

Lianhua Supermarket Holdings Company Limited

(A joint stock limited company registered and established in the People's Republic of China)

Articles of Association

(These Articles of Association are formulated in accordance with the Prerequisite Clauses for the Articles of Association of Companies Seeking a Listing Outside the Peoples' Republic of China ("Prerequisite Clauses"), China Securities Regulatory Commission Document No. [1995]1: Opinions on Amendments to the Articles of Association of Companies Seeking a Listing in Hong Kong ("Opinions"), Proposals on Accelerating Standardized Operation of Companies Listed Overseas and Deepening Their Reforms ("Proposals") and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules")

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	<u>Chapter I General Provisions</u>
Article 1	<p>The Company is a joint stock limited company established pursuant to the <i>Company Law of the People's Republic of China</i> (hereinafter referred to as the "Company Law"), the <i>Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Joint Stock Limited Companies</i> (hereinafter referred to as the "Special Provisions") and other applicable laws and administrative regulations of the People’s Republic of China ("China").</p> <p>The Company was established by way of promotion under the Approval Document No: Hu Fu Ti Gai Shen(2001)028 issued by the System Reform Office of Shanghai Municipal Government. The Company was registered with the Shanghai Administration for Industry and Commerce and obtained its business license number: 3100001006267 on December 18th, 2001 and was officially established.</p> <p>The promoters of the Company are: Shanghai Friendship Group Incorporated Company ("Friendship Group"), Shanghai Industrial United (Group) Commercial Network Development Company Limited ("Shanghai Industrial Commerce", with its name changed to Shanghai Bailian Group Investment Co., Ltd.), Mitsubishi Corporation ("Mitsubishi"), Wong Sun Hing Investment Company Limited ("Wong Sun Hing") and Shanghai Liding Investment Company Limited. ("Shanghai Liding").</p>

Article 2	<p>The registered name of the Company is:</p> <p>Chinese name: 联华超市股份有限公司</p> <p>English name: Lianhua Supermarket Holdings Company Limited</p>
Article 3	<p>The domicile of the Company is: Room 713, 7th Floor, No.1258, Zhenguang Road, Shanghai, China</p> <p>Postal code: 200333</p> <p>Tel: 021-52629922</p> <p>Fax: 021-52797976</p>
Article 4	<p>The chairman of the Board of Directors is the legal representative of the Company.</p>
Article 5	<p>The Company is a company limited by shares existing in perpetuity.</p>
Article 6	<p>The original Articles of Association of the Company came into force on December 18th, 2001 which is the date of establishment of the Company.</p> <p>Pursuant to the <i>Company Law</i>, the <i>Special Provisions</i>, the <i>Prerequisite Clauses</i> and other applicable laws and administrative regulations, the original Articles of Association was amended by formulation and adoption of these Articles at the first shareholders' general meeting of the Company convened on January 26th, 2003.</p> <p>Upon approval by the company approval authorities authorised by the State Council, these Articles of Association shall come into force on the day when the Company's overseas-listed foreign shares (as defined in Article 20) were listed in Hong Kong. Upon coming into force of these Articles, the original Articles of Association of the Company shall be replaced.</p>
Article 7	<p>As from the effective date of these Articles of Association, these Articles of Association shall become a legally binding document governing the organisation and conduct of the Company and regulating the rights and obligations between the Company and a shareholder and among</p>

	shareholders.
Article 8	<p>These Articles of Association are binding on the Company, its shareholders, directors, supervisors, managers and other senior management officers. All the aforementioned persons may raise any claims relating to the affairs of the Company in accordance with these Articles.</p> <p>Shareholders may bring actions against the Company in accordance with these Articles. The Company may bring actions against the shareholders in accordance with these Articles. Shareholders may bring actions against each other in accordance with these Articles, and a shareholder may bring actions against the Company, its shareholders, directors, supervisors, managers and other senior management officers in accordance with these Articles.</p> <p>For the purpose of this Article, "actions" includes taking court proceedings or application for arbitration.</p>
Article 9	The Company's total capital is divided into shares of equal value. A shareholder shall be liable to the Company to the extent of the shares that he/she holds. The Company shall be liable for its debts to the extent of all its assets.
Article 10	Subject to the relevant laws and regulations, the Company has the power to raise fund or borrow money, including but not limited to the issue of shares or corporate bonds, and the power to grant guarantees for any third party, and mortgage or pledge its property, provided that no exercise of such powers mentioned above shall prejudice or abrogate any right of any class of shareholder.
Article 11	The Company is an independent enterprise legal person. All conducts of the Company shall comply with the laws and regulations of China and shall protect the legal rights and interests of its shareholders. The Company shall be subject to the jurisdiction of and protected by the laws and regulations and other applicable governmental provisions.

Article 12	The Company may invest in other companies with limited liability and joint stock companies, and the Company shall be liable for such companies in which it has invested to the extent of the amount of its investment.
Article 13	The Company shall not be a shareholder with unlimited liability of other profit-making organizations.
	<u>Chapter II Purpose and Scope of Business</u>
Article 14	The business purpose of the Company includes: our fundamental goal is to provide customers with products of lower price and higher quality, and serve customers in a more all-around and considerate manner. By establishing a modern enterprise system, we will further leverage the Company's business advantages and implement the national strategy. Based on the advanced merchandise procurement technology, logistics and distribution technology, information technology and marketing technology, we will form an optimal business layout and develop the Company into a nationwide chain commercial enterprise to serve the national market, build first grade brand of retailing business in China, and develop towards an international retailing enterprise group. We aim at long-term growth, implement the modern enterprise system and regulate our conduct of business in order to gain favourable economic and social benefits and realize the shareholders' maximum benefits.
Article 15	<p>The scope of business of the Company shall be in accordance with the items approved by the registration authorities of the Company.</p> <p>The scope of business of the Company includes: wholesaling and retailing (including sale by proxy and on consignment) of household medical devices (except those in relation to "Medical Devices Enterprise Trading Permit"), electric appliances, prepackaged foods (including delicatessen and braised foods as well as chilled and frozen foods), liquor, aquatic products, non-</p>

	<p>staple food, bulk foods, ready-to-eat foods (including delicatessen and braised foods), dairy products (including infant milk powder); daily necessities, rubber products, knitting textiles, clothing, hat and shoes, furniture, craft gifts, computers, software and ancillary equipment, communication equipment; retailing of raw swine products and beef and lamb products, ready-to-eat foods made on site (cooked and processed foods, cold foods dressed with sauce, barbecued foods, bread, cakes, decorative cakes and reheated foods) (retailing business operation allowed in stores only); purchasing of agricultural by-products; engagement into the processing, grading, packaging, distribution and consultancy services, leasing of owned buildings and counters in relation to supermarkets, provision of technological services for the operation and management of commercial chain stores as well as supermarket management and agency services, as well as conducting commercial activities by means of franchising (the above-mentioned exclude the commodities subject to the State-run trade management; with regard to the commodities subject to quota and license management, make applications in accordance with the relevant regulations of the State; with regard to the commodities subject to administrative permission, operate the business based on the relevant operation permit).</p>
Article 16	<p>Subject to a resolution adopted at a shareholders' general meeting, the approval of the competent government authorities, and changes in registration with the relevant company registration authorities, the Company may adjust its scope of business and operation or investment directions and methods in accordance with the changes in the domestic and international markets, the requirements of domestic and international business development, and the Company's development capacity.</p>

	<u>Chapter III Shares and Registered Capital</u>
Article 17	The Company shall have ordinary shares at all time. It may have other classes of shares according to the need of the Company and subject to the approval of the relevant company approval authorities authorised by the State Council.
Article 18	All the shares issued by the Company shall have a par value of RMB 1.00 per share. For the purpose of these Articles, "Renminbi" or "RMB" means the legal currency of the People's Republic of China.
Article 19	<p>Subject to the approval of the competent securities authority under the State Council, the Company may issue shares to investors inside and outside China.</p> <p>The aforementioned "investors outside China" means investors in foreign countries, Hong Kong, Macau and Taiwan regions who subscribe for shares issued by the Company; and the term "investors inside China" means investors inside China, other than the abovementioned regions, who subscribe for the shares issued by the Company.</p>
Article 20	<p>The shares issued by the Company to investors inside China and to be subscribed for in RMB shall be referred to as "domestic shares". Shares issued by the Company to investors outside China and to be subscribed for in foreign currencies shall be referred to as "foreign shares".</p> <p>Domestic shares that are listed in China are referred to as domestically-listed domestic shares, and the foreign shares that are listed outside China are referred to as overseas-listed foreign shares. The foreign shares that are listed neither domestically nor abroad shall be referred to as non-listed foreign shares. For the avoidance of doubts, the expression "non-listed foreign shares" referred to herein shall not include "overseas-listed foreign shares". All the non-listed foreign shares issued by the Company were subscribed in foreign currencies by Wong Sun Hing.</p> <p>For the purpose of these Articles, "foreign</p>

	<p>currencies” means the legal currencies other than RMB of other countries or regions that are recognized by the State’s foreign exchange administration authority which can be used to pay for subscription to the shares of the Company.</p>
Article 21	<p>“The Company shall issue a total number of 1,119,600,000 ordinary shares, which consist of:</p> <p>(1) 715,397,400 domestic shares (380,952,000 shares to be held by Friendship Group; 237,029,400 by Shanghai Bailian Group Investment Co., Ltd.; and 97,416,000 by Bailian Group Co.,Ltd.), and 31,602,600 non-listed foreign shares (31,602,600 by Wong Sun Hing);</p> <p>(2) total number of 372,600,000 overseas-listed foreign shares.”</p>
Article 25	<p>“The registration capital of the Company is RMB 1,119,600,000 Yuan.”</p>
Article 26	<p>The Company may, according to its operation and development requirements, approve capital increase in accordance with the relevant provisions of these Articles.</p> <p>The Company may increase its capital by the following methods:</p> <p>(I) offer of new shares to non-specific investors;</p> <p>(II) rights issue to existing shareholders;</p> <p>(III) distribution of new shares to existing shareholders;</p> <p>(IV) other methods permitted by laws and administrative regulations.</p> <p>The Company’s increase of capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant State laws and administrative regulations upon approval in accordance with these Articles.</p>
Article 27	<p>After the increase in capital, the Company shall complete procedures for changes in registration</p>

	with the company registration authorities and make a public announcement thereof.
Article 28	Except otherwise provided by laws and administrative regulations, shares in the Company may be transferred freely without any lien.
	<u>Chapter IV Capital Deduction and Repurchase of Shares</u>
Article 29	The Company may reduce its registered capital according to the provisions of these Articles.
Article 30	<p>The Company, in reducing its registered capital, must prepare a balance sheet and an inventory of property.</p> <p>The Company shall notify its creditor(s) within ten days from the date of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in newspapers at least three times within thirty days of the said date. The creditor(s) shall, within thirty days after receiving the notice in writing, or within ninety days of the date of the first public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or provide a corresponding guarantee for repayment of its debts.</p> <p>The registered capital of the Company after the reduction in capital shall not be less than the minimum amount required by laws.</p>
Article 31	<p>The Company may, in the following circumstances, repurchase its issued and outstanding shares upon the adoption of resolutions following the procedures provided in these Articles and submission to and approval by the relevant competent authorities:</p> <p>(I) cancellation of shares with the view to reduce its capital;</p> <p>(II) merger with other companies which hold shares in the Company; or</p> <p>(III) other circumstances provided by laws and</p>

	administrative regulations.
Article 32	<p>The Company may, upon the approval of the relevant competent State authorities, repurchase its shares in any of the following manners:</p> <p>(I) making a pro rata general offer of repurchase to all its shareholders;</p> <p>(II) repurchase of shares through open transactions on a securities exchange;</p> <p>(III) repurchase by an agreement outside a securities exchange.</p>
Article 33	<p>Where the Company repurchases its shares by an agreement outside a securities exchange, prior approval shall be obtained at the shareholders' general meeting according to the provisions of these Articles. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may terminate or vary the contract concluded in the manner set forth above or waive any of its rights in the contract.</p> <p>A contract to repurchase shares referred to in the above paragraph shall include (but not limited to) agreement whereby repurchase obligations are undertaken and repurchase rights are acquired.</p> <p>The Company shall not transfer the contract for the repurchase of its own shares or any of its rights thereunder.</p>
Article 34	<p>After the Company has repurchased its shares in accordance with law, the Company shall cancel the portion of shares repurchased within the period prescribed by laws and administrative regulations and shall apply to the original company registration authorities for registration of the changes in registered capital.</p> <p>The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.</p> <p>After completion of the reduction in the registered capital of the Company and changes in registration with the company registration authority, a public</p>

	announcement shall be made.
Article 35	<p>Unless the Company is in the course of liquidation, the Company shall comply with the following provisions in repurchasing its issued and outstanding shares:</p> <p>(I) Where the Company repurchases its shares at par value, payments for such shares shall be deducted from the book balance of distributable profits and/or from the proceeds of a fresh share issue made for the repurchase of the old shares.</p> <p>(II) Where the Company repurchases its shares at a premium to the par value, the portion equivalent to their par value shall be deducted from the book balance of distributable profits and/or from the proceeds of any fresh share issue made for the repurchase of the old shares; the portion in excess of the par value shall be handled according to the following methods:</p> <p>(1) where the shares repurchased were issued at their par value, the amount shall be deducted from the book balance of distributable profits:</p> <p>(2) where the shares repurchased were issued at a premium to the par value, the amount shall be deducted from the book balance of distributable profits and/or the proceeds of a fresh share issue made to repurchase the old shares, provided that the amount deducted from the proceeds of the fresh share issue may not exceed the premium obtained at the time of the issue of the old shares nor may it exceed the amount in the Company's premium account or capital common reserve account (as the case may be) (including the premium from the fresh share issue) at the time of the repurchase;</p> <p>(III) The sum paid by the Company for the following purposes shall be paid out of the</p>

