



CAPINFO COMPANY LIMITED*

首都信息發展股份有限公司

ARTICLES OF ASSOCIATION

2025

**(Amended by way of special resolution at the
extraordinary general meeting dated 18 January 2011)**

**(Amended by way of special resolution at the
extraordinary general meeting dated 4 May 2012)**

**(Amended by way of special resolution at the
extraordinary general meeting dated 22 December 2017)**

**(Amended by way of special resolution at the
annual general meeting dated 19 June 2018)**

**(Amended by way of special resolution at the
annual general meeting dated 19 June 2020)**

**(Amended by way of special resolution at the
extraordinary general meeting dated 30 November 2020)**

**(Amended by way of special resolution at the
annual general meeting dated 18 June 2024)**

**(Amended by way of special resolution at the
extraordinary general meeting dated 26 June 2024)**

**(Amended by way of special resolution at the
extraordinary general meeting dated 28 November 2025)**

* For identification purpose only

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CHAPTER 1: GENERAL PROVISIONS

Article 1 The Company is a joint-stock company with limited liability established under “The Company Law of the People’s Republic of China” (the “Company Law”) and other relevant laws and regulations of the People’s Republic of China (“PRC”). The Articles of Association are formulated under the objective of safeguarding the legal interests of the Company, its shareholders and creditors and regulating the Company’s organization and behavior, in accordance with the Company Law, “The Securities Law of the People’s Republic of China”, “Constitution of the Communist Party of China”, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter the “Listing Rules”) and other relevant requirements.

The Company, having been approved by the Beijing Municipal Government upon its Document Jing Zheng Han (2000) No. 74 and established by way of initiation on June 30, 2000, was registered with the Administration for Industry and Commerce of Beijing Municipality on July 14, 2000. The unified social credit code of the business license of the Company is 911100006336972074.

Article 2 The Company’s registered name in Chinese is 首都信息發展股份有限公司 and in English is CAPINFO COMPANY LIMITED.

Article 3 The Company’s registered address is on No. 11, West 3rd Ring Middle Road, Haidian District, Beijing (North Door, Ground Floor, Beijing Central Tower).

Article 4 The chairman of the Board shall serve as the legal representative of the Company. Where the chairman of the Board resigns, such person shall be deemed to have resigned as the legal representative at the same time. Where the legal representative resigns, the Company shall appoint a new legal representative within 30 days from the date of resignation of the legal representative.

Article 5 The Company is a joint-stock company with limited liability enjoying perpetual existence.

Article 6 The Company’s Articles of Association (the “Articles”) take effect from the date of establishment of the Company.

From the effective date of the Articles, the Articles (which expression shall include the Articles as amended or substituted from time to time) constitute a legally binding document governing the organisation and conduct of the Company, and the rights and obligations between the Company and its shareholders, and of the shareholders *interse*.

Article 7 The Articles shall be binding on the Company and its shareholders, Directors, general manager and other senior officers. These personnel above may, pursuant to the Articles, make claims relating to the affairs of the Company.

Pursuant to the Articles of Association, any dispute between the Company, the Shareholders, the Directors, and senior management in relation to this Articles of Association should be resolved through negotiation. In case of failure to resolve through negotiation, shareholders may sue other shareholders, shareholders may sue the Company's directors, general managers and other senior management, shareholders may sue the Company, and the Company may sue its shareholders, directors, general managers and other senior management. Shareholders and the Company shall apply the laws of the People's Republic of China to file a lawsuit in the People's Court where the Company is located.

Article 8 The Company may invest in other companies with limited liability and joint stock limited companies, and the liabilities of the Company shall be limited to the amount of capital contribution made.

Article 9 In accordance with provisions of the Constitution of the Communist Party of China, the Company shall establish an organization under the Party, which is affiliated with the committee of Beijing Data Group Company Limited of the Communist Party of China. The Party Committee shall take a leading role of guiding the direction, managing the overall situation, ensuring implementation, and discussing and deciding on major issues of the Company in accordance with regulations. The Company shall establish a working organization for the Party so as to carry out party activities.

The Company shall provide necessary conditions for the party organization to implement its normal activities, including the establishment of the Party organization and staffing of party members into the enterprise's management organization, staffing, and inclusion of the party organization's work funding into the Company's management budget.

Article 10 According to the Constitution of the People's Republic of China and other relevant laws, the Company exercises democratic management. The Company shall organize the trade union in accordance with the law, carry out trade union activities and safeguard the legal rights of employees. The Company shall provide necessary conditions for the activities of its trade union.

Article 11 The Group promotes the management of enterprises according to law in an all-round way and implements a general legal adviser system to further give full play to the role of the general legal adviser as a gatekeeper for legal audits in operation and management, and to promote lawful operation and compliance management of enterprises.

A general legal adviser is a senior officer appointed by the Board, and is the specific leader of rule of law, being responsible for an enterprise's legal affairs, and coordinating and handling legal affairs in decision-making, operation and management. The general legal adviser reports directly to the general manager or Chairman of the Board and is accountable to the Board.

In the event a major matter to be discussed and considered at the corporate decision-making meetings require legal review, the matter shall be submitted to the general legal adviser for legal review. If, upon review, the general legal adviser considers the matter involves significant risks, the submission of matter to the decision-making meeting shall be suspended. The general legal adviser shall attend the Party Committee's meeting and the Board's meeting, participate in the general managers' meeting and express independent legal opinions on matters involving legal issues.

CHAPTER 2: OBJECTS AND SCOPE OF BUSINESS

Article 12 The business objective of the Company shall be to cause the Company to realize steady development, generate good economic benefits for the shareholders, and make contributions to Beijing economic development by way of adapting to the demand of socialist market economy, focusing on economic benefit, adopting scientific and technological improvements as the motive power, and relying on modernized management.

Article 13 The scope of business of the Company shall be in accordance with the approval issued by the registration authority of the Company. The scope of business of the Company includes the following:

General Items: information consulting services (excluding licensed information consulting services); information technology consulting services; software development; software outsourcing services; digital technology services; non-residential real estate leasing; big data services; industrial internet data services; retail of computer hardware and software and auxiliary equipment; information system integration services; information system operation and maintenance services; professional design services; technical services, technology development, technical consulting, technical exchange, technology transfer, and technology promotion; technology import and export; goods import and export; overseas contracting projects; ticketing agency services; technology intermediary services; conference and exhibition services; internet equipment sales; internet sales (excluding the sale of goods requiring a license); data processing and storage support services; internet data services; Internet of Things technical services; data processing services; network and information security software development; Internet of Things technology research and development; quantum computing technology services; business training (excluding educational training, vocational skills training, and other training requiring a license); network technology services. (Except for projects requiring approval according to law, business activities can be carried out proprietary in accordance with the law with a business license.) Licensed Items: Category I value-added telecommunications services; Category II value-added telecommunications services; basic telecommunications services; internet information services; construction project design and construction project implementation. (For projects that require approval according to the law, business activities may only be carried out after approval by relevant departments. The specific business projects shall be subject to the approval documents or licenses of relevant departments) (Business activities of projects prohibited or restricted by national and municipal industrial policies shall not be carried out.)

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 14 The shares of the Company shall take the form of share certificate. The Company shall have ordinary shares at all times. The Company may, depending on its requirements, issue other types of shares according to the requirements under the relevant laws and administrative regulations.

Article 15 Shares issued by the Company shall have a par value of RMB1 Yuan each.

Article 16 The Company may, upon registration at or filing to the securities regulatory authority under the State Council, issue shares to domestic investors and overseas investors. In this Article, “domestic investors” refer to investors in the PRC who subscribe for shares issued by the Company, and “overseas investors” refer to investors in foreign countries and in Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC and Taiwan who subscribe for shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors for subscription in RMB are referred to as “domestic invested shares”. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as “foreign invested shares”. Foreign invested shares which are listed outside the Mainland are referred to as “overseas listed foreign invested shares”. Holders of domestic invested shares and foreign invested shares are holders of ordinary shares of the Company.

Article 18 The names of the initiators at the establishment of the Company, their numbers and proportions of shareholdings, and their way and time of capital contribution are as follows:

NO.	Name of the Initiators	Number of Shareholdings	Proportion of Shareholdings	Way of Capital Contribution	Time of Capital Contribution
1	Beijing State-owned Assets Management Corporation Limited	185,097,100	84.36%	Net assets converted into shares	2000.06.30
2	Post and Telecom Data Network Integration Development Center	5,283,200	2.41%	Net assets converted into shares	2000.06.30
3	Beijing Telecommunications Investment Co., Ltd.	5,283,200	2.41%	Net assets converted into shares	2000.06.30
4	Beijing Sino-Sky Radio, TV & Communication Technology Co., Ltd.	10,283,200	4.69%	Net assets converted into shares	2000.06.30
5	Beijing Gehua Cable TV Network Co., Ltd.	10,283,200	4.69%	Net assets converted into shares	2000.06.30
6	China Financial Data Network Co., Ltd.	3,169,800	1.44%	Net assets converted into shares	2000.06.30

Article 19 Upon approval from the securities regulatory authority of the State Council, the Company initially issued 774,498,000 overseas-listed foreign shares (including 70,408,909 overseas-listed foreign shares converted from domestic shares) to overseas investors, with a par value of RMB0.1 per share. The shares were listed on GEM of the Hong Kong Stock Exchange on 21 December 2001. The Company obtained approval from the China Securities Regulatory Commission on 23 November 2010, and transferred its listing from GEM to Main Board of the Hong Kong Stock Exchange on 21 January 2011. On 28 June 2024, the Company completed a share consolidation, consolidating every 10 shares into one share, with a par value of RMB 1.00 per share.

