize and implement the Board's resolutions;
- (3) to organize the implementation of the Company's annual business plan and investment plan formulated by the Board;
- (4) to draft plans for the establishment of the Company's internal management structure;
- (5) to formulate the structure scheme for any branch(es) of the Company;
- (6) to draft the basic management system of the Company;
- (7) to formulate detailed rules and regulations of the Company;
- (8) to propose to the Board the appointment or dismissal of the Company's deputy general manager(s) and chief financial officer;

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

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

Article 3 The Company's general manager shall attend the meeting of the Board. A non-director manager shall not have the right to vote at each meeting.

Article 32 The general manager shall formulate the detailed working rule of the general manager, and each working rule shall be submitted to the Board for approval.

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

(1) condition, procedure and the number of participants for convening meeting of the manager officer;

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

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

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

Article 33 When exercising his functions and powers, the general manager of the company shall bear the duty of good faith and due diligence in accordance with laws, administrative regulations and the Articles of Association.

Section 2 Supervisory Committee

Article 4 The Company shall establish a Supervisory Committee.

Article 42 The Supervisory Committee shall be composed of four members, one of whom shall be the chairman of the Supervisory Committee.

The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by a majority of its members.

Article 43 The Supervisory Committee shall be composed of shareholder representatives, independent members and employee representatives. The shareholder representatives and independent members shall be elected and dismissed by the general meeting, and the employee representatives shall be no less than one-third of the members of the Supervisory Committee, and democratically elected and dismissed by the Company's employees.

Article 44 The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers according to law:

- (1) to examine the Company's financial standing;
- (2) to supervise the director and senior management officer to ensure that they perform their duties to the Company not in violation of any law, administrative regulation or the Articles of Association, and to put forward suggestions for dismissing an director or senior management officer who are in violation of law, administrative regulation, the Articles of Association or resolution of the general meeting;
- (3) to demand rectification made by a director and another senior management officer when the act of the foregoing person damages the Company's interests;

- (4) to verify the financial information such as the financial report , balance report and profit distribution plan and other to be submitted by the Board to the general meeting and, hold an inquiry, to entrust, in the name of the Company, certified public accountant and practicing auditor to conduct a review thereof;
- (5) to propose to convene an extraordinary general meeting and to convene and preside over general meeting when the Board fail to perform the duty of convening and presiding over general meeting ;
- (6) to submit proposal to the general meeting ;
- (7) to propose to convene an extraordinary meeting of the Board;
- (8) to represent the Company in negotiating with or in bringing legal action against the director and senior management officer in accordance with the provision of the Company Law;
- (9) to conduct investigation upon discovery of abnormality in the business operation and engage professional firm such as accounting firm and law firm to assist it work where necessary. The cost shall be borne by the Company ;
- (10) any other function and power as stipulated by the Article of Association.

Article 45 The meeting of the Supervisor Committee shall be held at least once every six months, which shall be convened and presided over by the chairman of the Supervisor Committee. A Supervisor may propose to convene an extraordinary meeting of the board of Supervisor .

Where the chairman of the board of Supervisor is incapable of performing or fail to perform his duty , a Supervisor elected by more than half of the Supervisor shall convene and preside over the meeting of the board of Supervisor .

Article 46 The S. per i or Committee shall formulate the working rule for the board of . per i or in order to ensure the efficiency of work and scientific decision-making. The convening and voting procedure stipulated in the working rule of the S. per i or Committee (appended to the e Article) shall be drafted by the board of . per i or and approved by the general meeting.

Article 47 A meeting of the S. per i or Committee shall not be conducted unless it is attended by more than half of the . per i or . Voting at the meeting of S. per i or Committee shall be carried out by disclosed ballot and each . per i or shall have one vote. A . per i or shall attend meeting of the board of . per i or in person, or appoint in writing another . per i or to attend the meeting on his behalf during his absence with care. The provisions shall specify the content of a authorization.

Resolution at the meeting of the board of . per i or shall be passed by over half of the . per i or ' vote .

Article 48 The discussed issue shall be recorded in the minutes of the meeting of the S. per i or Committee. S. per i or attending the meeting shall sign on the minutes of meeting .

S. per i or are entitled to request that an explanation of their comment made at the meeting be noted in the minutes . Minutes of meeting of the board of . per i or shall be maintained as company file for at least ten years .

Article 49 A notice of the regular meeting of S. per i or Committee to all . per i or shall be given in writing 10 days prior to the convening of each meeting. A notice of the extraordinary meeting of S. per i or Committee to all . per i or shall be given in writing 3 days prior to the convening of each meeting.