	<p>Company's distributable profits:</p> <ul style="list-style-type: none"> (1) acquisition of the right to repurchase its shares; (2) variation of any contract to repurchase its own shares; (3) release from any of its obligations under a repurchase contract. <p>(IV) After the total face value of the cancelled shares has been deducted from the registered capital of the Company according to relevant regulations, the amount deducted from the distributable profits of the Company that is used for share repurchase at par value shall be included in the premium account or the capital common reserve account (as the case may be) of the Company.</p>
	<p><u>Chapter V Financial Assistance for Share Purchase</u></p>
<p>Article 36</p>	<p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any manner to a person who is purchasing or proposing to purchase shares in the Company. The "person" referred to in the above includes any person who directly or indirectly assumes a liability as a result of the purchase of the Company's shares.</p> <p>The Company or its subsidiaries shall not, at any time provide any financial assistance in any form to the above-mentioned obligors in order to reduce or discharge their obligations.</p> <p>The provisions of this Article shall not apply to the circumstances described in Article 38 hereof.</p>
<p>Article 37</p>	<p>For the purpose of this Chapter, "financial assistance" shall include (but not limited to) the following manners:</p> <ul style="list-style-type: none"> (I) given as a gift; (II) given by way of guarantee (including the

	<p>provision of an undertaking of liability or provisions of property by the guarantor as security for the performance of the obligation by the obligor), indemnity (excluding, however, indemnity arising out of the Company's fault), and by way of release or waiver of rights;</p> <p>(III) provision of a loan or conclusion of a contract under which the Company is required to perform obligations prior to any other party, or a change in the parties to such loans or contract, and the assignment of rights under such loans or contract;</p> <p>(IV) provision of financial assistance in any other manner when the Company is insolvent, or has no net assets, or when such assistance would result in a substantial reduction in its net assets.</p> <p>For the purpose of this Chapter, the term "undertaking obligations" shall include the undertaking of obligations by an obligor as a result of the conclusion of a contract or making an arrangement (whether or not such contracts or arrangements are enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person), or by changing its financial position in any other manner.</p>
Article 38	<p>The following acts shall not be regarded as acts prohibited under Article 36 of this Chapter:</p> <p>(I) The financial assistance provided by the Company is truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;</p> <p>(II) The Company distributes its property in the form of dividends according to laws;</p> <p>(III) distribution of dividends in the form of shares;</p>

	<p>(IV) reduction of registered capital, repurchases of shares or shareholding restructuring, etc in accordance with these Articles;</p> <p>(V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that such loans shall not lead to a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits);</p> <p>(VI) The Company provides money for an employee stock ownership scheme (provided that the same shall not result in a reduction in the net assets of the Company, or if the same constitutes a reduction, the financial assistance shall be paid out of the Company's distributable profits).</p>
	<p><u>Chapter VI Share Certificates and Register of Shareholders</u></p>
<p>Article 39</p>	<p>The Company's shares shall be in registered form. Share certificates are evidence of the shares held by shareholders.</p> <p>In addition to the particulars provided for in the <i>Company Law</i>, the Company's share certificates shall include such other particulars as required to be specified by the securities exchange(s) on which the Company's shares are listed.</p>
<p>Article 40</p>	<p>The share certificates shall be signed by the chairman of the Board. Where the signatures of other senior management officers of the Company are required by the securities exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior management officers. The share certificates shall become effective after the Company seal is affixed thereto or printed thereon, with authorization from the Board. The signature of the chairman of the Board or of other senior management officers on the share certificates may also be in printed form.</p>

<p>Article 41</p>	<p>The Company shall keep a register of shareholders in which the following particulars shall be recorded:</p> <ul style="list-style-type: none"> (I) the name, address (residence), occupation or nature of each shareholder; (II) the class and number of shares held by each shareholder; (III) the amount paid or payable for the shares held by each shareholder; (IV) the serial number of shares held by each shareholder; (V) the date on which each person was entered in the register as a shareholder; and (VI) the date on which each shareholder ceases to be a shareholder. <p>The register of shareholders shall be adequate evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.</p>
<p>Article 42</p>	<p>The Company may, according to the understanding or agreement reached between the competent securities authority under the State Council and a securities regulatory authority outside China, keep a register of shareholders of its overseas-listed foreign shares outside China and appoint an agent outside China for the administration of such register. The original register of overseas-listed foreign shares that are listed in Hong Kong shall be kept in Hong Kong.</p> <p>The Company shall keep at its domicile a duplicate copy of the register of shareholders of overseas-listed foreign shares. The appointed agent outside China shall ensure that the original register of shareholders of foreign shares listed outside China and its duplicate copy are consistent at any time.</p> <p>When the original and duplicate of the register of shareholders of foreign shares listed outside china</p>

	are inconsistent, the original shall prevail.
Article 43	<p>The Company shall keep a complete register of shareholders.</p> <p>The register of shareholders shall include the following sections:</p> <p>(I) the register of shareholders kept at the Company's domicile other than that specified in paragraphs (II) and (III) of this Article;</p> <p>(II) the register of shareholders of the Company's overseas-listed foreign shares kept at the place where the stock exchange having the shares listed overseas is located;</p> <p>(III) the register of shareholders kept at other places decided by the Board as necessary for the listing of the Company's shares.</p>
Article 44	<p>The various parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the register of shareholders shall not, during the existence of the registration of such shares, be registered in any other part of the register.</p> <p>Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.</p>
Article 45	<p>All fully paid overseas-listed foreign shares that are listed in Hong Kong may be transferred freely pursuant to these Articles, provided that, the Board may, without giving any reason therefor, decline to recognize any instrument of transfer unless the following conditions are fulfilled:</p> <p>(I) payment of a fee in the sum HK\$2.5 (for each instrument of transfer) or other fees as are required from time to time by the Board have been paid (provided that such fee shall not exceed the maximum amount prescribed from time to time by the Listing Rules of the Hong Kong Stock Exchange), to be used for the registration of instruments</p>

	<p>for the transfer of shares and other documents related to or having influence on the ownership of such shares;</p> <p>(II) The instrument of transfer only covers overseas-listed foreign shares that are listed in Hong Kong;</p> <p>(III) The stamp duty on the instrument of transfer due has been paid up;</p> <p>(IV) the relevant share certificates or other evidence required reasonably by the Board to prove the transferor's right to transfer such shares are duly provided;</p> <p>(V) If shares are transferred to joint shareholders, the number of such joint shareholders shall be no more than four;</p> <p>(VI) The Company has no lien on such shares to be transferred;</p> <p>(VII) Such transfer may be completed by an instrument of transfer in the standard form prescribed by the Hong Kong Stock Exchange or in any other form accepted by the Board. Such instrument of transfer shall become effective upon the personal or printing signature of both the transferor and transferee (s).</p>
Article 46	<p>No registration of any change in the register of shareholders arising from a transfer of share shall be effected within 30 days before the holding of a shareholders' general meeting or within 5 days prior to the reference date set by the Company for the distribution of dividends.</p>
Article 47	<p>The Board shall fix a date as the date for the determination of share ownership required to convene a shareholders' general meeting, distribute dividends, liquidation of the Company and for other acts requiring determination of share ownership. Shareholders whose names are registered in the register of shareholders at the close of business on the date of determination shall be the shareholders of the Company.</p>

Article 48	Any person who challenges the register of shareholders and requires his (its) name to be entered into or removed from the register of shareholders may file application to a people's court with jurisdiction for correction of the register.
Article 49	<p>Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares ("Relevant Shares") if his share certificate ("Original Share Certificate") is lost.</p> <p>Application for the replacement of share certificates from holders of domestic shares and non-listed foreign shares who have lost their certificates shall be dealt with in accordance with the provisions of Article 144 of the <i>Company Law</i>.</p> <p>Applications for the replacement of share certificates from holders of overseas-listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations at the place where the original register of shareholders of overseas-listed foreign shares is kept.</p> <p>Where shareholders of overseas-listed foreign shares listed in Hong Kong apply for replacement of their share certificates in the case of loss of such certificates, such replacement shall comply with the following requirements:</p> <p>(I) The applicant shall submit the application in the standard form prescribed by the Company accompanied by a notarial certificate or statutory statements. The notarial certificate or statutory statements shall include the applicant's reason for application, the circumstances and proof of the loss of the share certificate and declaration that no other person may require registration as a shareholder in respect of the relevant shares;</p> <p>(II) The Company shall not have received any</p>

	<p>declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;</p> <p>(III) If the Company decides to issue a new replacement share certificates to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the Board; the period of the public announcement shall be 90 days during which the announcement shall be published repeatedly at least once every 30 days.</p> <p>(IV) Before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange where it is listed and may proceed with publication after having received a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The Company shall display the public announcement in the securities exchange for a period of 90 days.</p> <p>If the application for reissuance of replacement share certificates was made without the consent of the registered shareholders of the relevant shares, the Company shall deliver by mail to such shareholders a copy of the public announcement that it intends to publish.</p> <p>(V) Upon the expiration of the 90-day period of public announcement and display specified in items (III) and (IV) of this Article, if no objection to the issuance of a replacement share certificate is received by the Company from any person, a new replacement share certificate may be issued according to the application of the applicant;</p> <p>(VI) When the Company issues a new replacement share certificate according to</p>
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	<p>the provisions of this Article, it shall immediately cancel the original certificate and record such cancellation and the issuance of the new replacement share certificate in the register of shareholders.</p> <p>(VII) All expenses of the Company for the cancellation of the original share certificate and the issuance of new replacement share certificate shall be paid by the applicant. The Company shall have the power to refuse to take any action until the applicant has provided reasonable security in respect of the payment of such fees.</p> <p>(VIII) The newspapers and periodicals for the publication of the announcement relating to the issuance of new replacement share mentioned in item (III) of this Article shall include at least a Chinese newspaper and an English newspaper published in Hong Kong.</p>
Article 50	After the Company has issued a new replacement share certificate in accordance with these Articles, the name of a bona fide purchaser to whom the new share certificate is issued or of a shareholder that is subsequently registered as the owner of the share (if a bona fide purchaser) shall not be deleted from the register of shareholders.
Article 51	The Company shall not be liable for any damages suffered by any person as a result of the cancellation of the original share certificate or the issuance of a new placement share certificate, unless the claimant is able to prove fraud on the part of the Company.
	<u>Chapter VII Rights and Obligations of Shareholders</u>
Article 52	<p>The Company's shareholders are persons lawfully holding shares of the Company and whose names are registered on the register of shareholders.</p> <p>A shareholder shall enjoy rights and assume obligations according to the class and number of shares held by them. Shareholders of the same</p>

	class shall enjoy equal rights and assume the same obligations.
Article 53	<p>When two or more persons are registered as joint shareholders in respect of any share, such persons shall be deemed as joint holders of such shares, but shall be subject to the following terms and restrictions:</p> <p>(I) The Company shall not register more than four persons as the joint holders of any shares;</p> <p>(II) All joint holders of any shares shall jointly or separately pay all sums in respect of such shares;</p> <p>(III) If any person among the joint holders of any shares dies, other joint holders of such shares shall be deemed to be entitled to such shares. In this case, the Board shall have the right to ask for any death certificate in relation to the deceased as it thinks fit in order to make alternation to the relevant register of shareholders; and</p> <p>(IV) With regard to joint holders of any shares, only the holder whose name stands first in the register of shareholders shall have the right to receive share certificates and notices, be present at shareholders' general meetings, or exercise all voting rights in respect of the shares. Any notice by the Company addressed to such holder shall be deemed to be delivered to all joint holders of the shares concerned.</p>
Article 54	<p>The holders of ordinary shares of the Company shall enjoy the following rights:</p> <p>(I) to receive dividends and other forms of profit distribution on the basis of the number of shares held by them;</p> <p>(II) to be present at and exercise voting rights at shareholders' general meetings in person or by proxy;</p> <p>(III) to supervise and manage the business</p>