Article 20 Shares shall be issued in a fair and equal manner and shares of the same class shall carry the same rights.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance, and the same price shall be paid for each of the shares subscribed for by subscribers.

Article 21 The registered capital of the Company is RMB289,808,609 Yuan.

Article 22 The Company may, depending on its business and development requirements, increase its capital pursuant to the approval required under the relevant provisions of the Articles.

The Company may increase its capital by way of:

- (1) public offering of shares;
- (2) private offering of shares;
- (3) bonus issue of bonus shares to existing shareholders;
- (4) capitalisation of the common reserve fund; and
- (5) other methods as permitted by laws and administration rules.

Where the Company proposes the increasing of its capital by issuing new shares, it shall seek for approval under the relevant provisions of the Articles, and then proceed in accordance with the laws and regulations of the PRC.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASES OF SHARES

Article 23 The Company may reduce its registered capital in accordance with the provisions of the Articles.

Article 24 When the Company proposes to reduce its registered capital, it must draw up a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten (10) days of the date of the resolution authorizing the reduction of capital and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within thirty (30) days from the date of the resolution. Creditors shall, within thirty (30) days of receiving the notice or forty-five (45) days of the publication of the public notice (for those who have not received a notification), have a right to require the Company to settle its debts or to offer corresponding guarantees for their settlement.

Article 25 In the following circumstances, the Company may repurchase the issued shares subject to a resolution in accordance with the provisions of the Articles:

- (1) to reduce registered capital;
- (2) to amalgamate with another company which holds shares in the Company;
- (3) to use shares for employee shareholding scheme or as share incentive;
- (4) to acquire shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;
- (5) to use shares for conversion of corporate bonds issued by the Company which are convertible into shares;
- (6) necessary for the protection of the Company's value and the interests of the shareholders; and
- (7) other circumstances which are permitted by laws and regulations.

The Company's purchase of its own shares for any of the reasons as mentioned in item (1), Item (2) above shall be subject to a resolution of a general meeting of shareholders. The purchase of the Company's shares for reasons specified in item (3), (5), (6) as mentioned above shall be approved by a resolution of a Board meeting attended by more than two-thirds of the Directors as authorized by the general meeting. Where the Company purchases its own shares pursuant to the preceding paragraph, shares shall be cancelled within ten (10) days thereafter (in case of the reason mentioned in item (1) applies), or shall be transferred or cancelled within six (6) months thereafter (in case of the reason mentioned in item (2) or (4) applies). In the event of a purchase of shares made pursuant to item (3), (5) or (6), the total number of the Company's shares held by the Company shall not exceed ten percent (10%) of the total outstanding shares and shall be transferred or cancelled within three years of the purchase.

Article 26 The Company may repurchase the Company's shares by one of the means as follows:

- (1) to make an offer of repurchase to all shareholders in equal proportions;
- (2) to repurchase through open transactions in stock exchanges;
- (3) to repurchase through off-market agreements outside a stock exchange; or

- (4) other means approved by the national laws, administrative regulations, listing rules of the place where the Company's securities are listed and the relevant competent authorities.

Where the Company repurchases its own shares under any of the circumstances stipulated in item (3), (5) or (6) of the first clause under Article 25 of the Articles of Association, such repurchase shall be carried out through public centralized trading.

CHAPTER 5: FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

Article 27 The Company shall not provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership scheme or as otherwise stipulated under this Articles or Association.

For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the board of directors under the authorization of the general meeting, provide financial aids for others to obtain the shares of the Company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital. A resolution by the board of directors shall be passed by two thirds of all the directors.

Where the violation of the preceding two paragraphs causes losses to the Company, the liable directors and senior management shall be liable for compensation.

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 28 The Company's share certificates shall be in registered form. The registered depository of the Company's domestic shares is China Securities Depository and Clearing Corporation Limited.

A share certificate of the Company shall, in addition to matters required by the Company Law, include any other matters required to be specified by the securities exchange(s) on which the shares are listed.

Article 29 Share certificates shall be signed by the legal representative. Where the signatures of other senior 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 those senior officers. The shares shall take effect upon affixing the Company's seal or special securities seal or by printing it thereon with the authority of the Board of Directors. The affixture of the Company's seal on the shares shall be authorized by the Board of Directors. The signatures of the legal representative and senior officers of the Company appearing on the shares may also be printed.

Under the conditions for paperless issuance and trading of the Company's shares, the other regulations of the securities regulatory authority or stock exchange where the company's securities are listed shall apply.

Article 30 The Company shall keep a register of shareholders to contain the following particulars:

- (1) the name, address (residence) of each shareholder;
- (2) the category and quantity of shares held by each shareholder;
- (3) for share certificates in paper form, the serial numbers of the shares certificates;
- (4) the date on which each shareholder was registered as a shareholder; and
- (5) the date on which each shareholder ceased to be a shareholder.

The register of shareholders shall be full evidence of the shareholders' shareholding in the Company, unless there is evidence to the contrary.

Article 31 The Company may, pursuant to any understanding or agreement reached between the securities regulatory authority under the State Council and overseas securities regulatory authority, keep the original register of the foreign shareholders of overseas listed foreign invested shares in any place outside the PRC, and entrust its administration to an overseas agency. Such original register of shareholders of overseas listed foreign invested shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall maintain an office copy of this register at the address of the Company; the entrusted overseas agent shall ensure that the original and duplicate copies of the register of shareholders of overseas listed foreign invested shares are consistent at all times.

Where the original and office copies of the register of overseas listed shareholders are not consistent, the original copy shall prevail.

Article 32 The Company shall have a complete register of shareholders.

The register of shareholders shall contain the followings:

- (1) a part maintained at the Company's legal address consisting of portions other than that required under paragraph (2) and (3) of this Article;
- (2) the register(s) of holders of overseas listed foreign invested shares maintained at the place of the securities exchange(s) on which the shares are listed, it being required that where any such shares are listed on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), a part of the register in relation to such listed shares shall be maintained in Hong Kong; and
- (3) any such parts maintained in such other places as the Board of Directors may deem necessary for listing purposes.

Article 33 Different parts of the register of shareholders shall not be overlapped. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

The alteration and rectification of each part of the share register shall be determined in accordance with the laws of its sites.

Article 34 All paid-up overseas listed foreign shares listed in Hong Kong shall be transferable in accordance with the Articles of Association and by an instrument of transfer in the ordinary or common form or in any other forms acceptable to the Board of Directors and may be under hand without seal or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approve from time to time, subject to the right of the board of Directors to refuse recognition of any transfer document, without providing any reason for such refusal, unless and until the following conditions are satisfied:

- (1) payment of a fee of HK\$2.5, or such larger amount as may from time to time be approved by the Stock Exchange, to the Company for the registration of any transfer document(s) or other document(s) relating to or affecting the ownership of the shares in question or the change of ownership of those shares;
- (2) the transfer document relates only to overseas listed foreign shares listed in Hong Kong;
- (3) payment in full of any stamp duty due on the transfer document;
- (4) production of the relevant share certificates and any other evidence reasonably required by the board of Directors to prove the transferor's right to make the transfer;
- (5) if the shares are to be transferred to joint holders, the number of joint holders does not exceed four (4); and
- (6) the relevant shares of the Company are free from all liens.

Article 35 The period of closure of the register of shareholders prior to a shareholders' general meeting or the record date set for the purpose of distribution of dividends shall be in compliance with the laws and regulations in the PRC and the Listing Rules of the Hong Kong Stock Exchange.

Article 36 For the purposes of convening a general meeting, distributing dividends, liquidation or other activities requiring the determination of who is a shareholder, the Board of Directors shall designate a day to be the registration date. Shareholders whose names appear on the share register at the end of the registration date are the shareholders of the Company.

Article 37 Any person who challenges the information set out in the share register by requiring his (its) name to be entered in or removed from the share register may apply to a court of competent jurisdiction for rectification of the share register.

Article 38 Any person who is a registered holder of shares in the Company or who claims to be entitled to have his name entered in the register of shareholders in respect of shares in the Company may, if it appears that the certificate relating to the shares (“the original certificate”) is lost, apply to the Company for a new certificate in respect of such shares (the “relevant shares”).

Where holders of domestic invested shares have lost their share certificates and apply for their replacement shall be dealt with under the regulations in relation to loss of share certificates under the Company Law.

Where holders of overseas listed foreign invested shares have lost their share certificates and apply for their replacement may be dealt with in accordance with the securities exchange rules and other relevant requirements overseas.

Article 39 Where the Company issues a replacement certificate in accordance with the Articles, the name of a bona fide purchaser of the replacement certificate issued or of a person who is subsequently registered as a shareholder owning the shares to which the certificate relates, shall not be removed from the register of shareholders.

Article 40 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraud action.

CHAPTER 7: SHAREHOLDERS’ RIGHTS AND OBLIGATIONS

Article 41 A shareholder of the Company is a person who legally holds the shares of the Company and who has had his name entered in the register of shareholders.

Shareholders enjoy rights and have obligations according to the category and amount of shares held by them. Shareholders holding shares of the same class of shares enjoy equal rights and have same form of obligations.

In the case of joint holders, on the death of any one of such joint holders, the survivor(s) shall be the only person or persons recognized by the Company as having any title to any such shares, but the Board of Directors may require such evidence of death as it may deem fit for the purpose of making amendments to the particulars in the register of shareholders. Only the person whose name stands first in the register of shareholders as one of the joint holders of any share shall be entitled to receive the certificate relating to such share, to receive notices from the Company, to attend and exercise all the voting powers attached to such share at general meetings of the Company, and any notice given to such person shall be deemed notice to all the joint holders.

