

Articles of Association
of
Beijing Jingkelong Company Limited

(Amended in 2026)

Please note that these Articles of Association are written in Chinese and there is no official English version in respect thereof. This English version is for reference only. In case of any inconsistency between the English version and Chinese version, the Chinese version shall prevail

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CHAPTER 1: GENERAL PROVISIONS

Article 1. In order to meet the requirements of the development of the socialist market economy, Beijing Jingkelong Company Limited (the “Company”) will establish a system of modern state-owned enterprises with Chinese characteristics, regulate the organization and conduct of companies, and protect the legitimate rights and interests of investors, companies and creditors. In accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Law of the People’s Republic of China on State-owned Assets of Enterprises, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Constitution of the Communist Party of China, the Regulations of the Communist Party of China on the Work of Grassroots Organizations of State-owned Enterprises (Trial Implementation) and the People’s Republic of China (the “PRC”) and other relevant laws and regulations to formulate its articles of association.

The Company is established in accordance with the Company Law and other relevant laws and regulations of the PRC.

Pursuant to the Approval (Jing Fa Gai [2004] No.2241) of Beijing municipal development and reform committee, the Company was converted from a limited liability company to a joint stock limited company with registered in Beijing Administration Bureau of Industry and Commerce on 1 November 2004. The unified social credit code of the Company is: 91110000101782670P. The way of establishment of the Company is by promotion.

The promoters of the Company are: Beijing Chaofu State-owned Assets Administration Company Limited, Shanxi Trust Investment Company limited, Beijing Gaoya Huali Kemao Company Limited, Beijing Jiazeng Gongmao Company Limited, Tianjin Jinganghua Jianzhu Art Decoration Work Company Limited, Li Shunxiang, Yang Baoqun, Liu Yanli, Xia Wensheng, Gao Jiaqiang, Gu Hanlin, Wei Tingzhan, Dai Jing, Bai Xianrong, Chen Limin, Zhao Weili, Li Jianwen, Gao Jingsheng, Tian Junying, Qu Xinhua, Li Chunyan.

Article 2. The Company’s registered Chinese name:

北京京客隆商業集團股份有限公司

English name: Beijing Jingkelong Company Limited

Article 3. Domicile of the Company: No.45, Xinyuan Street, Chaoyang District, Beijing.

Postal code :100027

Article 4. The legal representative of the Company shall be the chairman of the board of directors of the Company.

If the chairman of the board of directors of the Company resigns as a director or ceases to hold the position of chairman he/she will be deemed to have resigned as the legal representative at the same time.

If the Company convenes a board meeting and the chairman of the Company is elected or changed by more than half of all the directors, the elected or changed chairman shall be the legal representative of the Company. If the Company changes its legal representative, the application for registration of change shall be signed by the changed legal representative.

Article 5. The Company is a joint stock limited company which has perpetual existence.

Article 6. Upon these Articles of Association coming into effect, they shall supersede the Original Articles of Association. The Company's Articles of Association constitute the legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders from the date on which the Company's Articles of Association come into effect.

Article 7. The Articles of Association of the Company is the legal document regulating the organization and conduct of the Company, and shall be binding upon the Company and its shareholders, the members of the Party Committee (Discipline Inspection Commission), director, manager and other senior management staff. All the above persons may make claims related to Company matters in accordance with the Articles of Association.

A shareholder may take action against the Company pursuant to the Company's Articles of Association, and vice versa. A shareholder may also take action against another shareholder, and may take action against the directors, manager and other senior officers of the Company pursuant to the Company's Articles of Association.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 8. The entire capital of the Company is divided into shares of equal par value. The liability of a shareholder is limited to the value of the shares held by him, while the Company undertakes all of its liabilities with all of its assets.

Subject to compliance with PRC laws and regulations, the Company shall have the right to raise funds, including (but not limited to) taking loans and issuing company bonds, and have the right to charge or pledge its assets, while the Company shall not damage or abolish other shareholders' right while performing above duties.

Article 9. The Company is an independent corporate legal person, governed by, and existing under the protection of, the laws and regulations of the PRC. Company is a separate legal person. All the activities of the Company shall comply with the laws and regulations of the PRC and in the interest of the shareholders.

Article 10. The Company may invest in other companies. If the law stipulates that the Company shall not become a capital contributor severally and jointly liable for the debts of the enterprises in which it invests in, the Company should follow such law.

Article 11. According to the requirements of the “Constitution of the Communist Party of China” (《中國共產黨章》) and the “Regulations of the Communist Party of China on the Work of Grassroots Organizations in State-owned Enterprises (Trial Implementation)” (《中國共產黨國有企業基層組織工作條例（試行）》), the Company shall established the Grassroot Committee of the Chinese Communist Party. The Party Committee of the Company shall exercise its leadership role, and shall focus on the overall direction and development and ensuring strict policy implementation, discuss and decide on major issues of the Company in accordance with the regulations. The Company shall establish related working organs and carry out the Party’s activities.