	<p>activities of the Company, and to make suggestions and raise queries;</p> <p>(IV) to transfer shares in accordance with the provisions of laws, administrative regulations, and these Articles;</p> <p>(V) to obtain relevant information in accordance with the provisions of these Articles, including:</p> <p>(1) to receive these Articles upon payment of charges at cost;</p> <p>(2) being entitled to access and make copies, upon payment of reasonable charges, of:</p> <p>(i) all parts of the registers of shareholders;</p> <p>(ii) personal information on the directors, supervisors, managers and other senior management officers of the Company, including:</p> <ul style="list-style-type: none"> • Current and previous names and aliases; • Main address (residential); • Nationality; • Full-time and all other part-time occupations and duties; • Identification documents and their numbers; <p>(iii) the status of the Company's share capital;</p> <p>(iv) reports of the aggregate par value, number of shares, and highest and lowest prices of each class of shares repurchased by the Company since the last fiscal year as well as all the expenses paid by the Company therefor;</p>
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	<p style="text-align: center;">and</p> <p style="text-align: center;">(v) the minutes of shareholders' meetings.</p> <p>(VI) participate in the distribution of the residual property of the Company on the basis of the number of shares held by them when the Company is terminated or liquidated;</p> <p>(VII) other rights conferred by laws, administrative regulations and these Articles.</p>
Article 55	<p>The holders of ordinary shares of the Company shall have the following obligations:</p> <p>(I) to abide by these Articles of the Company;</p> <p>(II) to pay subscription monies in respect of the shares they have subscribed for and in accordance with the method of subscription;</p> <p>(III) other obligations as imposed by laws, administrative regulations, and these Articles.</p> <p>Shareholders shall, other than the conditions agreed upon at the time of subscription, not be liable to make any further contribution to share capital thereafter.</p>
	<p><u>Chapter VIII Obligations of Controlling Shareholders to Other Shareholders</u></p>
Article 56	<p>In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, controlling shareholders may not, in exerting of their shareholders' powers, make decisions prejudicial to the interests of all or part of shareholders as a result of the exercise of their voting rights set forth below:</p> <p>(I) to relieve the duty of directors and supervisors to act honestly in the best</p>

	<p>interest of the Company;</p> <p>(II) to approve the expropriation by a director or supervisor (for his own or another person's interests) of depriving the Company of its property in any manner, including (but not limited to) any opportunities which are in favour of the Company;</p> <p>(III) to approve the expropriation by a director or supervisor (for his own or another person's interests) to deprive other shareholders of their personal rights and interests, including (but not limited to) any right to distribution and voting, except pursuant to a restructuring of the Company submitted to and adopted by a shareholders' general meeting in accordance with these Articles.</p>
Article 57	<p>For the purposes of the preceding Article, the term "controlling shareholder" shall refer to a person that satisfies one of the following conditions:</p> <p>(I) he, alone or acting in concert with others, has the power to elect more than half of the directors;</p> <p>(II) he, alone or acting in concert with others, has the power to exercise or control the exercise of more than thirty per cent (including thirty per cent) of the voting rights of the Company;</p> <p>(III) he, alone or acting in concert with others, holds more than thirty per cent (including thirty per cent) of the issued and outstanding shares of the Company;</p> <p>(IV) he, alone or acting in concert with others, de facto controls the Company in any other manner.</p>
	<p style="text-align: center;"><u>Chapter IX General Meetings of Shareholders</u></p>

Article 58	The shareholders' general meeting is the Company's authoritative organisation, which exercises its powers in accordance with law. No non-shareholders' general meetings in any form may exercise such powers in lieu of the shareholders' general meetings.
Article 59	<p>The shareholders' general meeting shall exercise the following powers:</p> <ul style="list-style-type: none"> (I) to decide on the Company's business policies and investment plans; (II) to elect and replace directors and decide on matters concerning their remunerations; (III) to elect and replace the supervisors who are to be appointed from among the shareholders' representatives and decide on matters concerning their remunerations; (IV) to examine and approve reports of the Board; (V) to examine and approve reports of the Supervisory Committee; (VI) to examine and approve the Company's annual financial budgets and final accounts proposals; (VII) to examine and approve the Company's profit distribution plan and plan for recovery of losses; (VIII) to pass resolutions concerning the increase or reduction of the Company's registered capital; (IX) to pass resolution on matters such as the merger, split-up, dissolution or liquidation of the Company; (X) to pass resolution on the issuance of bonds by the Company; (XI) to pass resolution on the appointment, dismissal or termination of appointment of an accounting firm;

	<p>(XII) to amend these Articles of the Company.</p> <p>(XIII) to examine and deliberate on the proposals put forward by shareholders representing more than five per cent (including five per cent) shares with voting rights;</p> <p>(XIV) other matters required by the provisions of laws, administrative regulations and these Articles to be resolved at shareholders' general meetings.</p>
Article 60	<p>Without the prior approval of a shareholders' general meeting, the Company may not enter into any contract with any person other than a director, supervisor, manager or other senior management officer of the Company for the delegation of the whole business management or part of the important business management of the Company to that person.</p>
Article 61	<p>The shareholders' general meetings consist of annual general meetings and extraordinary general meetings and shall be convened by the Board. An annual general meeting of shareholders shall be convened once a year, and shall be held within six months after the end of every fiscal year.</p> <p>The Board shall convene an extraordinary shareholders' meeting within two months of the occurrence of one of the following circumstances:</p> <p>(I) the number of directors is less than the number provided by the <i>Company Law</i> or less than two-thirds prescribed by these Articles;</p> <p>(II) the losses of the Company that have not been made up reach one third of the total share capital;</p> <p>(III) shareholders holding more than ten per cent (including ten per cent) of the voting shares issued by the Company require in writing an extraordinary shareholders' general meeting to be convened;</p>

	(IV) the Board considers that there is a need or the Supervisory Committee proposes a meeting.
Article 62	<p>When a shareholders' general meeting is to be held by the Company, notice shall be given to shareholders forty-five days before the meeting in writing. The matters to be transacted at the meeting and the date and place of the meeting shall be notified to shareholders whose names are on the register. The shareholders who wish to attend the general meeting shall have their written replies delivered to the Company at least twenty days before the general meeting is convened.</p> <p>The notice of a shareholders' general meeting to be convened by the Company shall be given not more than sixty days before the meeting.</p> <p>The period of a notice shall be counted as clear days excluding the day when a general meeting is convened and the day when the notice is given.</p> <p>For the purpose of the notice given under this Article, the date of notice given shall be the postmark date when the Company or the share registration office authorized by the Company delivers the notice to the postal service, and not the date set forth in Article 188 when a shareholder is deemed to have received the notice.</p>
Article 63	When the Company is to convene an annual general meeting of shareholders, shareholders holding more than five per cent (including five per cent) of the Company's total voting shares shall be entitled to move new motions in writing to the Company. The Company shall include into the agenda of the meeting the matters in the motions that fall within the scope of duties of the shareholders' general meeting, provided that such motions shall be served on the Company within forty days after the date of notice of the meeting hereinabove mentioned.
Article 64	The Company shall, based on the written replies received twenty days prior to a general meeting

	<p>of shareholders, calculate the number of voting shares represented by the shareholders intending to be present at the meeting. If the number of voting shares represented by the shareholders intending to be present at the meeting is more than half of the total number of the Company's voting shares, the Company may convene a shareholders' general meeting. If not, the Company shall within five days inform shareholders once again of the matters to be transacted at the meeting and the date and place of the general meeting in the form of a public announcement, upon which, the Company may convene the general meeting of shareholders.</p> <p>Extraordinary general meetings of shareholders shall not decide on the matters not specified in the notice.</p>
Article 65	<p>The notice of a general meeting of shareholders shall meet the following requirements:</p> <ul style="list-style-type: none"> (I) shall be made in writing; (II) shall specify the place, date and time of the meeting; (III) shall include the matters to be transacted at the meeting; (IV) provide such information and explanation as are necessary for the shareholders to make wise decisions on the matters to be transacted at the meeting. This principle includes (but not limited to): when the Company proposes a merger, repurchase of shares, reorganization of share capital, or other restructuring, it shall provide the specific terms and contract (if any) in respect of the proposed transactions and earnestly explain the cause and results of the transaction; (V) If any director, supervisor, manager or other senior management officer is significantly interested in any matter to be transacted, the nature and extent of such conflict of interest shall be disclosed. If the effects of the matters on such director,

	<p>supervisor, manager or other senior management officer as a shareholder is different from the effect on other shareholders of the same class, the difference shall be explained;</p> <p>(VI) It shall contain the full text of any special resolution proposed to be adopted at the general meeting of shareholders;</p> <p>(VII) It shall state conspicuously that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote for and on his/her behalf, and that a proxy need not be a shareholder of the Company;</p> <p>(VIII) It shall state clearly the time and place for delivery of the replies of shareholders intending to attend the general meeting and the proxy forms.</p>
Article 66	<p>All notices of shareholders' general meetings shall be delivered by person or by post with postage pre-paid to all shareholders whose names were entered on the register on the date of registration (whether or not entitled to vote thereat) and to the addresses recorded in the register of shareholders.</p> <p>For holders of domestic shares and non-listed foreign shares, the notice may also be given by public announcement.</p> <p>The public announcement mentioned in the previous Article shall be published on one or more newspapers or periodicals designated by the securities regulatory authority under the State Council during the period between forty five to fifty days before the convention of the meeting. Once the public announcement is made, all holders of domestic shares and non-listed foreign shares shall be deemed to have received the notice of relevant shareholders' meeting.</p>
Article 67	<p>The accidental omission to give notice to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the</p>

	meeting and the resolutions adopted thereat.
Article 68	<p>Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (who need not be shareholders) as his proxies to attend and vote for and on his behalf. The proxy or proxies may exercise the following rights according to his appointment by the shareholder:</p> <ul style="list-style-type: none"> (I) the right of the shareholder to speak at the shareholders' general meeting; (II) the right to demand a poll by himself or in conjunction with others; (III) to vote by hand or on a poll, provided that the proxy of a shareholder who has appointed more than one proxy may only vote on a poll.
Article 69	<p>A shareholder shall appoint a proxy by an instrument in writing. The instrument of proxy shall be signed by the appointer or a representative authorized in writing by such appointer. Where the appointer is a legal person, the instrument of proxy shall bear the official stamp or the signatures of its directors, or persons or representatives duly authorized. If more than one proxies are appointed, the instrument of proxy shall specify the number of shares represented by each proxy.</p>
Article 70	<p>The instrument appointing a voting proxy shall be placed at the Company's domicile or such other place as specified in the notice of the meeting at least twenty four hours prior to the time of the meeting at which the proxy is authorised to vote. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instrument authorising the signature shall be notarized. The notarized power of attorney or other authorizing 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 the meeting.</p> <p>Where the appointer is a legal person, its legal</p>

	<p>representative or the person authorised by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' meetings as the representative of such legal person.</p> <p>If the shareholder in question is a recognized clearing house (hereinafter referred to as "recognized clearing house") defined from time to time in the relevant clauses of Hong Kong laws or the proxy of the clearing house, it may appoint one or more person(s) as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting. However, if more than one proxy are appointed, the instruments of proxy shall specify the number and class of shares that each proxy represents. Such duly-authorized persons may represent the recognized clearing house (or its proxy) to exercise the same powers as if he/she is an individual shareholder of the Company.</p>
Article 71	<p>Any form issued by the Board of the Company to the shareholders for use in the appointment of proxies shall allow the shareholders to elect freely to instruct their proxies in the casting of votes, in favour or against, and give instructions in respect of each matter to be transacted at the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote according to his own will.</p>
Article 72	<p>A vote given by a proxy according to the instrument of proxy shall be valid notwithstanding the death or incapability of the appointing shareholder, revocation of the proxy or of the authority under which the proxy was executed or the transfer of the relevant shares in respect of which the proxy is given, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith.</p>
Article 73	<p>The resolutions of shareholders' general meetings are divided into ordinary resolutions and special</p>