Article 42 Holders of shares of the Company reserve the following rights:

- (1) to collect dividends and other distributions according to the number of shares held by them;
- (2) to attend or appoint proxies to attend general meetings and to exercise voting rights;

- (3) to supervise the management of the business operations of the Company and to make recommendations or enquiries;
- (4) to transfer, to grant as gift or to pledge shares in accordance with laws, regulations and the Articles;
- (5) inspecting and making copy of the Articles of Association, the register of members, minutes of general meetings, resolutions of board meetings and financial accounting report;
- (6) upon termination or liquidation of the Company, the right to participation in the distribution of the Company's remaining assets in proportion to the shares held by them;
- (7) acquiring shares held by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company upon their request;
- (8) other rights conferred by the Articles and relevant laws and regulations.

Where a shareholder who separately or collectively holds more than three percents (3%) of shares of the Company for more than one hundred and eighty (180) consecutive days requests to inspect the accounting books and vouchers of the Company, he/she shall submit a written request to the Company stating the purpose. Where the Company has reasonable grounds to believe that the shareholder's inspection of the accounting books and vouchers is for an improper purpose that may harm the legitimate interests of the Company, it may refuse to provide access for inspection, and shall reply to the shareholder in writing within fifteen (15) days from the date of the shareholder's written request, stating the reasons therefor.

The Company shall not have any right to block or adopt other means to damage any right and interests attached to the shares due to any person who has direct or indirect right and interests not disclosing his or her rights and interests.

Article 43 Shareholders of the Company have the following obligations:

- (1) to act in compliance with the Articles;
- (2) to pay subscription moneys according to the amount of shares subscribed by them and the method of subscription;
- (3) not to withdraw shares, except for the cases regulated by laws and regulations;
- (4) not to abuse the rights of shareholders to damage the interests of the Company or other shareholders; not to abuse the independent legal person status or limited liability of shareholders to damage the interests of the Company's creditors;
- (5) to undertake further obligations imposed by laws, regulations and the Articles.

Where the Company's shareholders abuse the rights of shareholders to cause any loss to the Company or other shareholders, they shall assume liability for compensation pursuant to law; where the Company's shareholders abuse the independent legal person status or limited liability of shareholders to avoid debts, or cause a material damage to the interests of the Company's creditors, such shareholders shall be jointly liable for the Company's debts.

Article 44 In addition to obligations imposed by law, administrative regulations or required by the securities exchange(s) on which shares of the Company are listed, a controlling shareholder (as defined in the following Article) shall not exercise his voting rights in a manner prejudicial to the interests of the shareholders generally or of some of the shareholders of the Company over the following issues:

- (1) to remove a Director of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including without limitation, opportunities which are advantageous to the Company; or
- (3) to approve the expropriation by a Director (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including without limitation, rights to distributions and voting rights, save and except where it was done pursuant to a restructuring submitted to and approved by the general meeting in accordance with these Articles.

Article 45 In the preceding Article, controlling shareholder, where the Company Law and the relevant laws and regulations of the PRC apply, mean shareholders whose shares account for more than fifty percent (50%) of the Company's total share capital, or shareholders who hold less than fifty percent (50%) of the shares, but whose voting rights are sufficient to exercise significant influence on the resolutions of the general meeting. Where the Listing Rules and the laws and regulations of Hong Kong, China apply, controlling shareholder shall refer to a person who meets any one of the following conditions:

- (1) he alone or acting in concert with others has the power to elect more than half of the Board of Directors;
- (2) he alone or acting in concert with others has the power to exercise or to control the exercise of thirty 30 percent (30%). or more of the voting rights in the Company;
- (3) he alone or acting in concert with others holds thirty 30 percent (30%). or more of the issued and outstanding shares of the Company;
- (4) he alone or acting in concert with others in any other manner controls the Company in fact.

The controlling shareholders and de facto controllers of the Company shall bear faithful obligations to the Company. The controlling shareholders shall exercise the contributors' rights strictly following the law, and shall not damage the legal rights and interests of the Company and other shareholders through profit distribution, assets reorganization, external investment, occupation of funds, loan guarantee, etc. and shall not utilize their controlling status to damage the benefits of the Company and other shareholders. The controlling shareholders and de facto controllers who violate the relevant laws, regulations and this Articles of Association and cause losses to the Company and other shareholders shall bear the liability for compensation.

CHAPTER 8: SHAREHOLDERS' GENERAL MEETINGS

Article 46 The shareholders' general meeting is the authority of power of the Company. It exercises its functions and powers according to law.

Article 47 The general meeting shall exercise the following powers:

- (1) to elect and replace non-employee representative Directors and to decide on matters relating to remuneration of non-employee representative Directors;
- (2) to consider and approve reports of the Board of Directors;
- (3) to consider and approve the Company's profit distribution proposals and proposals for making up losses;
- (4) to resolve on the increase or reduction of the Company's registered capital;
- (5) to resolve on merger, division, dissolution, liquidation or alteration of corporate form of the Company;
- (6) to resolve on the issuance of debentures by the Company;
- (7) to resolve on the appointment, removal or non-renewal of the services of an auditor for the Company;
- (8) to amend the Articles;
- (9) to consider and approve proposals submitted by shareholders representing individually or collectively more than one percent (1%) of shares of the Company;
- (10) to consider and approve matters relating to the provisions of external guarantees with an amount of more than 30% of the latest audited total assets of the Company within 1 year, and external guarantee affairs that should be considered and approved by the general meeting as stipulated in the laws, regulations and the securities regulatory rules applicable to the Company;

- (11) to consider and approve financial aids, related-party transactions and significant transactions which shall be approved at the general meeting in accordance with the laws, regulations, and the securities regulatory rules applicable to the Company;
- (12) to resolve other matters which are required by laws, administrative regulations and the Articles to be resolved by the general meeting.

The general meeting may authorize: (1) the board of directors to make a resolution on the issuance of corporate bonds; (2) the board of directors to decide to issue shares not exceeding fifty percent of the issued shares within three years. However, any capital contribution made in the form of non-monetary property shall be subject to a resolution of the general meeting. If the board of directors decides to issue bonds or new shares, the board of directors' resolution shall be approved by more than two-thirds of all directors.

If the board of directors decides to issue shares in accordance with the provisions of the preceding paragraph, resulting in a change in the company's registered capital or the number of issued shares, the amendment of the relevant record in the Company's articles of association does not require a vote of the general meeting.

Article 48 The Company shall not enter into any contract with any person other than a Director, general manager or other senior officers of the Company whereby the management and administration of the whole or any substantial part of any business of the Company is to be handed over to such a person without the prior approval of shareholders in a general meeting.

Article 49 General meetings can be annual general meetings or extraordinary general meetings. General meetings shall be convened by the Board of Directors. The annual general meeting shall be convened once a year, and shall take place within six (6) months of the end of the previous financial year.

The Board of Directors shall convene an extraordinary general meeting within two (2) months after the occurrence of any one of the following circumstances:

- (1) where the number of Directors is less than the number stipulated in the Company Law or is no more than two-thirds (2/3) of the number required by the Articles;
- (2) where the accrued losses of the Company amount to one-third (1/3) of its total capital;
- (3) where shareholders, individually or collectively, holding more than ten percent (10%) of the Company's shares make a request in writing to convene an extraordinary general meeting;
- (4) where the Board of Directors considers it necessary or the audit committee proposes to call for such a meeting; or
- (5) where two (2) or more independent Directors make a call for an extraordinary general meeting.

Article 50 Where the Company convenes an annual general meeting, written notice to notify all shareholders whose names appear in the share register must be given not less than twenty (20) business days before the meeting of the matters to be considered and the date and venue of the meeting. Where the Company convenes an extraordinary general meeting, written notice must be given not less than ten (10) business days or fifteen (15) days, whichever is longer.

Article 51 Shareholders, individually or collectively, holding more than one percent (1%) of shares of the Company are entitled to propose a provisional proposal and submit it to the convener in writing ten (10) days before the date of the general meeting. Clear agenda and specific resolutions shall be stated in the provisional proposal. In respect of proposals which relate to the scope of duties of the general meeting, the convener shall serve a supplementary notice of the general meeting within two (2) days after receiving the proposal and announce the content of the provisional proposal and include the proposal in the agenda of such meeting, except for the provisional proposals that violate the regulations of laws, administrative regulations or the Company's articles of association, or are beyond the scope of the general meeting's authority.

Article 52 A shareholders' general meeting shall not decide on matters which are not specified in the notice.

Article 53 Notice of meeting of shareholders shall:

- (1) be in writing;
- (2) be in specific place, date and time of the meeting;
- (3) state the motions to be discussed at the meeting;
- (4) provide such information and description as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganise its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such a proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of material interests of any Director, general manager or other senior officer in the transaction proposed and the effect of the proposed transaction on him in his capacity as shareholder in so far as it is different from the effect on the other shareholders of the same class;
- (6) contain the full text of any special resolution proposed for the meeting;
- (7) contain a specific statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;

- (8) state the time within which and the address to which the relevant instruments appointing the proxies for the meeting are to be delivered;
- (9) the shareholding record date for determining shareholders who are entitled to attend the general meeting; and
- (10) the name and telephone number of the contact persons who handles the meeting affairs.

The interval between the shareholding record date and the date of the meeting shall not exceed 7 business days. Once confirmed, the shareholding record date shall not be changed.