The Company shall provide necessary conditions for the party organisation to implement its normal activities. The establishment and staffing of party organisations shall be included in the enterprise management organisation and staffing, and the funds for Party organisation shall be incorporated into the Company budget and deducted from the administrative fees.

CHAPTER 2: THE COMPANY’S OBJECTIVES AND SCOPE OF BUSINESS

Article 12. The Company’s objectives are: following the principle of management idea, “Customer trust, employee well-being”, the Company will continuously enhance its core competitiveness. Based on the corporate mission of “creating commercial ecosystem value and safeguarding community quality life” and relying on the brand superiority of the Company, the Company will keep pursuing business format innovation, speed up development, and ultimately become a “customer-trusted, industry-leading” commercial circulation enterprise.

Article 13. The Company’s scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The Company's scope of business includes: selling food, auxiliary food, health food, beverage, alcohol, oil product, feed, general merchandise, textile, hardware (exclude dangerous chemical product), cell phone, medical equipment (type I), car, arts product, flower, magnetic card, costume, jewelry, stationary, sports equipment, household supplies, OHS product, clock, glasses, pet product, communication equipment, electronic products, home appliances, birth control product, cosmetics; repair communication equipment; retail domestic book, magazine, newspaper, video and music product, gold, grain, tobacco, cigar, photocopying, import/export merchandise, import/export technology, import/export broker, leasing property, laundry, digital film, warehousing, merchandise supply, freight, cool freight supply (cooling fresh product), technology innovation, technology transferring, technology consulting and servicing, electronic business, tailoring, manufacture commercial equipment, food processing, photographer, repair households, jewelry processing, selling travel pass, locksmith, property developer, design and produce commercials, hotel management, non-residential real estate leasing, property management, parking service, manufacture soy product, food court, processing and selling noodles, cakes, hot food, bread, snack, fast food, barbeque food, packaged food (including cold milk product), bulk food, cooked food, meat, fruit and vegetables, marine product; internet information service; fireworks (the Company's scope of business shall be consistent with the registration by the administration for industry and commerce)

Article 14. Any amendments to the Articles of Association of the Company and to business scope must be in accordance with the legal procedures and registered with administration for industry and commerce.

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 15. There must, at all times, be ordinary shares in the Company. The Company may, according to its requirements, create different classes of shares.

Article 16. All the shares issued by the Company shall have a par value of RMB1.00 per share.

Article 17. Subject to the registration or filling of the securities authority of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors.

“Foreign Investors” referred to in the previous paragraph mean those investors who subscribe for the shares issued by the Company and who are located in foreign countries and in the regions of Hong Kong, Macau and Taiwan. “Domestic Investors” mean those investors who subscribe for the shares issued by the Company and who are located within the territory of the PRC, excluding those areas mentioned above.

Article 18. Shares which the Company issues to Domestic Investors for subscription in Renminbi shall be referred to as “Domestic Shares”. Shares which the Company issues to Foreign Investors for subscription in foreign currencies shall be referred to as “Foreign Shares”. Foreign Shares which are listed overseas are called “Overseas listed foreign Shares”.

Article 19. Domestic shares may be listed in domestic stock exchange after passing relevant resolution in the shareholders' meeting and approved or registered by administrations. H shares may be listed in Stock Exchange or other foreign stock exchange after passing relevant resolution in the shareholders' meeting and approved or filed by administrations.

Overseas listed foreign shares listed in Hong Kong issued by the Company shall be known as H shares. H shares mean the shares which are approved to be listed on the Stock Exchange, whose par value is denominated in Renminbi and which are subscribed for and traded in Hong Kong dollars.

Upon approval by or filling with the securities supervisory organ of the State Council, shareholders of domestic shares of the Company may transfer the shares held by them to overseas investors or convert the domestic shares into overseas listed foreign shares and such shares may be listed and traded overseas. If the above shares are listed and traded on overseas stock exchanges, no voting in shareholders' meeting or class meetings will be required, the regulatory procedures, provisions and requirements of the overseas stock markets shall also be complied with.

Article 20. As at the current date, the total number of shares issued by the Company is 412,220,000, of which 230,060,000 are Domestic shares and 182,160,000 are H shares. The par value of each share is RMB1.00.