	<p>resolutions.</p> <p>An ordinary resolution of the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders (including proxies) present at the meeting exercised in favour of the resolution.</p> <p>A special resolution of the shareholders' general meeting shall be adopted more than two thirds of the voting rights held by the shareholders (including proxies hereof) present at the meeting exercised in favour of the resolution.</p> <p>For the purpose of this Article, if any shareholder (or its proxy), while casting votes on a resolution, abstains from voting or fails to exercise his/her voting rights in respect of the shares he/she holds, such votes shall not be counted into the total votes of the shareholders present at the shareholders' general meeting with regard to the specific resolution under consideration.</p>
Article 74	<p>On a poll, shareholders (including proxies) shall cast votes based on the number of voting shares that they represent at a shareholders' general meeting. Each such share shall have one vote.</p> <p>Provided that all voting shall be subject to any privilege or restriction attached to the voting rights of any specific class of shares.</p>
Article 75	<p>Unless a poll is demanded by the following persons before or after a show of hands, the shareholders' general meeting shall vote by a show of hands:</p> <ul style="list-style-type: none"> (I) by the chairman of the meeting; (II) by at least two shareholders with voting rights present in person or by proxies; (III) by one or more shareholders (including proxies) holding shares alone or jointly representing more than ten per cent (including ten per cent) of the shares with voting rights present at the meeting. <p>Unless a poll is demanded, the chairman of the</p>

	<p>meeting shall announce whether the proposal has been adopted according to the results of the vote by a show of hands, and such results shall be recorded in the minutes of the meeting. An entry to that effect in the minutes shall be conclusive evidence in respect of the votes, without having to prove the number or proportion of the votes in favour or against the resolution adopted at the meeting.</p> <p>A demand for a poll may be withdrawn by the person who demanded it.</p>
Article 76	<p>If the demand for a poll is on the election of the chairman or on an adjournment of the meeting, a poll shall be taken forthwith. If a poll is demanded on any other matter, such poll shall be taken at the time decided upon by the chairman, and the meeting may proceed with the discussion of other matters; the result of the poll shall still be deemed to be a resolution adopted at that meeting. The result of the poll shall be announced as early as possible.</p>
Article 77	<p>During a poll, the shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in favour of or against.</p>
Article 78	<p>In the case of an equality of votes, whether the vote is taken by a show of hands or on a poll, the chairman of the meeting shall be entitled to an additional vote.</p> <p>If under the relevant listing rules at the place where the Company is listed, any shareholder is required to abstain from voting on any particular resolution or restricted to vote only for or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.</p>
Article 79	<p>The following matters shall be resolved by ordinary resolutions at the shareholders' general meetings:</p> <p>(I) the work reports of the Board and the</p>

	<p>Supervisory Committee;</p> <p>(II) the profit distribution plans and loss recovery plans formulated by the Board;</p> <p>(III) the removal of the members of the Board and the Supervisory Committee, their remuneration, and methods of payment of their remuneration,</p> <p>(IV) the annual budget, final accounts, balance sheet, profit statement and other financial statements of the Company;</p> <p>(V) other matters other than those prescribed by laws, administrative regulations, or these Articles to be passed by special resolutions.</p> <p>The remuneration set forth in the above item (III) shall include (but be not limited to) the compensation payable to any director or supervisor at the time of his/her removal as director or supervisor or retirement.</p>
Article 80	<p>The following matters shall be resolved by special resolutions at a shareholders' general meetings:</p> <p>(I) the increase or reduction of the Company's share capital and the issue of any class of shares, warrants and other similar securities;</p> <p>(II) the issue of corporate bonds;</p> <p>(III) the split-up, merger, dissolution and liquidation of the Company;</p> <p>(IV) the amendments to these Articles;</p> <p>(V) other matters that are resolved at the shareholders' general meeting by ordinary resolutions and are considered by the shareholders to be material to the Company that are required to be passed by special resolutions.</p>
Article 81	<p>Shareholders demanding the convening of an extraordinary shareholders' general meeting or a class meeting shall proceed in accordance with</p>

	<p>the following procedures:</p> <p>(I) Two or more shareholders holding more than ten per cent (including ten per cent) of the voting rights at the proposed meeting may submit one or more written request(s) of identical form and substance requesting the Board to convene an extraordinary shareholders' general meeting or a class meeting and stating the business to be transacted at the meeting. The Board shall, upon receiving the aforesaid written request(s), convene an extraordinary shareholders' general meeting or class meeting as soon as possible. The shareholding mentioned in the above shall be calculated as at the date on which the written request is made.</p> <p>(II) If the Board fails to issue a notice of the convention of any meeting herein above-mentioned within thirty days after having received the written request, the requesting shareholders may themselves convene such meetings within four months after the Board received the request. The procedures according to which they convene such meeting shall, to the extent possible, be identical to the procedures according to which shareholders' meetings are to be convened by the Board.</p> <p>Where shareholders convene and hold a meeting because the Board failed to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company and shall be deducted from the sums owed by the Company to the negligent directors.</p>
Article 82	<p>Shareholders' general meeting shall be convened and presided over by the chairman of the Board. Where the chairman of the Board is unable to attend the meeting for any reason, the meeting shall be convened and presided over by the vice chairman of the Board. Where both the chairman and vice chairman are unable to attend the meeting, the Board may appoint a director of the</p>

	<p>Company to convene and preside over the meeting on his/her behalf. Where no chairman of the meeting is appointed, the shareholders present at the meeting may elect one person to be the chairman. If for any reason, the shareholders are unable to elect a chairman, the shareholder (including proxy) holding the largest number of voting shares present at the meeting shall preside over the meeting.</p>
Article 83	<p>The chairman of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' general meeting has been passed. The decision of the chairman shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.</p>
Article 84	<p>If the chairman of the meeting has any doubt about the result of a resolution put to the vote, he/she may count the number of votes cast. If the chairman fails to count the votes, a shareholder or proxy present at the meeting, who challenges the result announced by the chairman of the meeting shall have the right to request counting of votes immediately after such announcement, and the chairman of the meeting shall immediately count the votes.</p>
Article 85	<p>If counting of votes is held at a shareholders' general meeting, the result of the counting shall be recorded in the minutes of the meeting.</p> <p>The minutes of the shareholders' general meeting together with the attendance records signed by the attending shareholders and instruments of proxy shall be kept at the Company's domicile.</p> <p>The aforesaid minutes, attendance records and instruments of proxy shall not be destroyed in ten years.</p>
Article 86	<p>Shareholders may examine copies of the minutes of meetings during the office hours of the Company free of charge. If any shareholder requests for a copy of any minutes, the Company shall send a copy to him within seven days after receipt of reasonable charges.</p>

	<u>Chapter X Special Voting Procedures for Class Shareholder</u>
Article 87	<p>The holders of different classes of shares are class shareholders.</p> <p>All class shareholders shall enjoy rights and assume obligations according to the provisions of laws, administrative regulations and these Articles.</p>
Article 88	<p>Any variation or abrogation of the class rights of a class of shareholders shall be approved by special resolutions of shareholders' general meeting and passed at the shareholders' general meetings convened by the affected class shareholders in accordance with Articles 90 to 94.</p>
Article 89	<p>The following circumstances shall be deemed to be a variation or abrogation of the class rights of a class of shareholder:</p> <ul style="list-style-type: none"> (I) to increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having equal or more voting rights, rights to distribution or other privileges than such class of shares; (II) to convert all or part of shares of such class into shares of other class(es), or convert all or part of any other class of shares into such class of shares, or confer aforesaid conversion rights; (III) to cancel or decrease such rights contained in the class of shares as receiving accrued dividends or cumulative dividends generated from such class of shares; (IV) to reduce or remove the preferential rights to receive dividends in respect of such class of shares or pre-emptive rights to property distribution in the course of liquidation; (V) to increase, cancel or reduce the conversion rights, option rights, voting rights, transfer rights, preferential allotment rights and the rights to acquire the securities of the

	<p>Company contained in such class of shares;</p> <p>(VI) to cancel or reduce such rights contained in the class of shares to receive amounts payable by the Company in designated currencies;</p> <p>(VII) to create a new class of shares having voting or distribution rights or other privileges equal or superior to such class of shares;</p> <p>(VIII) to restrict or impose additional restrictions on the transfer or ownership of such class of shares;</p> <p>(IX) to issue rights to subscribe for, or convert into, shares of such class or another class;</p> <p>(X) to increase the rights and privileges of any other class of shares;</p> <p>(XI) to restructure the Company where the proposed restructuring will result in different classes of shareholders assuming a disproportionate liability in the restructuring of the Company;</p> <p>(XII) to amend or nullify any terms of these Articles.</p>
Article 90	<p>Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meeting, shall have the right to vote at class meetings in respect of matters referred to in Items (II)-(VIII), (XI)-(XII) of Article 89, except that interested shareholders shall not have the right to vote at class meetings.</p> <p>For the purpose of the preceding paragraph, the term "interested shareholder" shall have the following meanings:</p> <p>(I) In the event that the Company makes a repurchase offer to all shareholders in equal proportions according to the provisions of Article 32 herein, or repurchases its own shares through open transactions on a securities exchange, the "interested</p>

	<p>shareholder” shall be the controlling shareholder as defined in Article 57 herein.</p> <p>(II) In the event that subject to the provisions of Article 32 herein, the Company repurchases its shares by agreement outside the designated securities exchange, an “interested shareholder” means the shareholder to which the agreement relates.</p> <p>(III) In the Company’s restructuring scheme, “interested shareholder” means a shareholder who assumes liability in a proportion smaller than other shareholders of the same class or who has an interest in an restructuring scheme of the Company that is different from other shareholders in respect of such class of shares.</p>
Article 91	<p>Subject to Article 90, any resolution at a class meeting shall be passed by more than two thirds of the voting rights by the shareholders of that class present at the class meeting.</p> <p>For the purpose of the preceding paragraph, if any shareholder (or proxy), while casting votes on a resolution, abstains from voting or does not exercise voting rights in respect of the shares he/she holds, such votes shall not be counted into the total votes of the shareholders present at the class meeting (with regard to the specific resolution under consideration).</p>
Article 92	<p>When a class meeting is to be held, the Company shall give notice forty five days in advance in writing to all registered shareholders of that class, of the matters to be transacted at the meeting, and the date and place of the meeting. The shareholders who intend to attend the class meeting shall have their written replies delivered to the Company at least twenty days before the meeting is convened.</p> <p>Where the number of shares carrying voting rights to vote at the meeting represented by the holders intending to be present at the meeting reaches more than half of the total number of shares of such class with voting rights, the</p>

	<p>Company may convene the class meeting. If not, the Company shall within five days inform the class shareholders again of the matters proposed to be considered at the meeting and the date and place of the meeting by public announcement, upon which, the Company may convene the class meeting.</p>
Article 93	<p>The notice of a class meeting need only be served on shareholders entitled to vote at such meeting.</p> <p>Any class meeting shall, as far as possible, follow the procedures of the general meetings. Provisions of these Articles relevant to procedures for the holding of a shareholders' general meeting shall apply to class meetings.</p>
Article 94	<p>Save and except for the holders of other classes of shares, the shareholders of domestic shares and non-listed foreign shares shall be deemed as the same class, but they shall be deemed to be of different classes from the holders of overseas-listed foreign shares.</p> <p>The special procedures for voting at a class meeting shall not apply to the following circumstances:</p> <p>(I) where the Company issues, upon approval by a special resolution of the shareholders' general meeting, either separately or concurrently once every twelve months, domestic shares and overseas-listed foreign shares, provided that the number of such shares to be issued shall not exceed twenty per cent of the issued and outstanding shares of such class;</p> <p>(II) where the Company's plan to issue domestic shares and overseas-listed foreign shares upon establishment is completed within fifteen months from the date of approval by the securities regulatory authorities under the State Council.</p>
	<p><u>Chapter XI Board of Directors</u></p>
Article 95	<p>The Company shall have a Board of Directors, consisting of 12 members, of which there shall be at</p>