Article 54 Notice of a shareholders' general meeting shall be served on each shareholder, whether or not entitled to vote thereat, by one or more of the following means:

- (1) By personal delivery;
- (2) By prepaid mail;
- (3) By email;
- (4) By announcement;
- (5) By other means as permitted by laws and regulations and the regulatory authorities of the place where the shares of the Company are listed.

Where laws and regulations require an announcement, an announcement shall be made. If the regulatory authority of the place on which the shares of the Company are listed requires one or more other forms of delivery in addition to the announcement, it shall prevail.

Notices of general meetings may be published by way of announcement on the website designated on which the shares of the Company are listed and the website of the Company. Upon announcement, the notices shall be deemed to have been served to all shareholders.

Article 55 Where the notice of a meeting is not delivered due to accident omission to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 56 Any shareholder entitled to attend and vote at a shareholders' general meeting of the Company shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his proxies to attend and vote instead of him. A proxy so appointed shall enjoy the following rights pursuant to authorisation by that shareholder:

- (1) to have the same right as the shareholder to speak at the meeting;
- (2) the right to vote by way of poll.

Where that shareholder is a recognised clearing house within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Chapter 571 of the Laws of Hong Kong), it may authorise such person or persons as it thinks fit to act as its representative (or representatives) at any shareholders' general meeting or any meeting of any class of shareholders provided that, if more than one person is so authorised, the authorisation must specify the number and class of shares in respect of which each such person is so authorised. The person so authorised will be entitled to exercise the same power on behalf of the recognised clearing house as that clearing house (or its nominees) could exercise as if it were an individual shareholder of the Company.

Article 57 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a legal person, it shall be under seal or under the hand of a Director or attorney duly authorised. The instrument shall specify the number of shares which the proxy will represent, the relevant matters, scope of authorization.

Article 58 The instrument appointing a proxy shall be deposited at the residence of the Company or at some other place specified for that purpose in the notice of meeting no later than twenty-four (24) hours prior to the meeting at which the proxy is authorised to vote or twenty-four (24) hours before the time specified for the voting. Where such an instrument is signed by a person under power of attorney on behalf of the appointer, that power of attorney or other authorisation documents shall be notarially certified. The notarially certified power of attorney and other authorisation documents shall, together with the instrument appointing the proxy, be deposited at the Company's residence or at some other place specified for that purpose in the notice of meeting.

If the appointer is a legal person, its legal representative or a person appointed by its Board of Directors or other decision-making body shall be entitled to attend a shareholders' general meeting of the Company on behalf of the appointer as its proxy, and attendance or actions by the appointee at such meeting shall for the purpose of the Articles be deemed the attendance or (as the case may be) actions of the appointer.

Article 59 Any form issued to a shareholder by the Directors for use by him for appointing a proxy to attend and vote at a shareholders' general meeting of the Company shall be such as to enable the shareholder, according to his intention, to instruct the proxy to vote in favour of or against each resolution dealing with business to be transacted at the meeting. Such a form should contain a statement that in default of instructions the proxy may vote as he thinks fit.

Article 60 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer shall have been received by the Company before the commencement of the meeting or adjourned meeting at which the proxy is used.

Article 61 Resolutions of a general meeting can be ordinary resolutions or special resolutions.

An ordinary resolution of a general meeting shall be passed by an affirmative vote of more than half of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

A special resolution of a general meeting shall be passed by an affirmative vote of more than two-thirds (2/3) of the Company's total voting shares being held by the shareholders who are present at the meeting (including proxies).

Article 62 Shareholders (including proxies) who vote at the general meeting shall exercise their voting rights in relation to the amount of voting shares they represent. Each share carries the right to one vote. Where Listing Rules requires any shareholder to abandon his or her voting on specific resolution, or restricts any shareholder to vote for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be included.

Article 63 The votes will be taken by way of poll at a shareholders' general meeting.

Article 64 Matters voted by way of a poll shall be deemed to be a resolution of the meeting.

Article 65 On a poll taken at a meeting, a shareholder (including his proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 66 The following matters shall be resolved by way of ordinary resolution of the general meeting:

- (1) work reports of the Board of Directors;
- (2) profit distribution proposals and proposals for making up losses formulated by the Board of Directors;
- (3) appointment and removal of members of the Board of Directors and their remuneration and methods of payment;
- (4) matters other than those which are required by laws, administrative regulations or the Articles to be adopted by way of special resolutions.

Article 67 The following matters shall be resolved by way of special resolution of the general meeting:

- (1) increase or reduction of registered capital;
- (2) issuance of debentures by the Company;
- (3) division, merger, dissolution and liquidation of the Company
- (4) amendment of the Articles;
- (5) to consider and approve matters relating to the provisions of external guarantees with an amount of more than 30% of the latest audited total assets of the Company within 1 year, and external guarantee affairs that should be considered and approved by the general meeting as stipulated in the laws, regulations and the securities regulatory rules applicable to the Company;
- (6) other matters relating to significant transactions which shall be approved at the general meeting;
- (7) other matters which, according to an ordinary resolution of the general meeting, may have a significant impact on the Company and require adoption by way of a special resolution.

Article 68 Shareholders who individually or collectively hold more than ten percent (10%) of the Company's shares may propose in writing that the board of directors convene an extraordinary general meeting. Prior to the public announcement of the general meeting resolution, the shareholding percentage of shareholders convening the meeting, in aggregate, must not be less than ten percent (10%).

If shareholders convene a shareholders' meeting on their own initiative in accordance with the law, the Company's Board and the Board's secretary shall cooperate and fulfill their information disclosure obligations in a timely manner.

Article 69 A general meeting shall be convened by the Board of Directors and presided over and chaired by the chairman of the Board. If the chairman of the Board cannot perform his duties thereof, he may designate a Director of the Company to chair the meeting. If the chairman of the Board fails to perform his duties, more than half of the directors may elect a director to preside over and chair the meeting. If a chairman has not been designated, shareholders attending the meeting may elect a person to act as chairman. If for any reason the shareholders cannot elect a chairman, the shareholder with the greatest number of voting shares present at the meeting whether in person or by proxy shall act as chairman.

If the Board is unable or fails to perform the duties for convening the general meeting, the audit committee shall convene and preside over the meeting; if the audit committee does not convene and preside over the meeting, the shareholders holding, individually or collectively, more than ten percents (10%) of the shares of the Company for more than ninety consecutive days may convene and preside over the meeting on their own initiative.

The general meeting convened by shareholders on their own initiative shall be presided over by the representative elected by the convener.

Article 70 The chairman of a shareholders' general meeting shall be responsible for deciding whether or not a resolution has been carried. His decision shall be final and shall be announced at the meeting and recorded in the minutes.

Article 71 Where the chairman of a shareholders' general meeting has doubt about the results of the resolution tabled for voting, he may count the number of votes cast. If no counting is made by the chairman of the meeting, any shareholder who queries the results as announced by the chairman shall have the right to immediately demand a counting of the votes. The chairman shall forthwith conduct a counting of the votes as demanded.

Article 72 Where a counting of the votes has been conducted at a shareholders' general meeting, the results shall be recorded in the minutes. These minutes and the signed attendance record of those shareholders attending the meeting and the powers of attorney of those attending by proxy shall be kept at the Company's residence.

Article 73 Copies of the minutes shall be available for inspection during office hours of the Company to any shareholder without charge. If a shareholder demands from the Company a copy of such minutes hereof, the Company shall send a copy to him or her within seven (7) days upon receiving such demand and the shareholder shall be responsible for reasonable charges as may be imposed.

Article 74 The Company shall formulate the Rules and Procedures for General Meetings which shall set out in details the procedures of convention and voting in respect of the general meeting, including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolution, meeting minutes and signing, and the principles of authorization granted to the Board at the general meeting. The Rules and Procedures for General Meetings shall be attached to this Articles of Association as an appendix, prepared by the Board, and approved at the general meeting.

CHAPTER 9: COMMITTEE OF THE PARTY

Article 75 The Company shall establish the committee of the Communist Party of China of Capinfo Company Limited (the “Party Committee”) and the Committee of the Communist Party of China for Discipline Inspection of Capinfo Company Limited (the “Discipline Committee”). In principle, the secretary of the Party Committee and the chairman of the Board shall be assumed by one person, and one full-time deputy secretary shall be designated in charge of party building work. Eligible members of the Party Committee can join the board of directors, the board of management through legal procedures, while eligible Party members of the board of directors, the board of management can also join the Party Committee in accordance with relevant rules and procedures.

The number of positions of secretary, deputy secretary and committee members of the Party Committee and the Discipline Committee shall be established in accordance with the reply given by the superior party committee, and members for all positions shall be selected by election. During the adjournment of the party representative congress, the superior party committee may appoint the secretary, deputy secretary of the Party Committee and the secretary of the Discipline Committee as necessary.