A notice to a S. per i or Committee meeting shall include the following content :

(1) date, venue, and duration of the meeting;

(2) cause and issue of decision;

(3) date of issuance of notice.

Article 50 The Company shall bear the reasonable expense incurred by a shareholder in attending meeting of the Shareholder Committee. Such expense may include cost for transportation to the venue of the meeting (if not the region where shareholder are stationed), meal and accommodation expense, rental for the meeting venue and local transportation cost during the duration of the meeting.

The reasonable expense incurred by the board of shareholder in the engagement of professional such as lawyer, certified public accountant, practicing auditor, etc. to perform its function and power shall be borne by the Company.

CHAPTER 2 QUALIFICATIONS AND OBLIGATIONS OF THE COMPANY'S DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Article 5

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- (3) A person who is a former director, factor manager or general manager of a company or enterprise which has undergone bankruptcy and he is personally liable for the bankruptcy of such company or enterprise, where less than 3 years have elapsed upon the completion of the insolvency and liquidation of the company or enterprise;
- (4) A person who is a former legal representative of a company or enterprise which has been licensed or ordered to close down due to a violation of the law and who incurred personal liability, where less than 3 years have elapsed upon the revocation of the business license or close down order;
- (5) A person who is being listed as a dishonest person subject to enforcement by the people's court for a relatively large amount of debt due and outstanding;
- (6) A person has been banned from the securities market by the CSRC and the ban has not expired;
- (7) Other circumstances stipulated by law, administrative regulation or departmental rule and regulation or rule of securities regulator and stock exchange() in the place() where the shares of the Company are listed.

The breach of the foregoing provision regarding the election of director and supervisor, or the appointment of the senior management shall render such election or appointment null and void. Should the occasion() set forth in the foregoing provision occur during a tenure of a director, supervisor or member of the senior management, the Company shall relieve such person from his/her duties.

Article 52 Director, supervisor, and senior management member shall abide by law, administrative regulation and the provision of the constitution of Association. They have a duty of loyalty to the Company and must take measures to avoid conflict between their personal interest and the Company's interest. They shall not use their authority to seek improper benefit and must fulfill the following obligation of loyalty to the Company:

- (1) The shall not embezzle property or misappropriate funds of the Company ;
- (2) The shall not open accounts to a fund of the Company under their own name or another individual's name;
- (3) The shall not use their authority to offer or accept bribe or other illegal income;
- (4) Without reporting to the Board or the shareholder's general meeting and obtaining approval as stipulated in the Charter of Association, the shall not directly or indirectly enter into contract or conduct transaction with the Company ;

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When the close relative of director, supervisor and senior management member, the enterprise directly or indirectly controlled by the director, supervisor, senior management member or their close relative or the connected person who has other connected relationship with the director, supervisor and senior management member enter into contract or transaction with the Company, the provision of the preceding paragraph shall apply.

Article 53 Director, supervisor, and senior management member shall abide by law, administrative regulation, and the provision of the Article of Association. They have a duty of diligence to the Company and shall exercise reasonable care, as expected of manager, to act in the best interest of the Company. They shall fulfill the following obligation of diligence:

- (1) They shall exercise their right prudently, conscientiously, and diligently to ensure that the Company's commercial activities comply with national law, administrative regulation, and economic policies, and do not exceed the business scope specified in the business license;
- (2) They shall treat all shareholder fairly;
- (3) They shall be informed about the company's business operation and management status;
- (4) They shall sign written confirmation for the Company's regular report and to ensure the information disclosed by the Company is true, accurate and complete;
- (5) They shall honestly provide the Supervisor Committee with relevant information, and not to interfere the Supervisor Committee with the in performing their duties and powers;
- (6) Fulfill other due diligence obligation stipulated by law, administrative regulation, rule of regulator authorities and the Article of Association.

Article 54 The fiduciary duty of the director, supervisor and the senior management of the Company do not necessarily cease with the termination of their tenure while their obligation to treat each trade secret of the Company confidential survive the termination of their tenure, until each secret become publicly available. Other duties may continue for each period a fairness may require, depending on the time lapse between the termination of tenure and the occurrence of the event concerned, and the circumstance and condition under which the relationship between them and the Company is terminated.

Article 55 When a director, supervisor and senior management of the Company is in breach of his/her duty to the Company, the Company shall have the right to adopt the following measures in addition to various right and remedies as provided in law and administrative regulation :

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

(2) to revoke any contract or transaction concluded by the Company with the relevant director, supervisor or senior management or contract with a third party (where each third party is aware of or should be aware of that the director, supervisor or senior management is in breach of his/her duty to the Company).