	<p>least 3 independent non-executive directors and the remaining members may be executive or non-executive directors. The Board shall have a chairman and a vice chairman.</p>
<p>Article 96</p>	<p>All directors shall be elected at shareholders' general meetings, whose tenure shall be three years commencing from the day when he/she is elected. Upon the expiration of the tenure, any director may be re-elected. A director shall not be removed from his/her office by the shareholders' general meeting before expiration of his/her tenure without reasons.</p> <p>The intention to nominate a director and the written notice of a nominee to indicate his/her willingness to accept the nomination shall be delivered to the Company no earlier than the next day after the dispatch of the notice of the shareholders' general meeting and no later than seven days prior to the date of such general meeting.</p> <p>Any executive director shall enter into a service contract with the Company, pursuant to which, either default party shall be held liable for breach of contract. The effective term of such service contract shall be three years and may be extended in accordance with law. Any non-executive director or independent non-executive director shall sign confirmation of appointment with the Company.</p> <p>Directors need not hold any share in the Company.</p> <p>The chairman and vice chairman of the Board shall be appointed or removed from office by more than half of all directors. The term of office of the chairman and vice chairman is three years and may be renewed upon re-election.</p> <p>Subject to applicable laws and administrative regulations, a general meeting of shareholders may pass any special resolution to remove any director whose term is still effective, including any director who in the meantime serves as a manager or other management positions of the Company, provided that such removal shall not be</p>

	<p>prejudicial to any claim for compensation in accordance with any contract.</p> <p>Any director may serve concurrently as a manager or other senior management officer of the Company (except as a supervisor).</p> <p>The Board shall have the power to appoint any person either to fill in the casual vacancy on the Board or as an addition to the existing Board. Any director thus appointed shall hold office until the next annual general meeting of shareholders after his/her appointment and be eligible for re-election at such meeting.</p>
Article 97	<p>The Board shall be accountable to the shareholders' general meetings and shall exercise the following powers:</p> <ul style="list-style-type: none"> (I) to convene shareholders' general meetings and present reports thereto; (II) to implement the resolutions adopted at the shareholders' general meetings; (III) to decide on the business plans and investment plans of the Company; (IV) to formulate the Company's annual financial budget and final accounts; (V) to formulate the Company's profit distribution plans and loss recovery plans; (VI) to formulate the Company's plans on the increase or reduction of registered capital and the issue of corporate bonds; (VII) to formulate the Company's plans on merger, split-up and dissolution; (VIII) to decide on the establishment of the Company's internal management organisation; (IX) to appoint or dismiss the manager of the Company; upon the nomination of the manager, to appoint or dismiss any deputy manager and financial officer; and to decide

	<p>on their remuneration;</p> <p>(X) to establish the Company's basic management system;</p> <p>(XI) to formulate proposal for the amendments to the Company's Articles of Association;</p> <p>(XII) to draw up major acquisition or sale schemes of the Company;</p> <p>(XIII) to decide on and handle at its own discretion all matters related to the payment of interim dividends (provided that the total amount of interim dividends paid shall not exceed 30% of the Company's net profits in the first half of that year. The interim dividends with excessive amount shall be submitted for resolution by the shareholders' general meetings .)</p> <p>(XIV) subject to applicable laws, administrative regulations, rules and these Articles, to exercise the powers of fund raising and loan, decide on the mortgage, pledge, rent, sub-contracting, or transfer of the Company's assets, and authorize the manager to exercise the aforesaid powers set forth herein within specified scope; and</p> <p>(XV) other powers conferred by the shareholders' general meetings and these Articles.</p> <p>When the Board makes a resolution on any of the above-mentioned matters, except for the particulars specified in items (VI), (VII), (XI), and (XII) that require the approval of more than two thirds (including two thirds) directors or otherwise provided in Article 102, other matters may be resolved with the consent of more than half (including half) of the directors.</p> <p>The Board shall exercise any power that is not specified in these Articles to be exercised by the general meetings of shareholders.</p> <p>The Board shall abide by the provisions of these Articles and the provisions formulated from time to time by the shareholders' general meetings,</p>
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	<p>provided that such provisions formulated by the general meetings shall not invalidate any act of the Board that was effective prior to such provisions.</p>
<p>Article 98</p>	<p>The Board, in disposing of the Company's fixed assets, shall not without the prior approval of the shareholders' general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value or amount of consideration for the proposed disposition and any fixed assets of the Company which have been disposed of in the period of four months immediately preceding the proposed disposition exceeds thirty-three per cent. of the value of the Company's fixed assets as shown in the last balance sheet submitted to the shareholders in shareholders' general meeting.</p> <p>The disposal of fixed assets mentioned in this Article shall include an act involving some transfer of an interest in assets and exclude any act to use fixed assets as a security.</p> <p>The validity of any transaction in respect of the disposal of the Company's fixed assets shall not be affected by a breach of the first paragraph of this Article.</p>
<p>Article 99</p>	<p>The chairman of the Board shall exercise the following powers:</p> <ul style="list-style-type: none"> (I) to preside over the shareholders' general meetings, and convene and preside over the meetings of the Board; (II) to inspect the implementation of resolutions of the Board; (III) to endorse the securities issued by the Company; (IV) to endorse other important documents of the Company or to appoint one or more directors through a power of attorney to sign other important documents of the Company on its behalf;

	<p>(V) other powers authorised by the Board.</p> <p>When the chairman of the Board is unable to perform his duties, he may appoint the vice chairman of the Board to exercise the powers on his behalf.</p>
Article 100	<p>The Board shall hold at least two general meetings each year, which shall be convened by the chairman. Notice of such a meeting shall be given to all directors ten days prior to the meeting. In the event of urgent matter, upon the proposal by more than one third (including one third) of the directors jointly or the by the manager, an extraordinary meeting of the Board shall be held.</p>
Article 101	<p>Meetings of the Board may be held without notice if the time and place of such meeting have been fixed by the Board before such a meeting is held. If the Board has not fixed the time and place of the meeting of the Board in advance, the chairman of the Board shall cause the Company's secretary to have the notice of the time and place of the meeting delivered in person or sent by telex, or telegraph, or fax, or express mail, or registered mail to all directors, the managers, and the chairman of the Supervisory Committee, not less than ten days and no more than thirty days before the meeting is held.</p> <p>If an interim meeting of the Board is convened in the event of urgent matters, the chairman of the Board shall cause the Company's secretary to have the notice of the time, place and mode of the interim meeting sent by telex, or telegraph, or fax or delivered in person to all directors, the managers, and the chairman of the Supervisory Committee, not less than two days and no more than ten days before the interim meeting is held.</p> <p>All notices shall be given in Chinese and contain the agenda and topics to be discussed at the meetings. If necessary, an English version of such notices may be attached.</p> <p>All notices delivered to the directors shall contain adequate information on matters to be considered</p>

	<p>at the meetings. Any director is entitled to request supplemental information. When more than one fourth of the directors or more than two external directors consider the aforesaid information inadequate or not clear in reasoning, they may jointly submit a written request to postpone the meeting or to postpone the discussion of the related matter, which shall be adopted by the Board.</p> <p>Notice is deemed to be given to any director who attends the meeting without objecting, before or at the commencement of the meeting, for not receiving the notice of Board meeting.</p>
Article 102	<p>Any meeting of the Board shall be convened with the presence of more than half of the directors.</p> <p>Each director is entitled to one vote. Unless otherwise expressly provided in these Articles, any resolution by the Board shall be passed by more than half (including half) of the directors.</p> <p>In the case of an equality of votes, the chairman of the Board shall be entitled to a second vote.</p> <p>Any director shall not vote, nor represent another director to vote on any resolution of a meeting of the Board regarding the company or companies in which he/she is associated. Such a meeting of the Board shall be held upon the presence of more than half of all directors other than the director associated, and pass the relevant resolution with the approval of more than half of directors other than the director associated. When there are less than three non-associated directors present at the meeting of the Board, the aforesaid matter shall be referred to a general meeting of shareholders of the Company.</p>
Article 103	<p>Directors may participate in any regular or interim meeting of the Board by means of a conference telephone or other communications equipment, through which all persons participating in the meeting can hear the other persons present clearly and talk or communicate with each other. Such participation shall constitute presence at a meeting as if the</p>

	directors participating were present in person.
Article 104	<p>Any meeting of the Board shall be attended by all directors in person. If any director is unable to attend the meeting for any reason, he/she may appoint another director by a instrument of proxy in writing to attend on his behalf. The instrument of proxy shall specify the scope of authorization.</p> <p>Any director acting as a proxy present at a meeting of the Board shall exercise the rights of the appointing director within the scope of authorization. Any director, who neither attends a meeting in person nor appoints a proxy to be present on his/her behalf, shall be deemed to have waived its rights to vote at the meeting.</p> <p>Only a director shall be appointed as the proxy of another director. Such director and the director he/she represents shall be counted separately into the quorum of the meeting he/she attends, and such director may not cast all the votes to which he/she is entitled in favour of or against any resolution. The director shall notify the Company in respect of the cancellation of the appointment of its proxy.</p>
Article 105	All reasonable expenses incurred by the directors in attending meetings of the Board shall be paid by the Company, including the transportation expenses from the location of the director to the place of the meeting (if different from the location of the director), the travelling and accommodation expenses incurred during the meeting, the rental of the place of the meeting, and local transportation expenses, etc.
Article 106	<p>All directors shall be obliged to act in good faith, perform duties with due diligence, attend the meetings of the Board conscientiously, and express their opinions on all matters in discussion clearly.</p> <p>The Board shall keep full and complete minutes of the matters examined at a meeting, and such minutes shall be signed by all directors present at the meeting and the person taking the minutes of that meeting. All directors shall be liable for all</p>

	<p>the resolutions passed by the Board. If any of the Board resolution violates the laws, administrative regulations, or these Articles and causes serious damage to the Company, the directors who have participated in the resolution shall be liable for compensation to the Company, provided that any director who can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director may be exempted from liability. Any director, who abstained from voting or neither attended the meeting in person nor appointed a proxy to attend shall not be exempted from liability . Any director, who had objected to the resolution during discussion but did not vote against such resolution, shall not be exempted from such liability.</p>
<p>Article 107</p>	<p>Any written resolution bearing the signatures of all directors shall be deemed to be equally valid with a resolution passed at a duly-convened meeting of the Board. Such a resolution may consist of several documents in the like form, each signed by one or more directors. For the purpose of this Article, any resolution bearing the signature or name of a director, sent to the Company by telegraph, post, fax, or in person shall be deemed to be signed by such director.</p> <p>The Board may from time to time set up a committee or panel consisting of two or more directors, and empower such committee or panel with some powers, authorities, and discretions vested in it. The committee or panel hereof shall perform duties within the scope of authorization and comply with the rules formulated from time to time by the Board, which may at any time dissolve the committee or panel or change the scope of its authorization.</p> <p>The quorum of the meeting of the aforesaid committee or panel shall be two members thereof or more than half of its members, the highest of which prevails. The provisions applicable to the procedures and recording of the meetings of the Board in Article 101 and Article 106 of these Articles shall apply equally to the meetings of the</p>

	committee or panel, unless the relevant provisions are replaced with rules formulated by the Board according to the preceding paragraph.
	<u>Chapter XII Secretary of the Board</u>
Article 108	The Company shall have a secretary to the Board ("Company's secretary"), who shall be a senior management officer of the Company.
Article 109	<p>The Company's secretary shall be a natural person with necessary expertise and experience, who shall be appointed and removed by the Board. The main duties of the secretary shall be as set forth below:</p> <p>(I) to ensure that the Company's constitutive documents and records are complete;</p> <p>(II) to ensure that the Company prepares and submits all reports and documents required by relevant authorities (including but not limited to the administrative authorities for industry and commerce) ;</p> <p>(III) to ensure that the Company establishes its register of shareholders properly, and persons entitled to receive relevant records and documents from the Company do receive such records and documents in time;</p> <p>(IV) to perform other duties of a secretary as provided by laws and these Articles (including duties required reasonably by the Board).</p>
Article 110	<p>Any director or other senior management officers of the Company may concurrently serve as the Company's secretary. No accountant of the accounting firm appointed by the Company may concurrently hold the office of the Company's secretary.</p> <p>Where the Company's secretary is also a director and an act is required to be done by that director and the secretary separately, the person who is both the Company's secretary and the director</p>