Article 76 The Party Committee shall, in accordance with the Constitution of the Communist Party of China and other party rules, perform its duties:

- (1) To strictly perform the primary duties of grassroots organization under Article 32 of Constitution of the Communist Party of China;
- (2) To ensure and supervise the thorough implementation of the guidelines and policies of the party and the state as well as the decisions and deployment made by the municipal party committee, the municipal government and the superior party committee throughout the Company;
- (3) To adhere to the principle of the Party exercising leadership over officials, the selection of operating managers by the board of directors, and the exercise of power as regards the right of officials’ appointment by the operating managers in accordance with laws. To consider and decide on the appointment, removal or recommendation of management cadres. The Party Committee shall observe and appoint or remove party cadres; recommend nominees to the Board of Directors and general manager, or deliberate and give opinions on the candidates nominated by the Board of Directors and general manager; together with the Board of Directors, observe the proposed candidates and discuss jointly to provide opinions and suggestions thereon. To fulfil the duties of managing talents and adopt the strategy of strengthening the Company through talent;
- (4) To study and discuss stable reform and development as well as material issues related to the interests of our staff, and provide advice and recommendations in this regard;

- (5) To assume full responsibility to comprehensively strengthen party discipline. To promote party building in respect of politics, ideology, organization, working style and discipline and run through it into system construction, fight against corruption and improve the scientific standard of party building. To lead mass organization such as the trade union and the Communist Youth League. To support the Discipline Committee in fulfilling its responsibility of supervision in practice;
- (6) Other duties prescribed by the superior party organization.

CHAPTER 10: BOARD OF DIRECTORS

Article 77 The Company shall establish a Board of Directors. The Board of Directors shall comprise twelve (12) Directors, including one(1) employee representative director, at least three (3) independent Directors, at least one of which shall be qualified appropriately in professional qualification or in accounting or related financial management in accordance with the Listing Rules. Independent Directors refer to Directors who are independent of the shareholders of the Company and do not hold any position within the Company. The Board of Directors shall include one Chairman and eleven (11) Directors.

The external Directors (namely, who do not hold a position in the Company, including independent Directors) shall comprise more than one half of the Board of Directors.

Article 78 Directors shall serve a term of three (3) years. Upon the expiration of the term and if re-elected, a Director may serve consecutive terms. The Chairman of the Board of Directors is elected and removed by a majority of all the Directors. The Chairman of the Board of Directors shall be appointed for a term of three (3) years, and may serve consecutive terms if re-elected.

Directors are elected by the shareholders in general meeting. A notice in writing of the intention to propose a candidate for election as a Director and a notice in writing by that candidate of his willingness to be elected shall have been given to the Company at least seven (7) days before the date of the shareholder's meeting. The period of the delivery of the stated notices is counted at the date when a notice of meeting on such election but is not ended in or early seven (7) days prior to the meeting date.

Directors are not required to hold shares in the Company.

Subject to the relevant laws and regulations, the shareholders' general meeting may remove any Director by ordinary resolution prior to the expiration of such Directors' term, but without prejudice to any claim for damages which such Director may have under any contract.

Article 79 The Board of Directors shall be accountable to the general meeting and shall exercise the following functions and powers:

- (1) to be responsible for convening general meetings and to report on its work to the shareholders' general meeting;
- (2) to implement resolutions of the general meeting;
- (3) to decide on the Company's business plans, investment proposals;
- (4) to determine the Company's annual financial budget;
- (5) to formulate the Company's profit distribution proposals and proposals for making up losses;
- (6) to formulate proposals for the increase or reduction of the registered capital of the Company and proposals for the issuance of debentures of the Company;
- (7) to formulate proposals for the merger, division or dissolution or alteration of corporate form of the Company;
- (8) to decide on the establishment of the Company's internal management organization;
- (9) to appoint or remove the Company's general manager, and to appoint or remove the deputy general manager (or deputy general managers) and other senior officers based on the recommendations of the general manager, and to decide on their remuneration;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendment of the Articles; and
- (12) to consider and approve the Company's significant external guarantees, investments, asset acquisitions and disposals, asset mortgages, entrusted asset management, related party transactions, external donations, etc. in accordance with laws, regulations, securities regulatory rules applicable to the Company or authorization of the general meeting;
- (13) to discuss and evaluate whether the corporate governance mechanism provides appropriate protection and equal rights to all shareholders, and whether the corporate governance structure is reasonable and effective;
- (14) to exercise other duties and rights as stipulated in laws, regulations or the Articles of Association and as authorised in a general meeting.

Except in relation to items (6), (7), and (11) which require the affirmative vote of more than two-thirds (2/3) of the Directors, resolutions on any other items may be approved by the affirmative vote of more than half of the Directors, except otherwise required under the laws, regulations or this Articles of Association.

The Board of Directors shall be independent of the controlling shareholder of the Company and shall not be controlled by the board of directors of the controlling shareholder.

Where the above duties involve any of the significant events or issues referred to under the section headed “Party Committee”, it shall be decided by the Board of Directors after deliberation by the Party Committee.

Article 80 The chairman of the Board of Directors shall exercise the following functions and powers:

- (1) to preside at shareholders’ general meetings and to convene and preside at meetings of the Board of Directors;
- (2) to examine the implementation of resolutions of the Board of Directors;
- (3) to sign securities issued by the Company; and
- (4) other functions and powers conferred by the Board of Directors.

Where the chairman of the board is unable to exercise his functions and powers, the chairman may instruct a director to exercise such functions and powers on his behalf.

Article 81 Regular Board meetings are required to be held at least four (4) times every year. A board meeting shall be convened by the chairman of the board and a relevant notice shall be given to all directors fourteen (14) days before the meeting date. In case of emergency matters, an extraordinary board meeting may be proposed by shareholders representing more than one tenth of the voting rights, three (3) or more directors, two (2) or more independent directors, the Party Committee of the Company, the audit committee, the chairman of the board or the general manager of the Company. Notice of meeting shall be served to all directors at least 5 days before an extraordinary board meeting.

Such notice can be waived where half of all the directors of the Company consent to the extraordinary board meeting, and such meeting may, in accordance to the needs, be held by way of a timely board meeting or by written resolutions.

Article 82 The written notice for convening meetings of the Board of Directors and extraordinary meetings of the Board of Directors may be sent to each Director by way of face to face delivery, facsimile, courier, registered mail or email.

Article 83 Any meeting, regular or extraordinary, of the Board, may be held by means of telephone conference or similar communication equipment so long as all Directors participating in such meeting can hear and communicate with one another, and all such Directors shall be deemed to be present in person at the meeting.

Article 84 Meetings of the Board of Directors may be held only if more than half of the Directors or their representatives are in attendance.

Each Director shall have the right to one vote. The Board may pass resolutions only upon a majority vote. If more than one quarter (1/4) of the Directors or more than two (2) of the external Directors believe that there is insufficient information or that the argument are inconclusive, they may jointly propose that the Board meeting be postponed or that some of the matters to be discussed at the Board meeting be discussed at a later time. In such circumstances, the Board of Directors shall accept the proposal.

Article 85 Meetings of the Board of Directors shall be attended by the Directors in person. If a Director cannot attend for any reason, he may authorise another Director in writing to represent him at the board meeting. The relevant authorisation letter shall state the scope of authority.

A Director who attends a board meeting on behalf of another Director shall exercise the rights of a Director within the given scope of authority in the authorisation letter. A Director who fails to attend a particular board meeting and who has not appointed a representative to do so shall be deemed to have waived his voting rights in respect of that meeting.

Article 86 For matters which would otherwise need to be approved at a special meeting of Directors, in lieu of a meeting of the Board, a written resolution may be adopted by the board if such resolution is sent to all members of the board and affirmatively signed and adopted by the number of Directors necessary to make such a decision as stipulated in this Articles of Association.

Article 87 The Board of Directors shall keep minutes of its decisions on the matters under their consideration. Directors attending the meeting and the person taking minutes shall sign their names on the minutes of that meeting. The opinions expressed by an independent Director shall be clearly recorded in the resolutions of the Board of Directors. Directors shall be responsible for the resolutions of the Board of Directors. Where a resolution of the Board of Directors is in violation of the laws and administrative regulations or the Articles, thereby causing serious losses to the Company, the Directors who took part in such a resolution shall be liable to compensate the Company. However, if a Director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, that Director may be relieved of such liability.

Article 88 The Board shall formulate the “Rules and Procedures for Meetings of the Board” to ensure that the Board implements resolutions of the general meetings, improves work efficiency, and ensures sound decision-making. The Rules and Procedures for Meetings of the Board shall be an annex to these Articles of Association and shall be prepared by the Board and approved by the general meeting.

CHAPTER 11: SECRETARY OF THE BOARD OF DIRECTORS

Article 89 The Company shall have a secretary of the Board of Directors, who shall be a senior officer of the Company.

Article 90 The secretary to the board of the Company shall be a natural person with required professional knowledge and experience, and shall be appointed by the board. Primary responsibilities of the secretary to the board are:

- (1) to organise and prepare for general meetings and board meetings; to prepare documents for such meetings; to make relevant arrangements for meetings, to be responsible for taking minutes; to ensure the accuracy of minutes; to keep documents and minutes of meetings and to actively learn about the implementation of relevant resolutions; and to report and make recommendations to the board on important issues being implemented;
- (2) to ensure that important decisions of the board will be implemented in strict compliance with required procedures; at the request of the board, to take part in, and organise the consultation and analysis of issues to be decided by the board and provide advice and recommendations thereon; and to carry out daily routine of the board and its relevant committees upon authorisation;
- (3) to act as the contact person of the Company with securities regulatory authorities; to be responsible for the organisation, preparation and timely submission of documents required by regulatory authorities; and to be responsible for undertaking, organising and completing tasks delegated by regulatory authorities;
- (4) to be responsible for coordinating and organising the Company's information disclosure, setting up a sound information disclosure system and participating in all meetings of the Company in relation to information disclosure; and to gain in a timely manner knowledge of important business decisions and relevant information of the Company;
- (5) to be responsible for keeping price-sensitive information of the Company confidential and formulating effective confidentiality rules and measures; in case of a leakage of price-sensitive information of the Company for whatever reasons, to take necessary remedial measures, make prompt explanation and clarification and notify regulatory authorities of domestic and overseas jurisdictions where the Company is listed;
- (6) to be responsible for organising marketing activities, coordinating reception of visits to the Company, dealing with investor relationships, maintaining contact with investors, intermediaries and the media; to be responsible for coordinating and answering questions raised by the public; to ensure investors can promptly obtain information disclosed by the Company; to organise and prepare for marketing and promotion activities within and outside the PRC; and to organise the reporting of the same to regulatory authorities of domestic and overseas jurisdictions where the Company is listed;

- (7) to be responsible for administering and keeping the Company's register of members, registers of directors, records of shareholdings of major shareholders and directors and list of holders of outstanding debentures of the Company; and to be permitted to keep the common seal and to establish comprehensive measures for the management of the common seal;
- (8) to assist directors and managers in exercising their powers as per domestic and foreign laws, regulations, the Articles of Association and other relevant regulations; and to serve a prompt reminder after becoming aware of resolutions or possible resolutions in breach of relevant regulations and to have the right to report the case to regulatory authorities of domestic and overseas jurisdictions where the Company is listed;
- (9) to coordinate the provision of necessary information to facilitate the Company's audit committee of the Board and other auditing bodies in performing their supervisory duties; and to assist in the investigations as to whether the Company's directors, managers and financial controllers have performed their fiduciary duties; and
- (10) to perform other functions and powers conferred by laws and regulations, the Articles of Association and the board and as required in domestic and overseas jurisdictions where the Company is listed.