If the law, administrative regulation, departmental regulation and Listing Rules provide otherwise, the charter shall prevail.

Article 60 The Company may not maintain an account book other than statutory account book. Funds of the Company shall not be held in an account opened under the name of an individual.

Article 6 Where a company distributes its after-tax profit of the current year, it shall allocate 10% of the profit to the Company's statutory common reserve. The Company may make no more allocation hold the accumulated balance of the Company's statutory common reserve account for more than 50% of the Company's registered capital.

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

After the Company has allocated the statutory reserved distribution on the total

Article 62 The reserve of the Company is used to make up for the Company's loss, expand the production operation of the Company or increase the Company's registered capital. When using surplus reserve to make up for loss, the discretionary surplus reserve and the statutory surplus reserve shall be used first; if they are still insufficient to make up for the loss, the capital surplus reserve may be used in accordance with the regulation.

When statutory common reserve is converted into increased registered capital, the remaining balance of such reserve shall not be less than 25% of the registered capital of the Company before the conversion.

Article 63 The Company may distribute dividends in one of the following form (or in more than two forms simultaneously):

- (1) cash;
- (2) shares;
- (3) other method permitted by law, administrative regulation, departmental rule and regulation, and the regulator's rule of the place() of listing.

The Company shall pay cash dividends and other payment in RMB to holder of unlimited domestic shares. Such payment made by the Company to holder of overseas-listed shares shall be denominated and declared in Renminbi and paid in Hong Kong dollar. Such Hong Kong dollar required for the Company's payment of cash dividends and other payment to the holder of overseas-listed shares shall be handled pursuant to the relevant provision of the State administration of foreign exchange.

The Board shall be authorized by a resolution passed by the general meeting to implement the dividend distribution of the Company.

Article 64 An amount paid up in advance of call on an share of the Company may carry interest but shall not entitle the holder of the share to participate in a dividend subsequently declared in respect thereof. Such prepaid amount for paid share().

Article 65 The Company shall appoint a receiving agent for holder of overseas limited share to collect on behalf of the relevant shareholder the dividend distributed and other funds payable in respect of overseas limited share.

The receiving agent appointed by the Company shall meet the requirement of the law of the place() of listing, or the relevant provision of the stock exchange() of listing.

Subject to complying with the relevant PRC law and regulation and the provision of the Hong Kong Stock Exchange, the Company may exercise the right to forfeit unclaimed dividend, but such right shall not be exercised until and upon the expiration of the applicable corresponding limitation period after the dividend has been declared to be distributed.

Article 66 After the general meeting of the Company has resolved on the plan to allocate profit, the Board shall complete the distribution of dividend (or dividend share) within 2 month after the meeting is convened.

Article 67 The Company will give full consideration to the interest of shareholder and shall implement reasonable profit distribution policy according to the business situation and market environment. The Company's profit distribution policy shall maintain its continuity and stability to the greatest extent, and give priority to cash dividend according to the specific profit-sharing ratio which is to be passed by a resolution by the general meeting pursuant to law.

Article 68 The Company shall adopt an internal audit system, and have special assigned audit personnel who will conduct internal audit and supervise the financial income and expenditure and business activities of the Company.

The internal audit system and the function and duties of the internal audit personnel of the Company shall be implemented after being approved by the Board. The person in charge of audit shall be accountable to and report to the Board.

CHAPTER 4 APPOINTMENT OF AN ACCOUNTING FIRM

Article 69 The Company shall engage an accounting firm that complies with the provisions of the Securities Law to audit its financial statements, verify its net assets, and provide other relevant consulting services. The accounting firm shall serve a term of one year and the engagement can be renewed.

Article 70 The appointment and dismissal of the accounting firm by the Company must be determined by the general meeting. The Board may not appoint an accounting firm before it is approved by the general meeting.

Article 71 The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accounting firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.

Article 72

As for a merger, both parties to the merger shall enter into an agreement of merger with each other and prepare the balance sheet and checklist of properties. The companies involved shall notify the creditor according to the Companies Law, and shall make a public announcement on newspaper

Article 77 After making a proposal in accordance with paragraph 2 of Article 162 of the e Article of Association, if the Company still has losses, it may reduce its registered capital to make up the losses. When reducing registered capital to make up losses, the Company shall not distribute profits to shareholders, nor may it exempt shareholders from their obligation to contribute capital or share payment.