	may not perform the act in both capacities.
	<u>Chapter XIII Manager</u>
Article 111	The Company shall have one manager, who shall be appointed or removed by the Board.
Article 112	<p>The manager of the Company shall be accountable to the Board and shall exercise the following powers:</p> <ul style="list-style-type: none"> (I) to be in charge of the production, operation and management of the Company, and to organize the implementation of the resolutions of the Board; (II) to organize the implementation of the Company's annual business plans and investment plans; (III) to draw up the plan of the Company's internal management; (IV) to draw up the basic management system of the Company; (V) to formulate the basic rules and regulations of the Company; (VI) to propose the employment or removal of the deputy managers and financial officers; (VII) to appoint or remove senior management officers of the Company other than those to be appointed or removed by the Board; (VIII) to convene and preside over the managers' office meetings (on his own or by a deputy manager appointed by him) , which shall be attended by the manager, deputy managers, and other senior management officers; (IX) to decide on the rewards and penalties, promotion or demotion, pay rise or cut, appointment, employment, removal, and dismissal of employees of the Company; (X) other powers prescribed by these Articles

	and conferred by the Board.
Article 113	The manager shall sit in on the meetings of the Board, but non-director manager shall have no voting rights at such meetings.
Article 114	The Company's manager shall exercise his/her powers in good faith and diligently according to the provisions of laws, administrative regulations and these Articles.
Article 115	The manager and deputy managers shall not, while exercising his/her powers, alter the resolutions of the general meetings of shareholders and the Board, nor transcend the scope of his/her powers.
	<u>Chapter XIV Supervisory Committee</u>
Article 116	<p>The Company shall have a Supervisory Committee.</p> <p>The Supervisory Committee shall be responsible for the supervision over the Board, directors, the manager, and other senior management officers of the Company, and prevent them from misusing their powers or infringing on the rights and interests of shareholders, the Company, and the Company's employees.</p>
Article 117	<p>The Supervisory Committee shall consist of three supervisors, one of whom shall serve as the chairman of the Supervisory Committee. The tenure of office of a supervisor is three years and may serve consecutive terms if re-elected upon the expiration of his term. .</p> <p>The appointment and removal of the chairman of the Supervisory Committee shall take effect upon a resolution adopted by more than two thirds (including two thirds) of the supervisors.</p>
Article 118	The Supervisory Committee shall consist of two members representing the shareholders and one member representing employees of the Company. The supervisor representing the shareholders shall be elected and removed at the general meetings of shareholders, and the supervisor

	representing the employees shall be democratically elected and removed from office by the employees of the Company.
Article 119	The directors, the manager and other senior management officers (including but not limited to financial officers) shall not serve concurrently as a supervisor.
Article 120	The Supervisory Committee shall hold meetings at least twice a year, which shall be convened by the chairman of the Supervisory Committee.
Article 121	<p>The Supervisory Committee shall be accountable to the general meetings of shareholders and shall exercise the following powers in accordance with law:</p> <ul style="list-style-type: none"> (I) to inspect the financial affairs of the Company (II) to monitor the acts of the directors, the manager, and other senior management officers so as to guard against the violation of laws, administrative regulations, or these Articles of the Company in the course of the performance of their duties; (III) to require the directors, the manager, and other senior management officers to rectify their behaviour when their conduct is harmful to the interests of the Company; (IV) to verify the financial reports, business reports and profit distribution plans and other financial information proposed to be submitted by the Board to the general meetings of shareholders, and in the case of doubt, may appoint a certified public accountant and a certified auditor, in the name of the Company, to assist in reviewing the same; (V) to propose convening of extraordinary meetings of shareholders; (VI) to represent the Company in the negotiation with or bring a lawsuit against

	<p>any director;</p> <p>(VII) other powers prescribed by these Articles of Association of the Company;</p> <p>The supervisors shall sit in on the meetings of the Board.</p>
Article 122	<p>The general meetings of supervisors shall be convened upon the presence of more than two thirds (including two thirds) of the supervisors.</p> <p>The resolutions of the Supervisory Committee shall be passed upon the favorable votes of more than two thirds (including two thirds) of the supervisors.</p>
Article 123	<p>All reasonable expenses incurred by the Supervisory Committee in employing attorneys, certified public accountants and certified auditors in the exercise of its powers shall be paid by the Company.</p>
Article 124	<p>All reasonable expenses incurred by a supervisor in attending meetings of the Supervisory Committee shall be paid by the Company, including transportation expenses from the location of the supervisor to the place of the meeting (if different from the location of the supervisor), the traveling and accommodation fees during the meeting, the rental of the place of meeting and local transportation expenses.</p>
Article 125	<p>Supervisors shall perform their duties of supervision according to the provisions of the laws, administrative regulations and these Articles of Association of the Company.</p>
	<p style="text-align: center;"><u>Chapter XV Qualifications and Obligations of Directors, Supervisors, Managers, and Other Senior Management Officers</u></p>
Article 126	<p>The following persons may not serve as a director, supervisor, manager or any other senior management officer of the Company in any of the following circumstances:</p> <p>(I) an individual who has no civil capacity or</p>

	<p>restricted civil capacity;</p> <p>(II) persons who were committed the offences of corruption, bribery, infringement of properties, misappropriation of properties, or sabotaging the social and economical order, and have been punished, or have been deprived of their political rights, in each case where less than five years have elapsed since the date of completion of the execution of such punishment or deprivation;</p> <p>(III) persons who were directors, or factory managers or manager of a company or enterprise which has become bankrupt and liquidated as a result of improper operation and mismanagement, and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the liquidation of such company or enterprise;</p> <p>(IV) persons who were a former legal representative of a company or enterprise which had its business license revoked due to a violation of law and who were personally liable, where less than three years have elapsed since the date of the revocation of such business license;</p> <p>(V) persons who have a relatively large amount of debt outstanding and not repaid when due;</p> <p>(VI) persons who are under criminal investigation by the judicial authority for violation of the criminal law which is not yet concluded;</p> <p>(VII) persons who are ineligible for enterprise leadership according to laws and administrative regulations;</p> <p>(VIII) a non-natural person;</p> <p>(IX) persons who have been convicted by the competent authority of offences involving</p>
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	<p>fraud or dishonesty in violation of the provision of the relevant securities regulations, where less than five years has elapsed since the date of such ruling; and</p> <p>(X) any public servants, unless permitted by laws and administrative regulations.</p>
Article 127	<p>The validity of an act of a director, manager, or other senior management officers of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his/her current position, election or qualifications.</p>
Article 128	<p>In addition to the obligations imposed by laws, administrative regulations, or the listing rules of the securities exchange(s) where the Company's shares are listed, the directors, supervisors, the manager, and other senior management officers of the Company shall also have the following obligations towards each shareholder in the exercise of the powers granted to them by the Company:</p> <p>(I) not to cause the Company to act beyond the scope of business stipulated in its business license;</p> <p>(II) to act honestly in the best interests of the Company;</p> <p>(III) not to deprive the Company of its property in any way, including (but not limited to) any opportunity that is favorable to the Company;</p> <p>(IV) not to deprive the shareholders of their individual rights or interests, including (but not limited to) the rights to distribution and voting rights, except restructuring of the Company submitted for approval at a shareholders' general meeting according to these Articles.</p>
Article 129	<p>The directors, supervisors, the manager and other senior management officers of the Company shall have the obligation, in the exercise of their rights or the discharge of their</p>

	<p>obligations, to perform their due acts with care, diligence, and skills as a reasonable and prudent person shall do under similar circumstances.</p>
<p>Article 130</p>	<p>The directors, supervisors, manager and other senior management officers of the Company must, in the exercise of their duties, abide by the principles of honesty and credibility, and shall not place themselves in a position where their personal interests and duties may be in conflict with each other. This principle shall include (but not be limited to) the fulfilment of the following obligations:</p> <ul style="list-style-type: none"> (I) to act honestly in the best interests of the Company; (II) to exercise their powers within the scope of functions and powers and not to act beyond such powers; (III) to personally exercise the discretions invested in him/her, not to allow himself/herself to be manipulated by another person, and not to delegate the discretions to another person unless otherwise permitted by laws and administrative regulations or with the consent of any shareholders' general meeting that has been informed; (IV) to be impartial to both the holders of the same class and those of different classes; (V) not to conclude a contract or enter into a transaction or arrangement with the Company, except as otherwise provided in these Articles of Association of the Company or with the consent of any shareholders' general meeting that has been informed; (VI) not to use the Company's property for his/her own benefits in any way without the consent of any shareholders' general meeting that has been informed; (VII) not to use his/her functions and powers as a means to accept bribes or other forms of

	<p>illegal income, and not to illegally appropriate the Company's properties in any way, including (but not limited to) any opportunity that is favourable to the Company;</p> <p>(VIII) not to accept commissions in connection with any transaction of the Company without the consent of the shareholders' general meeting that has been informed;</p> <p>(IX) to abide by the Articles of Association of the Company, perform duties faithfully, protect the interests of the Company, and not to use his/her position and powers in the Company to seek personal gains;</p> <p>(X) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;</p> <p>(XI) not to embezzle the Company's funds or lend them to others, not to deposit the Company's assets in any account opened in his/her own or in any other person's name, not to use the Company's assets as security for the debts of the Company's shareholder or other individual;</p> <p>(XII) not to disclose any confidential information in relation to the Company that is acquired by him/her during his/her office without the consent of any shareholders' general meeting that has been informed, and not to use such information for any purpose other than the interests of the Company. Provided that such information may be disclosed to the court or other government authorities in any of the following circumstances :</p> <ol style="list-style-type: none"> (1) provided by laws; (2) required for public interest; (3) required in the own interests of such director, supervisor, manager or other senior management officers of the
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	Company;
Article 131	<p>Any director, supervisor, manager and other senior management officers of the Company shall not cite the following persons or organizations ("connected persons") to do what such director, supervisor, manager or other senior management officers may not do:</p> <ul style="list-style-type: none"> (I) the spouse or minor child of such director, supervisor, manager or other senior management officers of the Company; (II) the trustee of a director, supervisor, manager or other senior management officers of the Company or of any person referred to in item (I) hereof; (III) the partner of such director, supervisor, manager or other senior management officers of the Company or of any person referred to in item (I) and (II) hereof; (IV) the Company over which a director, supervisor, manager or other senior management officers of the Company, alone or jointly with any person referred to in items (I), (II) and (III) hereof or any other director, supervisor, manager, or other senior management officers of the Company, has actual control; (V) any director, supervisor, manager or other senior management officers of any company being controlled as referred to in item (IV) hereof.
Article 132	<p>The obligation to be honest that is imposed on the directors, supervisors, manager and other senior management officers of the Company shall not necessarily cease with the termination of their respective office. The confidentiality obligation in relation to the Company's trade secret shall remain effective upon the termination of their respective office. The term of continuance of other obligations shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination of their respective office and the</p>

	<p>occurrence of the matter against such obligations, as well as the circumstances and conditions under which the relationship between the aforesaid persons and the Company terminates.</p>
Article 133	<p>Any director, supervisor, the manager or other senior management officers of the Company may be relieved from the liability for a specific breach of obligations after the shareholders' general meeting has been informed, except in circumstances as specified in Article 56 hereof.</p>
Article 134	<p>If a director, supervisor, the manager or other senior management officers of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement (except the employment contracts between such persons and the Company) that the Company has concluded or plans to conclude, he/she shall disclose the nature and extent of the interest to the Board at the earliest opportunity, whether or not the matter concerned is normally subject to the approval of the Board.</p> <p>A director shall not vote on the resolution of any meeting of the Board in respect of the contract, transaction or arrangement that he/she or his/her associate is materially interested, nor be counted into the quorum of such meeting.</p> <p>Unless the interested director, supervisor, manager, or other senior management officers of the Company has disclosed such interest to the Board as required under the preceding paragraph hereof, and the matter interested has been approved by the Board at a meeting where he/she neither voted nor was counted into the quorum, the Company shall have the right to void the contract, transaction or arrangement, except that the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, manager, or any other senior management officers concerned.</p> <p>Any director, supervisor, manager, or other senior management officers of the Company shall be deemed to be interested in any contract, or transaction, or arrangement in which a connected</p>

	person of such director, supervisor, manager or other senior management officers has an interest.
Article 135	If a director, supervisor, the manager or other senior management officers of the Company gives a written notice to the Board before the conclusion of any contract, transaction, or arrangement is first considered by the Company, stating that due to the contents listed in the notice, he/she is interested in such contract, transaction, or arrangement to be made subsequently by the Company, such director, supervisor, manager, or other senior management officers shall be deemed, insofar as what is stated in the notice, to have made the disclosure provided in Article 134 hereof.
Article 136	The Company shall not in any manner pay tax on behalf of its director, supervisor, manager or other senior management officers.
Article 137	<p>The Company shall not, directly or indirectly, provide a loan to or loan security for any director, supervisor, manager or other senior management officers of the Company or its parent Company, or any connected person of the aforesaid person.</p> <p>The provisions of the preceding paragraph shall not apply to the following circumstances:</p> <ul style="list-style-type: none"> (I) the provision by the Company of a loan to or loan security for its subsidiaries; (II) the provision of a loan to, or loan security, or other funds by the Company for a director, supervisor, the manager, or other senior management officers of the Company under an employment contract between such person and the Company approved by a shareholders' general meeting, so as to enable him/her to pay the expenses incurred for the sake of the Company or for the performance of duties herein prescribed; (III) the provision of a loan to or loan security by the Company for a relevant director, supervisor, the manager, or other senior management officers of the Company or for a connected person thereof on normal

	commercial terms if the ordinary business scope of the Company includes the lending of money or the provision of loan security.
Article 138	A loan provided by the Company in violation of the preceding Article shall be repayable immediately by the recipient of such loan, regardless of the terms of the loan.
Article 139	The Company shall not be forced to perform a loan security provided in violation of the first paragraph of Article 137, except: <ul style="list-style-type: none"> (I) where the loan is provided to a connected person of a director, supervisor, the manager or other senior management officers of the Company or its parent company and the loan provider is not aware of the fact; (II) the collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.
Article 140	For the purposes of the preceding Article herein, the term "security" shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligator.
Article 141	If a director, supervisor, the manager or other senior management officers of the Company breaches his obligations to the Company, the Company shall, in addition to any rights and remedies provided by laws and administrative regulations, have the right to: <ul style="list-style-type: none"> (I) require the relevant director, supervisor, manager, or other senior management officers to compensate for any loss sustained by the Company as a consequence of his/her dereliction of duties; (II) rescind any contract or transaction concluded by the Company with the relevant director, supervisor, manager or other senior management officers, or with a third party (where such third party is aware or should be aware that the director,