Article 91 A director or other senior officers of the Company (excluding the general manager and the financial controller of the Company) may act as the secretary to the board. The accountant of a certified public accounting firm which has been engaged by the Company shall not act as the secretary to the board.

Where the secretary is also a Director and an act is required to be done by a Director and a secretary separately, such person in lieu of Secretary and Director may not perform the act in both capacities.

CHAPTER 12: GENERAL MANAGER OF THE COMPANY

Article 92 The Company shall have one general manager and several deputy general managers, who shall all be appointed or removed by the Board of Directors.

Article 93 The Company's general manager shall be accountable to the Board of Directors and shall exercise the following functions and powers:

- (1) to be in charge of production, operation and management of the Company, and to organise the implementation of the resolutions of the Board of Directors;
- (2) to organise the implementation of the Company's annual business plans and investment plans;
- (3) to draft the plan for establishment of the Company's internal management organization;
- (4) to draft the Company's basic management system;
- (5) to formulate the specific rules and regulations of the Company;

- (6) to request the appointment or dismissal of the Company's deputy general manager (or deputy general managers) and other senior officers;
- (7) to appoint or dismiss management personnel other than those to be appointed or dismissed by the Board of Directors; and
- (8) to exercise other functions and powers conferred by the Board of Directors and the Articles.

Where the above duties involve any of the significant events or issues referred to under Article 76, it shall be decided by the Board of Directors after deliberation by the Party Committee.

Article 94 The Company's general manager shall attend meetings of the Board of Directors, but if he is not a Director, he shall not have the right to vote at such meetings.

Article 95 The Company's general manager and deputy general manager shall exercise their functions and powers in accordance with laws, regulations and the Articles, and shall discharge their duties of fidelity and diligence.

CHAPTER 13: AUDIT COMMITTEE OF THE BOARD

Article 96 The Company's Board shall establish the audit committee for exercising the powers of the Board of Supervisors as stipulated in the Company Law.

- (1) to check the Company's financial affairs;
- (2) to oversight the directors, general manager, deputy general manager and other senior managers on the matters of their violation of laws, administrative regulations or the Articles of Association while performing their duties at Company; and to file a removal proposal of the directors and senior management in case of their violation of laws, administrative regulations or this Articles of Association the resolutions of the general meeting;
- (3) to demand any director, general manager and other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behaviour;
- (4) to initiate legal action against directors and senior management in accordance with Article 189 of the Company Law;
- (5) to conduct investigation if there are any unusual circumstances in the Company's operations, and if necessary, to engage an accounting firm, law firm or other professionals to assist in their work at the expense of the Company; and
- (6) other functions and powers specified in the laws, regulations, Articles of Association, the requirements under the Working Rules of the Audit Committee of the Board, and those authorized by the Board.

Article 97 The following matters shall be approved by a majority of all members of the Audit Committee before making resolution by the Board:

- (1) appointment and dismissal of accounting firms which perform the audit of the Company;
- (2) appointment and dismissal of financial officers;
- (3) disclosure of financial accounting reports;
- (4) other matters as stipulated by the regulations of the securities regulatory authorities where the Company's shares are listed.

Article 98 The Audit Committee shall consist of at least three (3) members, with more than half of which being independent directors, and the convener shall be an accounting professional among the independent directors.

Article 99 The Audit Committee shall hold at least four (4) regular meetings each year and shall notify all members in writing of the meeting agenda at least three (3) days before the meeting.

Article 100 Meeting of the Audit Committee can be held only if more than two-thirds (2/3) of the members are present.

Article 101 Any resolution to be made at a meeting of the Audit Committee shall be valid only if it is passed by a majority of all members.

Article 102 Voting on any resolution of the Audit Committee shall be based on one vote per person.

Article 103 The Company shall formulate the Working Rules of the Audit Committee of the Board to clarify the rules and voting procedures for meetings of the Audit Committee, so as to ensure the working efficiency and sound decision-making of the Audit Committee.

CHAPTER 14: QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, GENERAL MANAGERS AND OTHER SENIOR OFFICERS OF THE COMPANY

Article 104 None of the following persons may serve as a Director, general manager or any other senior officer of the Company:

- (1) a person without capacity for civil conduct or with limited capacity for civil conduct;

- (2) a person who was imposed penalty for the crime of corruption, bribery, expropriation or misappropriation of property or disrupting the social and economic order, and a period of five (5) years has not elapsed since the punishment was completed, or who was deprived of his political rights as punishment for a criminal offence, and a period of five (5) years has not elapsed since the deprivation was completed; if a probation is announced, a period of two years from the date of expiration of the probation period has not elapsed;
- (3) a person, who was a Director, factory chief or general manager of a company or enterprise which entered into insolvent liquidation due to mismanagement, and who was personally liable for that insolvent liquidation and a period of three (3) years, counting from the date of completion of the liquidation proceedings in question, has not elapsed;
- (4) a person, who was the legal representative of a company or enterprise which has had its business license revoked for violating the law, and who was personally liable for that revocation and a period of three (3) years, counting from the date of revocation of the business license in question and the date of closure order, has not elapsed;
- (5) a person with comparatively large individual debts that have fallen due but have not been settled was listed as a dishonest debtor by the People's Court;
- (6) a person who has been placed on file for investigation by judicial organs for having violated the criminal law, and such investigation has not been concluded;
- (7) a person who has been banned from the securities market by the China Securities Regulatory Commission or has been identified as inappropriate candidates, and the ban has not yet expired;
- (8) a person who has been subject to disciplinary action by a securities exchange or other relevant authority as he/she has been deemed unsuitable to serve as a director or senior manager of the Company, and the disciplinary period has not yet expired;
- (9) other circumstances prescribed by the Company Law, the Securities Law, and other laws and regulations, as well as the relevant laws and regulations of the place where the Company's shares are listed.

In addition to meeting the requirements of the preceding paragraph, the financial officer, as a senior management, should also possess professional technical qualifications at the level of accountant or above, or possess a background in accounting expertise and have engaged in accounting work for at least three years.

If any election, appointment, or engagement of a director or senior manager violates the provisions of this article, the election, appointment, or engagement shall be invalid. If a director or senior management falls under the circumstances described in the first paragraph of this article during their term of office, the Company shall terminate their position.

Article 105 The validity of an act of a Director, general manager or other senior officer of the Company on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his election, appointment, or qualification.

Article 106 Directors and senior management shall owe fiduciary duties to the Company and shall take measures to avoid conflicts of interest between their personal interests and the interests of the Company, and shall not use their authority to seek improper benefits.

The directors and senior management shall have a duty of diligence to the Company and their duties shall be performed to the best interests of the Company with reasonable cautions which a management member should exercise.

Article 107 Directors and senior management personnel shall not engage in the following acts:

- (1) misappropriating Company's property or embezzling Company's funds;
- (2) depositing Company's funds in an account opened in their own name or in the name of another individual;
- (3) abusing their position to bribe or accept other illegal income;
- (4) taking personal advantage of commissions from transactions between others and the company;
- (5) disclosing Company secrets without authorization;
- (6) any other acts that violate their duty of loyalty to the Company.

Article 108 Each Director, general manager or other senior officer of the Company shall observe his fiduciary obligation when discharging his duties. He shall not place himself in a position where his interest and his duty may conflict. This principle includes (but without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of his powers and not to exceed those powers;
- (3) to exercise the discretion vested in him personally and not allow himself to act under the control of another and, unless and to the extent permitted by laws and administrative regulations or with the informed consent of shareholders in general meeting, not to delegate the exercise of his discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly; and

- (5) without the informed consent of shareholders in general meeting, not to disclose confidential information relating to the Company that was acquired by him during his tenure at the Company and not to use the information save and except where disclosure of such information is in the furtherance of the interests of the Company. However, disclosure of such information to the court or other governmental authorities is permitted under the following circumstances:
- (i) disclosure is made under compulsion of relevant law;
 - (ii) there is a duty to the public to disclose; or
 - (iii) the interests of that Director, general manager or other senior officer require disclosure.

Article 109 The duties of loyalty and fiduciary duties of Directors, general managers and other senior officers of the Company do not necessarily cease with the termination of their tenure. Their duty of confidence in relation to the Company's trade secrets survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances and conditions under which the relationship with the Company terminated.