Where the registered capital is reduced in accordance with the provision of the preceding paragraph, the provision of paragraph 2 of Article 27 of the e Article of Association shall not apply, but an announcement shall be made on newspaper recognized by the change of the place() where the Company's shares are listed or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed by the general meeting.

After reducing its registered capital in accordance with the preceding paragraph, the Company shall not distribute profits until the cumulative amount of its total losses is offset and discretionary losses reach fifty percent of its registered capital.

Article 78 Where the reduction of registered capital violates the Company Law or other relevant regulation, shareholders shall return the funds they have received, and an exemption from shareholders' capital contribution shall be restored to the original state; if an loss is caused to the Company, the shareholders and the responsible director and senior management member shall be liable for compensation.

Article 79 When the Company is not allowed to increase its registered capital, shareholders shall not have preemptive subscription rights, except as otherwise provided in the e Article of Association or as resolved by a general meeting.

Article 80 Where any of the registered items is changed due to a merger or division of a company, the Company shall proceed with the change of registration with the company registration authority. Should the Company be dissolved, it shall be de-registered according to law. If a new company is established, it shall go through the registration for company establishment according to law.

Section 2 Dissolution and Liquidation

Article 8 The Company shall be dissolved and liquidated pursuant to law~~s~~ should the Company be under any of the following circumstances :

An amendment to the e Article of Association or a resolution adopted by a general meeting pursuant to the preceding paragraph shall require approval by at least two-thirds of the voting right held by shareholder present at the meeting.

Article 83 Where the Company is dissolved according to the provision of Article 181 (1), (2), (4) or (5) of the e Article of Association, it shall be liquidated. A director is the liquidation obligor of the Company and a liquidation team shall be formed within 15 days of the occurrence of the cause of dissolution, to carry out liquidation. The liquidation team shall be composed of the director unless it stipulated otherwise in the e Article of Association or it is resolved by a general meeting to elect other. If the liquidation obligor fails to perform his/her liquidation obligation in a timely manner and causes loss to the Company or its creditor, he/she shall be liable for compensation.

Article 84 The liquidation team shall, within 10 days of its formation, notify the creditor, and shall, within 60 days, make a public announcement on newspaper recognized by the stock exchange() where the share of the Company is/are listed or on National Enterprise Credit Information

- (2) informing creditor by a notice or public announcement;
- (3) disposing of and liquidating the unfinished business of the Company;
- (4) clearing off the outstanding taxes and the taxes incurred from the process of liquidation;
- (5) clearing off credits and debts;
- (6) distributing of the residual properties after settling each debt; and
- (7) participating in the civil litigation on behalf of the Company.

Article 86 After the liquidation team has liquidated the properties of the Company and has prepared the balance sheet and checklist of properties, it shall prepare a plan of liquidation, and report it to the general meeting or the people's court for confirmation.

The remaining assets that result from paying off the liquidation expenses, wages of employees, social insurance premiums and labor compensation, the outstanding taxes and the debts of the Company may be distributed according to the ratio of shareholding of the shareholder.

During the period of liquidation, the Company continues to exist but may not carry out any business operation that is not for the purpose of carrying out liquidation. Before the settlement of repayment as provided in the preceding article has been made, the Company's properties shall not be distributed to shareholder.

Article 87 Should the liquidation team find that the properties of the Company are insufficient for clearing off the debts after liquidating the properties of the Company and preparing the balance sheet and checklist of properties, it shall immediately apply to the people's court for the Company's bankruptcy liquidation pursuant to law.

Once the people's court accepts the application for bankruptcy of the Company, the liquidation team shall hand over the liquidation matter to the bankruptcy administrator designated by the people's court.

Article 88 Following the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report. Such committee shall submit the same to the general meeting or the people's court for confirmation and to the company registration authority to apply for the company de-registration.

Article 89 The members of the liquidation team perform the liquidation duties and owe the duty of loyalty and diligence.

If a member of the liquidation team neglects to perform the duties of liquidation and causes loss to the Company, he/she shall be liable for compensation;

Those causing an loss to the Company or a creditor with intention or due to gross negligence shall be liable to make indemnification.

CHAPTER 6 AMENDMENT TO ARTICLES OF ASSOCIATION

Article 90

Article 92 Amendment to the Article of Association passed by resolution at the general meeting shall be required to be examined and approved by the competent authorities, and shall be submitted to the competent authorities for approval. Should the registration of the Company be in order, the change to each registration shall be handled according to law.