	<p>supervisor, manager or other senior management officers representing the Company was in breach of his obligations to the Company);</p> <p>(III) require the relevant director, supervisor, manager or other senior management officers to surrender the gains derived from the breach of his/her obligations;</p> <p>(IV) to recover any funds received by the relevant director, supervisor, manager or other senior management officers that should have been received by the Company, including (but not limited to) commissions;</p> <p>(V) require the relevant director, supervisor, manager, or other senior management officers to return the interest earned or to be possibly earned on the funds that should have been given to the Company;</p> <p>(VI) take legal proceedings to rule that any property obtained by the relevant director, supervisor, manager, or other senior management officers as a result of breach of his/her obligations shall belong to the Company.</p>
Article 142	<p>The Company shall conclude a written contract with each director and supervisor of the Company in respect of his/her remunerations, subject to the prior approval of the shareholders' general meeting. The aforesaid remunerations hereof shall include:</p> <p>(I) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of the Company;</p> <p>(II) remunerations in respect of his/her service as a director, supervisor, or any other senior management officers of a subsidiary of the Company;</p> <p>(III) remunerations otherwise in connection with the management of the Company or any</p>

	<p>subsidiary thereof;</p> <p>(IV) funds as compensation for his/her loss of office or retirement to the aforementioned directors and supervisors.</p> <p>A director or supervisor may not sue the Company for any benefits due to him/her on the basis of the above-mentioned matters, except under an aforesaid contract.</p>
Article 143	<p>The Company shall specify in the contract concluded with any of its director or supervisor in respect of his/her remunerations that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of a shareholders' general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement. For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:</p> <p>(I) any person makes a general offer of takeover to all the shareholders;</p> <p>(II) any person makes a general offer of takeover so that the offeror becomes a controlling shareholder as defined in Article 57 hereof.</p> <p>If the relevant director or supervisor fails to comply with this Article, any fund received by him/her shall belong to the shareholders that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in the distribution of such funds on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such funds.</p>
	<p><u>Chapter XVI Accounting System and Profit Distribution</u></p>
Article 144	<p>The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations, and the accounting standards of China formulated by the authorities</p>

	under the State Council in charge of finance.
Article 145	The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be examined and verified in accordance with law.
Article 146	The fiscal year of the Company shall be based on the calendar year, that is, the period from the 1 st day of January to the 31 st day of December shall be one fiscal year.
Article 147	The Company shall use RMB as the currency of its accounts, and the accounts shall be prepared in Chinese.
Article 148	The Board of the Company shall place before the shareholders at each shareholders' annual general meeting such financial reports as relevant laws, administrative regulations, and normative documents promulgated by the local government and the competent authorities require the Company to prepare.
Article 149	<p>The financial reports of the Company shall be made available in the Company for inspection by shareholders twenty days prior to an annual general meeting of shareholders. Each shareholder of the Company shall have the right to obtain a copy of such financial reports referred to herein.</p> <p>The Company shall send the aforesaid reports, at least twenty-one days prior to a shareholders' annual general meeting by pre-paid mail by post to all shareholders of overseas-listed foreign shares at the address of each shareholder recorded in the register of shareholders.</p>
Article 150	The financial statements of the Company shall be prepared not only in accordance with Chinese accounting standards, laws and regulations, but also in accordance with international accounting standards or the accounting standards of the place(s) outside the People's Republic of China where the Company's shares are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial

	statements. In the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits in either of the above-mentioned financial statements shall prevail.
Article 151	The interim results or financial information published or disclose by the Company shall be prepared in accordance with China's accounting standards, laws and regulations as well as international accounting standards, or the accounting standards of the place outside the People's Republic of China where the Company's shares are listed.
Article 152	<p>The Company shall publish two financial reports each fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report published within 120 days after the end of the fiscal year.</p> <p>If the securities exchanges where the Company's shares are listed have more stringent provisions on the matter mentioned in the preceding paragraph, the Company shall abide by such provisions.</p>
Article 153	The Company may not establish any account books other than statutory account books.
Article 154	<p>The capital common reserve shall include the following funds:</p> <p>(I) the premium obtained from the issue of shares in excess of the par value;</p> <p>(II) other revenue required by the authorities under the State Council in charge of finance to be included in the capital common reserve.</p>
Article 155	<p>The Company may distribute dividends in the following forms:</p> <p>(I) cash;</p> <p>(II) shares.</p> <p>The dividends in respect of domestic shares shall</p>

	<p>be paid in RMB. The dividends in respect of non-listed foreign shares shall be paid in foreign currencies, and dividends in respect of overseas-listed foreign shares shall be paid in the currency at the place where such shares are listed.</p>
Article 156	<p>The Company shall appoint recipient agents for the holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of such shares.</p> <p>The recipient agents thus appointed by the Company shall meet the requirements of the laws of the place(s) or the relevant regulations of the securities exchange(s), where such shares are listed. Where the Company appoints recipient agents of dividends in respect of overseas-listed foreign shares that are listed in Hong Kong, such agents shall be qualified trust companies registered in accordance with the <i>Trustee Ordinance</i> of Hong Kong.</p>
	<p><u>Chapter XVII Appointment and Dismissal of Accounting Firm</u></p>
Article 157	<p>The Company shall appoint an independent accounting firm that complies with relevant state regulations to audit the annual and other financial reports of the Company.</p> <p>The first accounting firm of the Company may be appointed by the inaugural meeting prior to the first annual general meeting of shareholders. Such accounting firm shall hold office until the conclusion of the first annual general meeting.</p> <p>If the inaugural meeting does not exercise its powers under the preceding paragraph, the Board shall exercise such powers.</p>
Article 158	<p>The term of office of an accounting firm appointed by the Company shall commence from the end of the annual general meeting of shareholders on which the accounting firm is appointed until the</p>

	end of the next annual general meeting.
Article 159	<p>Any accounting firm appointed by the Company shall enjoy the following rights:</p> <p>(I) the rights of access at any time to account books, records, or vouchers of the Company and the right to require directors, the manager or other senior management officers of the Company to provide relevant information and explanations;</p> <p>(II) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform duties;</p> <p>(III) the right to attend shareholders' meeting, receive the notice or other information in respect of such meetings that the shareholders are entitled to receive, and to be heard at any shareholders' meeting on any matter which concerns it as the accounting firm of the Company.</p>
Article 160	<p>If the position of an accounting firm of the Company becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a shareholders' general meeting is held. If there are other accounting firms serving as the accounting firm of the Company while such a vacancy exists, such accounting firms shall continue to act.</p>
Article 161	<p>A shareholders' general meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of office, notwithstanding any provisions in the contract between the accounting firm and the Company, but without prejudice to the right of such accounting firm, if any, to claim damages from the Company in respect of such dismissal.</p>
Article 162	<p>The remuneration or method of determining remuneration for an accounting firm shall be decided upon by a shareholders' general meeting. The remuneration for the accounting firm appointed by the Board shall be determined by</p>

	the Board.
Article 163	<p>The appointment, dismissal, or non-renewal of the appointment of an accounting firm shall be decided upon by the shareholders' general meetings and reported to the competent securities authorities under the State Council for the record.</p> <p>Any shareholders' general meeting shall comply with the following provisions when it plans to pass a resolution to appoint an accounting firm other than the existing accounting firm in office so as to fill an vacancy, or to continue to appoint an accounting firm appointed by the Board so as to fill an vacancy, or to dismiss an accounting firm whose term of office has not expired:</p> <p>(I) the proposal in respect of such appointment or dismissal shall be delivered to the accounting firm to be appointed or dismissed, or the accounting firm that has left office in the relevant fiscal year (leaving office hereof includes dismissal, resignation, and retirement), before the notice of relevant shareholders' general meeting on which such proposal is to be considered;</p> <p>(II) if the accounting firm that is going to leave office makes a written statement and requests such statement to be informed to all shareholders, the Company shall take the following actions unless it receives the statement too late to take the actions:</p> <p>(1) to make it clear, in the notice of the shareholders' general meeting for the purpose of making a relevant resolution, that the leaving accounting firm has made such an statement;</p> <p>(2) to deliver a copy of the statement as an attachment to the notice hereof to all shareholders in the ways provided by these Articles;</p> <p>(III) If the Company fails to deliver the statement of the leaving accountant firm according to item (II) herein, the accounting</p>

	<p>firm may request such statement to be read and make further appeal at the shareholders' general meeting concerned.</p> <p>(IV) The leaving accounting firm shall have the right to be present at the following meetings:</p> <ol style="list-style-type: none"> (1) the shareholders' general meeting at which its term would otherwise have expired; (2) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; (3) the shareholders' general meeting convened because of its voluntary resignation; <p>The leaving accounting firm is entitled to receive all notices or other information in respect of the aforesaid meetings, and speak on any matter related to its services as the former accounting firm of the Company at such meetings.</p>
Article 164	<p>When the Company dismisses or does not renew the appointment of an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views to the shareholders' general meeting on which such dismissal is considered. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.</p> <p>A accounting firm of the Company may resign from its office by depositing a written notice of resignation to that effect at the legal address of the Company. Any such notice shall become effective on the day when it is deposited at the Company's legal address, or on a later date as specified in the notice. Such notice shall include the following statements:</p> <ol style="list-style-type: none"> (I) a statement to the effect that there are no circumstances connected with its resignation which it considers should be

	<p>brought to the attention of the shareholders or creditors of the Company;</p> <p>(II) a representation on any such circumstances.</p> <p>The Company shall, within 14 days after the receipt of the aforesaid written notice, send a copy of the notice to the competent authority in charge. If the notice contains the representation mentioned in item (II) of the preceding paragraph, the Company shall deposit a duplicate copy of the representation at the Company for inspection by shareholders, and the Company shall also deliver the aforesaid duplicate copy of the representation by post with postage pre-paid to each holder of overseas-listed foreign shares at their respective address recorded in the register of shareholders.</p> <p>If the notice of resignation of the accounting firm contains a statement on any circumstance to be accountable for, the accounting firm may require the Board to convene an extraordinary general meeting of shareholders to hear the explanations of the circumstances connected with its resignation.</p>
	<p><u>Chapter XVIII Insurance</u></p>
<p>Article 165</p>	<p>The Company shall take out various types of insurances from insurance companies that are registered in China and permitted by the laws of China to provide insurance coverage to companies in China.</p>
<p>Article 166</p>	<p>The type of insurance coverage, the sum insured, term of insurance and other terms of insurance shall be discussed and decided on by the Board in accordance with the practices of other companies in the same industry, and the practice and legal requirements in China.</p>

	<u>Chapter XIX Labor Management</u>
Article 167	The Company shall formulate its systems such as labor management, personnel management, wages and welfare and social insurance in accordance with the laws, regulations and relevant administrative rules of China.
Article 168	The Company shall adopt employment-basis system for its various levels of management staff and contract-basis system for normal staff. The Company may, at its own direction, determine its staff allocation and employ or dismiss management staff and normal staff in accordance with the provisions of relevant laws and contracts.
Article 169	The Company shall have the right to decide on, at its own direction, the wage incomes and welfare benefits of the management personnel at all levels and employees of all categories based on its economic benefits and within the scope prescribed by relevant administrative rules and regulations.
Article 170	The Company shall, pursuant to the relevant administrative rules and regulations of China's central and local government, arrange medical, retirement, and unemployment insurances for the Company's management personnel and employees, and carry out the relevant provisions of the laws, regulations and rules on the labor insurance of retired and unemployed workers.
	<u>Chapter XX Trade Union</u>
Article 171	The Company's staff and workers shall have the right to establish a trade union and organize trade union activities in accordance with <i>The Trade Union Law of the People's Republic of China</i> . The trade union shall organize its activities outside normal working hours, unless otherwise provided by the Board.