Article 110 Where any director or senior management personnel directly or indirectly conclude a contract or conducts a transaction with the Company, he/she shall report the matters relating to the conclusion of the contract or transaction to the Board or general meeting, which shall be subject to approval by the resolution of the Board or general meeting according to the regulatory rules.

Where any of the close family members of the directors or senior management personnel or any of the enterprises directly or indirectly controlled by the directors or senior management personnel or any of their close family members, or any of the related parties who has any other related party relationship with the directors or senior management personnel concludes a contract or conducts a transaction with the Company, the provisions of the preceding paragraph shall apply.

Article 111 Directors and senior management personnel should not exploit their positions to seek business opportunities belonging to the Company for themselves or others. However, this does not apply to any of the following circumstances:

- (1) the business opportunity is reported to the Board or general meeting and approved by the Board or general meeting in accordance with the Company's Articles of Association;
- (2) The Company is prohibited from using the business opportunity in accordance with laws, administrative regulations, or the Company's Articles of Association.

Article 112 Directors and senior management personnel should not operate on their own or for others the same type of business as that of the Company for which they are employed, without reporting to the Board or the general meeting and obtaining approval of the resolution of the Board or the general meeting in accordance with regulatory requirements.

Article 113 When the Board resolves matters specified in Articles 110 to 112 of these Articles of Association, connected directors shall not participate in the voting, and their votes shall not be counted in the total number of votes. If the number of unconnected directors attending the Board meeting is less than three, the matter shall be submitted to the general meeting for consideration.

Article 114 Any income obtained by directors and senior management personnel in violation of the provisions of Articles 107, 110 to 112 of this Articles of Association shall be vested to the Company.

Article 115 If directors or senior management personnel violate the provisions of laws, administrative regulations or these Articles of Association when performing their duties and cause losses to the Company, they shall bear liability for compensation.

Article 116 The remuneration assessment of directors and senior management personnel shall be carried out in accordance with the Remuneration Management System and other relevant systems. The Company shall enter into a written contract with a Director of the Company concerning his remuneration, which has to be approved by the shareholders in general meeting prior to the contract being entered into. The aforesaid remuneration include:

- (1) emoluments in respect of his service as a Director or senior officer of the Company;
- (2) emoluments in respect of his service as a Director or senior officer of any subsidiary of the Company;
- (3) emoluments otherwise in connection with the management of the affairs of the Company or any subsidiary thereof; and
- (4) the payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no legal action may be brought by a Director against the Company for anything due to him in respect of the above matters.

Article 117 The Company shall stipulate in the contracts entered into by the Company with a Director of the Company in respect of his emoluments that in the event of a takeover of the Company, a Director of the Company shall have the right to receive payment made to him by way of compensation for loss of office, or as consideration for his retirement from office after obtaining prior approval of the shareholders in general meeting. A takeover of the Company referred to in this Article means any of the following:

- (1) an offer made by any person to the general body of shareholders to buy their shares in the Company; or
- (2) an offer made by any person to buy shares of the Company with a view to the offer of becoming a controlling shareholder within the meaning of Article 45.

If the relevant Director has failed to comply with this Article, any sum received by him on account of the payment belongs to those persons who have sold their shares as a result of the offer made as aforesaid, and the expenses incurred by him in distributing that sum pro rata amongst those persons shall be borne by him and not paid out of that sum.

CHAPTER 15: FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 118 The Company shall establish its own financial accounting system in accordance with laws, administrative regulations and PRC accounting standards formulated by the State Council's finance regulatory authority.

Article 119 The Company shall prepare financial reports at the end of each financial year. Such reports shall be examined and verified according to law.

Article 120 The Board of Directors shall place before the shareholders at every annual general meeting such financial reports as are required by relevant laws, administrative regulations and normative provisions promulgated by the local government and the authorities in charge of the Company to be prepared by the Company.

Article 121 The above mentioned financial reports of the Company together with a report of the Board of Directors shall be made available for inspection by shareholders at least twenty (20) days prior to the date of the annual shareholders' general meeting. Each shareholder shall be entitled to obtain a copy of any financial statements referred to in this Chapter.

Copies of such statements and the report of the Board of Directors shall at least be delivered or sent to each holder of overseas listed foreign invested shares at least twenty-one (21) days prior to the date of the annual shareholders' general meeting. Subject to the compliance of laws, administration rules, department regulations, normative provisions and relevant requirements of listing rules of the stock exchange(s) where the shares of the Company are listed, the Company can choose to conduct via electronic means or publish on the Company's website or the designed website of the stock exchange(s) where the shares of the Company are listed.

Article 122 The Company's financial statements shall be prepared in accordance with PRC accounting standards and regulations.

Article 123 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations.

Article 124 The Company shall publish two (2) financial reports every accounting year. An interim report shall be published within sixty (60) days of the end of the first six (6) months of the accounting year and the annual report shall be published within one hundred and twenty (120) days of the end of the accounting year.

Article 125 No books of account other than those provided under the law may be established by the Company.

Article 126 After tax profits of the Company shall be applied in the following order of priority:

- (1) to make up for losses;
- (2) allocation to the statutory common reserve fund;
- (3) allocation to the discretionary common reserve fund subject to a resolution of the general meeting;
and
- (4) payment of dividends for ordinary shares.

The Board of Directors shall decide in accordance with the Company Law and other laws and regulations the percentage for each of the matters referred to in this Article. The Company shall not distribute dividends or make other distribution by way of bonus before it has made up for losses and made allocations to the statutory common reserve.

Article 127 Capital common reserves shall include the following:

- (1) premium amount in excess of the par value of shares which have been issued; and
- (2) the amount of proceeds from the issuance of no-par shares not included in the registered capital;
and
- (3) other items required to be included in the capital common reserves by the finance department of the State Council.

Article 128 The common reserves of the Company shall only be used for the following purposes:

- (1) the making up of losses;
- (2) increase of registered capital of the Company by conversion: The Company may subject to a resolution of a general meeting convert the common reserves into share capital by issuing new shares or increasing the par value of each share in proportion to the shareholders' existing shareholding. However, when the statutory common reserve is converted to increase share capital, the remaining statutory common reserve after such conversion shall be no less than twenty five (25) percent. of the registered capital; and
- (3) reinvestment by the Company.

Article 129 Unless otherwise approved by ordinary resolution of the general meeting of shareholders, the Company shall only distribute dividends once a year. Shareholders may by an ordinary resolution authorise the Board of Directors to declare and pay an interim dividend after it has considered the financial position of the Company, subject to compliance with all relevant laws and administrative regulations.

Article 130 The Company may distribute dividends in the following forms:

- (1) cash; and
- (2) shares.

If a shareholder does not claim the dividends distributed under these Articles, such shareholder shall, after the expiration of the applicable limitation period, be deemed to have lost the right to obtain such dividends.

Article 131 Dividends or other distributions on ordinary shares shall be declared and denominated in RMB. Dividends or other distributions payable on domestic invested shares shall be paid in RMB. Dividends or other distributions payable on foreign invested shares shall be paid in the currency of the place where these foreign invested shares are listed (or, if there is more than one such place, of the place where those foreign invested shares maintain a primary listing as determined by the Board of Directors).

Any paid-up share prior to call shall have interests, while holders of shares have not right to participate in having the dividend declared after advance on subscription.

The Company shall terminate delivery of dividend warrant by mail post in the following cases:

- (1) the dividend warrant is not withdrawn in two consecutive times; or
- (2) the dividend warrant is returned due to failing to delivery to the receiver at its first delivery.

The Company should sell the shares of which the holder(s) is or are not available and keep the proceeds, provided that:

- (1) the relevant shares propose dividends three (3) times within twelve (12) years, where the shareholder(s) does not or do not claim any of dividends; and
- (2) after the expiration of the twelve (12) years, the Company publishes an advisement on newspaper to sell the shares hereof and hereby notifies this intent to Hong Kong Stock Exchange.

Article 132 In paying dividends in foreign currency, the applicable exchange rate shall be the average of the closing exchange rates for the foreign currency as announced by the People's Bank of China for the calendar week preceding the date on which such dividends and other distributions are declared.

Article 133 A Company shall appoint receiving agents on behalf of holders of overseas listed foreign invested shares to receive on behalf of such shareholders the dividends declared and all other monies owing by the Company in respect of overseas listed foreign invested shares.

The receiving agents appointed by the Company shall meet the requirement of the local laws or the relevant rules of the stock exchange where shares in the Company are listed.

The receiving agents appointed in respect of overseas listed foreign invested shares listed on the Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

CHAPTER 16: APPOINTMENT OF AUDITOR

Article 134 The Company shall appoint an independent accounting firm which complies with the relevant requirements of the PRC to audit the Company's annual accounts and to review other financial reports of the Company.

Article 135 The term of an auditor appointed by the Company shall commence from the conclusion of the annual general meeting and expire at the conclusion of the next annual general meeting of the Company.

Article 136 The Company shall provide the accounting firm it engaged with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information and shall not refuse, conceal or make false reports.

Article 137 The Board of Directors may fill any casual vacancy in the office of an auditor before a general meeting is convened and shall hold such office until the next following annual general meeting, but while any such vacancy continues, the surviving or continuing auditor, if any, may act.

Article 138 The shareholders in general meeting may by ordinary resolution remove an auditor before the expiration of its term of office, notwithstanding anything in any agreement between the Company and that auditor, but without prejudice to its claims, if any, for damages in respect of such removal.