Article 93 The Board shall amend the Article of Association according to the resolution of the general meeting and the opinion of the relevant competent authorities.

Notwithstanding the foregoing paragraph, in the following circumstances, the general meeting may pass a resolution: (e) 0.5 (g) 0.5 (i) 0.5 (j) 0.5 (l) Cf a c. a too, in tngten

CHAPTER 7 NOTICE

Article 95 Notice of the Company may be served through means as follows:

- (1) delivery by hand;
- (2) by post;
- (3) by fax or email;
- (4) subject to the law, regulation and listing rule of the stock exchange() of the place() in which the shares of the Company are listed, posted at the Company's website or website designated by the relevant stock exchange;
- (5) by public announcement;
- (6) other means prescribed between the Company and the recipient or a confirmed means upon notice; or
- (7) other means approved by the relevant regulator agency of the place() in which the shares of the Company are listed or a set out in the e Article of Association.

Regarding the method by which the Company provide or send corporate communication to shareholder in accordance with the requirement of the Listing Rule, and under the premise of complying with the law and regulation of the listing location, the Listing Rule, and the e Article of Association, each corporate communication may be sent to shareholder through the Company's designated website and/or the Hong Kong Stock Exchange website or via other electronic means. When exercising the right specified in this Article of Association through public announcement, each announcement shall be published in accordance with the method prescribed by the Listing Rule. Under the premise of complying with law, regulation, regulator document, the listing rule of the place() where the Company's shares are listed, and the e Article of Association, where the Company issues a notice by public announcement, all relevant

personnel shall be deemed to have received such notice once the public announcement has been made. The Board has the right to determine and adjust the designated media for the Company's information disclosure, but must ensure that the relevant information disclosure media comply with applicable laws, regulations, and the listing rules of the place(s) where the Company's shares are listed.

Article 96 Unless otherwise provided in the Charter of Association, all means of service of notice set out in the preceding Article shall also be applicable to notice for general meeting, meeting of Board or the Supervisory Committee.

Article 97 If the notice is served by hand, the date of service is the date of acknowledgment of receipt by signatory (or affixed seal) on the service return slip. If the notice is sent by post, the date of service is the fifth working day from the date of delivery at the post office. If the notice is made via facsimile, e-mail or website, the date of service is the date of transmission. If the notice is made by public announcement, the date of service is the date of the first publication of the public announcement.

Article 98 Where relevant corporate documents must be in English accompanied by a Chinese version and be served through delivery, post, distribution, sending out, announcement or other means according to the requirement of the listing rules of the stock exchange(s) of the place(s) in which the shares of the Company are listed, in respect of shareholder who, under proper arrangement by the Company confirm to receive such information only in English or Chinese version as well as to the extent of the applicable laws and regulations, the Company may send such documents in the English or Chinese version to relevant shareholder as the only one.

CHAPTER 8 SUPPLEMENTARY ARTICLES

Article 99 Definition

- (1) In the e Article of Association, the Controlling Shareholder mean a hareholder who hold more than 50% of the Compan ' total hare capital; or a hareholder who e hareholding ratio, altho gh not e ceeding 50%, grant he/ he/it fficient oting right to igiticantl infl ence re ol tion of a general meeting. If the li ting r le of the tock e change here the Compan ' hare are li ted provide eparate definition for the Controlling Shareholder, ch pro i on hall appl .
- (2) acting in concert mean the act of o or more people that in form of agreement (ether oral or ritten) ha e reached a con en o er achie ing the p rpo e of controlling the Compan or con olidating ch control thro gh take- o er of the Compan ' oting right b an one of them.
- (3) A de facto controller mean a nat. ral per on, legal entit or other organization who hich, thro gh in e tment relation hip , agreement , or other arrangement , ma act all control the acti itie of the Compan .
- (4) A ociated relation hip i the relation hip between the controlling hareholder, de facto controller, director , per i or or enior

- Article 20** The term "accounting firm" as used in the e Article of Association shall have the same meaning as auditor .
- Article 202** The e Article of Association are in Chinese. If it conflict with a provision in another language, the Chinese provision which a most recentl filed and registered at the competent administration for industry and commerce shall prevail.
- Article 203** In case of an contradiction of the e Article of Association with an law , administrative regulation , other relevant normative document and listing rule of the stock exchange () of the place () in which the share of the Company are listed, the law , administrative regulation , other relevant normative document and listing rule of the stock exchange () of the place () in which the share of the Company are listed shall prevail.
- Article 204** The Board shall be responsible for the interpretation of the e Article of Association.