	<u>Chapter XXI Merger and Split-up</u>
Article 172	<p>The merger or split-up of the Company shall require the preparation of a proposal by the Board, which after being adopted in accordance with the procedures specified in these Articles, shall go through relevant examination and approval procedures in accordance with law. Shareholders that oppose such merger or split-up proposal shall be entitled to require the Company or shareholders who are in favour of such proposal to purchase their shares at a fair price. The content of the resolutions approving the merger or split-up of the Company shall be compiled in a special document for inspection by shareholders.</p> <p>The aforesaid document shall be delivered, twenty one days prior to the relevant shareholders' general meeting, by post with postage pre-paid to all holders of overseas-listed foreign shares at the address of each recipient recorded in the register of shareholders.</p>
Article 173	<p>The merger of the Company may take the form of either merger by absorption or merger by new establishment.</p> <p>In the case of a merger of the Company, the parties to the merger shall enter into a merger agreement and prepare balance sheets and a property list in respect of the Company. Furthermore, the Company shall notify its creditors within a period of ten days from the date on which the merger resolution is passed and publish announcements on such merger on newspapers for at least three times within thirty days thereafter.</p>
Article 174	<p>Where the Company is to be split up, its property shall be divided accordingly.</p> <p>In the case of the split-up of the Company, the parties to the split-up shall enter into a division agreement and prepare balance sheets and a property list in respect of the Company. The Company shall notify its creditors within a period of ten days from the date on which the split-up</p>

	<p>resolution is passed and publish announcements on such split-up on newspapers for at least three times within thirty days thereafter.</p> <p>Debts owed by the Company prior to the split-up shall be assumed by the companies in existence as a result of the split-up in accordance with the agreement concluded.</p>
Article 175	<p>Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the company registration authorities in accordance with law. Where the Company is dissolved, it shall cancel its registration in accordance with law. Where a new company is established, its establishment shall be registered in accordance with law.</p>
	<p><u>Chapter XXII Dissolution and Liquidation</u></p>
Article 176	<p>The Company shall be dissolved and liquidated in accordance with law in any of the following circumstances:</p> <p>(I) if a shareholders' general meeting resolves to dissolve the Company;</p> <p>(II) if dissolution is necessary as a result of the merger or split-up of the Company;</p> <p>(III) if the Company is declared bankrupt in accordance with law due to inability to repay its debts when due;</p> <p>(IV) if the Company is lawfully ordered to close down as a result of violation of laws or administrative regulations.</p>
Article 177	<p>Where the Company is to be dissolved pursuant to item (I) of the preceding Article, it shall establish a liquidation committee within fifteen days. The members of such liquidation committee shall be determined at a shareholders' general meeting by way of an ordinary resolution.</p> <p>Where the Company is to be dissolved pursuant to item (III) of the preceding Article, the people's court shall, in accordance with the requirements of relevant laws, arrange for the shareholders,</p>

	<p>relevant authorities, and relevant professionals to establish a liquidation committee to carry out liquidation.</p> <p>Where the Company is to be dissolved pursuant to item (IV) of the preceding Article, the relevant authorities in charge shall arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out the liquidation.</p>
Article 178	<p>If the Board decides that the Company shall be liquidated (except liquidation as a result of the Company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the Board has made full inquiry into the position of the Company and that the Board holds the opinion that the Company can pay its debts in full within twelve months after the commencement of liquidation.</p> <p>The powers of the Board of the Company shall terminate immediately upon a resolution being adopted by a shareholders' general meeting to carry out liquidation.</p> <p>The liquidation committee shall take instructions from the shareholders' general meetings and make a report at least once a year to the shareholders' general meeting on the committee's income and expenditure, the business of the Company, and the progress of the liquidation. Upon the completion of the liquidation, it shall make a final report to the shareholders' general meeting.</p>
Article 179	<p>The liquidation committee shall notify creditors within a period of ten days from the date of its establishment and publish announcements on newspapers on the liquidation at least three times within sixty days. The creditors' rights shall be registered by the liquidation committee.</p>
Article 180	<p>The liquidation committee shall exercise the following powers during the liquidation:</p> <p>(I) to thoroughly examine the property of the Company and prepare a balance sheet and</p>

	<p>property list respectively;</p> <p>(II) to notify the creditors by a notice or public announcement;</p> <p>(III) to dispose of and liquidate relevant unfinished business of the Company;</p> <p>(IV) to pay all outstanding taxes in full;</p> <p>(V) to clear up claims and debts;</p> <p>(VI) to deal with the residual property after full payment of the Company's debts;</p> <p>(VII) to participate in any civil litigation on behalf of the Company.</p>
Article 181	<p>After the liquidation committee has thoroughly examined the company's property and prepared a balance sheet and a property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or relevant authorities in charge for confirmation.</p> <p>Payment of debts out of the Company's property shall be made in the following order of priority:</p> <p>(I) payment of all liquidation expenses;</p> <p>(II) payment of wages and labor insurance expenses;</p> <p>(III) payment of all outstanding taxes in full;</p> <p>(IV) to clear up the Company's debts.</p> <p>The Company's residual property after full payment in accordance with the provisions of the preceding paragraph shall be distributed to shareholders pursuant to the class and proportion of shares held by each shareholder.</p> <p>During liquidation, the Company shall not engage in new business activities.</p>
Article 182	<p>If the Company is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and a property list, discovers that</p>

	<p>the Company's property is insufficient to pay its debts in full, it shall immediately apply to the people's court for declaration of bankruptcy.</p> <p>After the Company is declared bankrupt by the ruling of the people's court, the liquidation committee of the Company shall refer the liquidation matters to the people's court.</p>
Article 183	<p>Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, an income and expenditure statement and financial account books in respect of the liquidation period and, upon verification thereof by a certified public accountant registered in China, submit the same to the shareholders' general meeting or the competent authorities for confirmation.</p> <p>Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant competent authorities, the liquidation committee shall deliver the same to the registration authorities of the Company, apply for cancellation of the Company's registration, and publicly announce the Company's termination.</p>
	<p><u>Chapter XXIII Procedures for Amendments to the Articles of Association</u></p>
Article 184	<p>The Company may amend its Articles of Association in accordance with laws, administrative regulations and these Articles.</p>
Article 185	<p>Where an amendment to the Company's Articles of Association involves matters provided for in the <i>Prerequisite Clauses on the Articles of Association of Companies Seeking a Listing Outside the PRC ("Prerequisite Clauses")</i>, it shall become effective upon the approval of relevant company examination and approval authorities authorised by the State Council and the securities regulatory authorities under the State Council. Where an amendment thereto involves matters of company registration, any change in registration shall be handled in accordance with law.</p>

	<u>Chapter XXIV Settlement of Disputes</u>
Article 186	<p>The Company shall comply with the following rules in the settlement of disputes:</p> <p>(I) If any dispute or claim concerning the business of the Company on the basis of the rights or obligations provided for in these Articles, or the <i>Company Law</i>, or in relevant laws or administrative regulations arises between a holder of overseas-listed foreign shares and the Company, or between a holder of overseas-listed foreign shares and a director, or a supervisor, or the manager, or other senior management officers of the Company, or between a holder of overseas-listed foreign shares and a holder of domestic shares or non-listed foreign shares, such dispute or claim shall be referred by the parties concerned to arbitration for settlement.</p> <p>When a dispute or claim as described above herein is referred to arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company, or any shareholders, directors, supervisors, the manager, or other senior management officers of the Company, that have a cause of action due to the same facts or whose involvement is necessary for the settlement of such dispute or claim, shall abide by arbitration.</p> <p>Disputes concerning the definition of shareholders and the register of shareholders may not be required to be settled by means of arbitration.</p> <p>(II) A dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant submits</p>

	<p>the dispute or claim for arbitration, the other party concerned shall carry out arbitration in the arbitration institution selected by the applicant.</p> <p>If the arbitration applicant elects arbitration by the Hong Kong International Arbitration Centre, either party to the dispute or claim may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.</p> <p>(III) If any disputes or claims referred to in item (I) herein are settled by way of arbitration, the laws of China shall apply, save as otherwise provided in laws and administrative regulations.</p> <p>(IV) The decision of the arbitration institution shall be final and binding on all parties.</p>
	<p><u>Chapter XXV Notice</u></p>
<p>Article 187</p>	<p>All notices, information or written statements from the Company to the holders of overseas-listed foreign shares shall be delivered personally to the registered address of each shareholder, or sent by post to the address of each shareholder recorded in the register of shareholders.</p> <p>All notices from the Company to shareholders other than the holders of overseas-listed foreign shares shall be delivered personally to the registered address of every shareholder, or sent by post to the address of every shareholder recorded in the register of shareholders, or announced on one or more newspapers designated by the securities regulatory authorities under the State Council. Upon the publication of such announcement, all shareholders other than the holders of overseas-listed foreign shares shall be deemed to have received the relevant notice.</p>
<p>Article 188</p>	<p>Where a notice is to be served by post, serve of the notice shall be deemed to have been effected only if it is clearly addressed, with the recipient's name clearly written and postage pre-paid, and</p>

	put in an envelope before being posted. Such envelope containing the notice shall be deemed to have been received by the relevant shareholder twenty four hours after the envelope is posted.
Article 189	Any notices, documents, information or written statement from the shareholders or directors to the Company shall be delivered personally or sent by registered mail to the legal address of the Company.
Article 190	The shareholders or directors of the Company who want to prove that certain notices, documents, materials, or written statements have been sent to the Company shall provide evidential materials showing that such notices, documents, materials, or written statements have been sent to the Company by normal methods prescribed in Article 187 hereof within designated time, specifically, the provision of receipt confirmation in the case of delivery by person, and in the case of delivery by post, the provision of evidence showing that the relevant mail, clearly addressed, with recipient's name clearly written and the postage pre-paid, has been sent to the right address.
	<u>Chapter XXVI Interpretation and Definition</u>
Article 191	<p>These Articles of Association are made and shall be interpreted in accordance with the <i>Company Law, the Prerequisite Clauses, the Opinions, Proposals, Listing Rules</i> and other applicable laws and administrative regulations. If any term herein is in contradiction to the aforesaid laws and administrative regulations, the provisions of such laws and administrative regulations shall prevail.</p> <p>The right to interpret these Articles shall be vested in the Board of the Company. Matters not covered in these Articles shall be submitted by the Board to the general meetings of shareholders for resolution.</p>
Article 192	These Articles of Association is written in both Chinese and English and the Chinese version shall prevail.

Article 193	In these Articles, the following words and expressions have the meanings set out below, unless the context requires otherwise:	
"these Articles"	means the Articles of Association of the Company	
"Board"	means the Board of Directors of the Company	
"chairman of the Board"	means the chairman of the Board of Directors	
"director"	means any director of the Company	
"ordinary share"	means any domestic share, non-listed foreign share, or overseas-listed foreign share	
"Company's domicile"	means the legal address of the Company at 7th Floor, No.1258, Zhenguang Road, Shanghai, China	
"RMB"	means the official currency of China	
"HK\$"	means the official currency of Hong Kong	
"secretary of the Company"	means the secretary of the Company appointed by the Board of Directors	
"China" and "the State"	means the People's Republic of China	
"Hong Kong Stock Exchange"	means the Stock Exchange of Hong Kong Limited	
"Company Law"	means the <i>Company Law of the People's Republic of China</i>	
"Listing Rules"	means the <i>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited</i>	

"Company"	means the Company, Lianhua Supermarket Holdings Company Limited
"Accounting Firm"	Shall have the same meaning with the word "auditor" mentioned in the <i>Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited</i>

The original version of the Articles of Association of the Company ("AOA") is in Chinese, and the English version of the AOA is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the AOA, the Chinese version shall prevail.