Article 139 The remuneration of an auditor shall be fixed by the shareholders in general meeting or in such manner as the shareholders in general meeting may determine. In the case of an auditor appointed by the Board of Directors, the remuneration of the auditor may be fixed by the Directors.

Article 140 The Company which decides to remove or not to renew the services of an auditor shall give advanced notice to that auditor. The auditor shall have the right to present its views at the shareholders' general meeting. Where an auditor resigns, it shall be under an obligation to inform the shareholders' general meeting as to whether or not there is any impropriety in the Company.

Article 141 An auditor may resign his office by depositing at the Company's residence a written notice of resignation to that effect and containing:

- (1) a statement to the effect that there are no circumstances connected with his resignation which he considers should be brought to the notice of the shareholders or creditors of the Company; or
- (2) a statement of any such circumstances;

Any such notice shall terminate his office on the date on which it is deposited or on such later date as may be specified therein.

Where the auditor's notice of resignation contains a statement of any circumstances which should be brought to the notice, the auditor may require the Board of Directors to convene an extraordinary general meeting of shareholders for the purpose of receiving an explanation of the circumstances connected with the auditor's resignation.

CHAPTER 17: MERGER AND DIVISION OF THE COMPANY

Article 142 A proposal for the merger or division of the Company shall be proposed by the Board of Directors, and after it has been approved in accordance with the provisions of the Articles, it shall be submitted for review and approval according to law. Shareholders who oppose the proposal shall have the right to require the Company or shareholders who are in favour of such proposal to purchase their shares at a fair price. The resolution approving the merger or division shall be compiled into a special document for inspection by shareholders. Copies of the document referred to above shall also be delivered by post or other means as permitted by relevant laws, regulations and the stock exchange(s) where the shares of the Company are listed to holders of overseas listed foreign invested shares.

Article 143 Merger of companies may take the forms of merger and consolidation.

Where there is a company merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within a period of ten (10) days from the date of the resolution approving the merger and make newspaper announcements of the merger or make an announcement on the National Enterprise Credit Information Publicity System within thirty (30) days of that date. The creditors who have received such notice shall, within thirty (30) days thereafter, and those creditors who have not received such notice shall, within forty-five (45) days from the date the notice is first published, be entitled to require the Company to repay the debt or to provide appropriate alternative guarantees for the debt.

After the merger, the company which is survived or newly established shall succeed to the claims and debts of all the parties to the merger

Article 144 Where there is a company division, its property shall be divided accordingly.

Where there is a company division, the parties to the division shall enter into a division agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within a period of ten (10) days from the date of the resolution approving the division and make newspaper announcements of the division or make an announcement on the National Enterprise Credit Information Publicity System within thirty (30) days from that date.

Debts owing by the Company before the division shall be borne by the companies after the division, except when the Company has reached a written agreement on debt settlement with the creditors before the division.

Article 145 Where the merger or division of the Company involves changes in its registered particulars, such changes shall be registered with the Company's registration authority according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to the relevant law.

CHAPTER 18: DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 146 The Company shall be dissolved and liquidated according to law if any of the following circumstances occurs:

- (1) the general meeting resolves to dissolve the Company;
- (2) dissolution is necessary as a result of a merger or division of the Company;
- (3) the Company has its business license revoked, or is ordered to shut down, or is cancelled in accordance with laws;
- (4) Where the Company experiences material difficulties in its operation or management and its continuous existence on a going concern will result in substantial losses to shareholders' interests, and no other remedy is available, an application can be made to the People's Court to dissolve the Company by a shareholder or a group of shareholders holding ten percent (10%) or above of the total voting rights.

If the Company is in the situation described item 1 in the preceding paragraph and has not yet distributed property to its shareholders, it may continue to exist by amending its Articles of Association or through a resolution of general meeting.

Any amendment to the Articles of Association in accordance with the provisions of the preceding paragraph or by resolution of a shareholders' meeting must be approved by more than two-thirds of the voting rights held by shareholders attending the general meeting.

Article 147 Where the Company is dissolved by virtue of provisions set out in (1), (3), (4) of the preceding article, it shall be liquidated. Director shall be the liquidation obligor of the Company, and a liquidation committee shall be established within fifteen (15) days after the date on which the dissolving reason is identified to carry out the liquidation. The liquidation committee shall comprise directors, unless other people are elected at a general meeting. If the liquidation obligor fails to perform his liquidation obligations in a timely manner and causes losses to the Company or creditors, he/she shall bear liability for compensation.

Where the liquidation committee is not formed within the stipulated time frame to conduct the liquidation or the liquidation committee is formed but fails to carry out liquidation, stakeholders of the Company may apply to the People's Court to appoint relevant personnel to establish the liquidation committee to conduct the liquidation.

Article 148 Where the Board of Directors proposes to liquidate the Company (otherwise than because of a declaration of bankruptcy), the board shall, in the notice convening a general meeting of shareholders to consider the proposal, include a statement to the effect that a full enquiry has been made into the affairs of the Company, and the board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of a special resolution on the liquidation of the Company by the shareholders in general meeting, all functions and powers of the Board of Directors shall be ceased.

The liquidation committee shall take instructions from the shareholders in general meeting, and not less than once each year make a report to the shareholders in general meeting of the committee's receipts and payments, the business of the Company and the progress of liquidation. It shall make a final report to the shareholders in general meeting on completion of the liquidation.

Article 149 A liquidation committee shall notify creditors within a period of ten (10) days from the date of its establishment and make newspaper announcements of the liquidation or make an announcement on the National Enterprise Credit Information Publicity System within sixty (60) days of that date. Claims shall be registered by the liquidation committee.

Article 150 Within thirty (30) days following the date of service of the written notification, or within forty five (45) days following the public announcement if the written notification is not personally received, creditors shall declare their claims to the liquidation committee. When making declaration of their rights, creditors shall specify the items to which their rights relate and produce evidence to this effect. The liquidation committee shall record all such declared creditors' rights.

Article 151 A liquidation committee shall exercise the following functions and powers during the course of the liquidation:

- (1) to sort out the property of the Company and to prepare balance sheets and lists of property;
- (2) to notify creditors by notice or public announcement;

- (3) to dispose of and liquidate any relevant unfinished business of the Company;
- (4) to pay all outstanding taxes and the taxes incurred during the course of liquidation;
- (5) to sort out all claims and debts;
- (6) to allocate the Company's residual property after full payment of its debts; and
- (7) to take part in civil litigation on behalf of the Company.

Article 152 After a liquidation committee has sorted out the Company's property and prepared balance sheets and lists of property, it shall formulate a liquidation plan to be submitted for confirmation by the shareholders in general meeting or the relevant regulatory authority.

Payment of debts out of the Company's property shall be made in the order of priority prescribed by applicable laws and regulations.

The remaining property of the Company after payment has been made under the previous provision shall be distributed to its shareholders according to the class and proportion of their shareholding.

The Company shall not undertake any new business during the process of liquidation.

Article 153 If a Company is liquidated by reason of dissolution and the liquidation committee finds, having sorted out the Company's property and prepared balance sheets and lists of property, that the Company's property is insufficient to pay its debts in full, it shall immediately apply to the People's Court for a declaration of bankruptcy.

After the People's Court accepts the bankruptcy application, the Company's liquidation committee shall turn over the affairs of the liquidation to the designated bankruptcy administrator of People's Court.

Article 154 Following the completion of liquidation of the Company, the liquidation committee shall formulate a liquidation report, as well as a revenue and expenditure statement and financial books in respect of the liquidation period which, after they have been certified by a Chinese registered accountant, shall be submitted to the shareholders in general meeting or the relevant regulatory authority for confirmation.

A liquidation committee shall, within thirty (30) days of the date of confirmation by the shareholders in general meeting or the relevant regulatory authority, submit the above documents to the relevant Company registration authority, apply to cancel the Company's registration and publicly announce the termination of the Company.

CHAPTER 19: AMENDING THE ARTICLES

Article 155 The Company shall amend the Articles of Association under any of the following circumstances:

- (1) amendments to the “Company Law” or other relevant laws or regulations result in conflicts between provisions in the Articles of Association and those of amended laws or regulations;
- (2) changes in the state of the Company result in discrepancies between the actual status and those stated in the Articles of Association; and
- (3) the general meeting resolves to amend the Articles of Association.

Article 156 Amendments made to the Articles concerning matters relating to registered particulars of the Company, those particulars shall be amended according to law.

CHAPTER 20: MISCELLANEOUS

Article 157 Unless otherwise provided, any notice or report required or permitted to be given or delivered by the Company by public advertisement must be published in at least one newspaper with national circulation approved by the State Council securities regulatory department.

Article 158 The Company does not have Board of Supervisors and Supervisors.

Article 159 The term of “accounting firm” used in this Articles of Association also refers to Auditor.

Article 160 The term “senior officers” in the Articles of Association refers to the general manager, deputy general manager, chief financial officer, general legal adviser, assistant to general manager, secretary to the Board, chief auditor etc.

Article 161 The meaning of “related party transactions” in this Articles of Association includes “connected transactions” as defined in the Listing Rules; “related parties” include “connected persons” as defined in the Listing Rules; and “related party relationships” include “connected relationships” as defined in the Listing Rules.

Article 162 The Articles are written in Chinese and English. Both language versions are valid, but in the case of discrepancy the Chinese version shall prevail.

Article 163 In case of any conflicts between this Articles of Association and any laws, regulations, regulatory rules to be promulgated by the nation in the future and the requirements under the Listing Rules, the nation’s latest relevant laws, regulations, regulatory rules or the Listing Rules shall prevail.