Article 21. The Company issued 246,620,000 ordinary shares with a par value of RMB1 per share to the promoters at the time when the Company was established, all of the shares were subscribed and held by the promoters of the Company. At the time of establishment, the shares subscribed by the promoters of the Company were as follows:

Promoter's name	Number of Shares Subscribed	Method of Capital Contribution
Beijing Chaofu State-owned Assets Administration Company Limited	183,969,808	Conversion of net assets
Shanxi Trust Investment Company limited	26,635,710	Conversion of net assets
Beijing Gaoya Huali Kema Company Limited	5,210,428	Conversion of net assets
Beijing Jiazeng Gongmao Company Limited	3,126,257	Conversion of net assets
Tianjin Jinganghua Jianzhu Art Decoration Work Company Limited	5,210,428	Conversion of net assets
Li Shunxiang	5,210,428	Conversion of net assets
Yang Baoqu	1,042,086	Conversion of net assets
Liu Yanli	2,396,797	Conversion of net assets

Xia Wensheng	2,084,171	Conversion of net assets
Gao Jiaqiang	2,084,171	Conversion of net assets
Gu Hanlin	1,417,237	Conversion of net assets
Wei Tingzhan	1,417,237	Conversion of net assets
Dai Jing	500,201	Conversion of net assets
Bai Xianrong	833,669	Conversion of net assets
Chen Limin	833,669	Conversion of net assets
Zhao Weili	917,035	Conversion of net assets
Li Jianwen	1,354,712	Conversion of net assets
Gao Jinsheng	833,669	Conversion of net assets
Tian Junying	500,201	Conversion of net assets
Qu Xinhua	833,669	Conversion of net assets
Li Chunyan	208,417	Conversion of net assets

Article 22. The Company’s board of directors may take all necessary action for the issuance of Overseas listed foreign shares and Domestic shares after proposals for issuance of the same have been approved by or filed at the securities authority of the State Council.

Article 23. Where the total number of shares stated in the proposal for the issuance of shares includes Overseas listed foreign shares and Domestic shares, such shares should be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for all at once due to special circumstances, the shares may, subject to the approval or filing of the China Securities Regulatory Commission (“CSRC”), be issued in separate offerings.

Article 24. The registered capital of the Company shall be RMB412,220,000. All the Domestic share (including state-owned shares) and Overseas listed foreign shares in the Article of association are ordinary shares.

Article 25. The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to the Company’s Articles of Association.

The Company may increase its capital in the following ways:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) distributing new shares to existing shareholders;
- (4) converting accumulation fund into share capital;
- (5) other methods permitted by PRC laws, administrative regulations and the CSRC.

Article 26. Shares of the Company may be transferred in accordance with the law.

The following rules applied to company's H shares: Buyer and seller of shares are required to execute and present a Bought Note and a Sold Note to the company for approval. Documents shall be signed in person. If the seller or buyer is a share registrar or its broker, documents can be printed. All documents held by the company's legal address or designated address by the board.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 27. The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so in accordance with the Company Law and other relevant provisions and the procedures provided for in the Articles of Association.

Article 28. The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors, in accordance with the Company Law, within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receipt of the notice from the Company or, in the case of a creditor who does not receive such notice, within forty five (45) days from the date of the public announcement, to require the Company to repay its debts or to provide a corresponding guarantee for such debt.

If the Company reduces its registered capital, it shall proportionally reduce the capital contributions or shares held by the shareholders, unless otherwise provided by the Company Law, or approved by the shareholder of the Company in the shareholders' meeting.

Article 29. If the Company faces a shortfall in covering losses in accordance with the provisions of paragraph 2 of Article 214 of the Company Law, it may reduce the registered capital to make up losses. The Company may neither make distributions to shareholders nor release them from obligation to pay capital contributions or pay for shares.

If the Company reduces its registered capital according to the preceding paragraph, it is exempted from paragraph 2 of the Article 28. In this Articles of Association. However, the Company shall make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) within 30 days after the shareholders' meeting to reduce the registered capital.

The Company may not distribute profit after a reduction of registered capital under the preceding paragraphs, before the cumulative amount of the statutory common reserve and discretionary common reserve reaches 50% of the Company's registered capital.

Article 30. The Company shall not purchase its own shares except under any of the following circumstances:

- (1) for the purpose of reducing its registered capital;
- (2) merging with other companies that hold shares in the Company;
- (3) giving the shares for employee stock ownership plans or equity incentives;
- (4) shareholders who objected to resolutions on merger or division of the Company passed at a shareholders' meeting and requested the Company to take up their shares;
- (5) converting the shares into the convertible corporate bonds issued by the listed company;
- (6) as necessary for the listed company to safeguard the company's value and shareholders' equity.

Where the Company needs to acquire its own shares for any of the reasons stipulated in (1) and/or (2) above, it shall be subject to a resolution of the shareholders' meeting. Where the Company needs to acquire its own shares for any of the reasons stipulated in (3), (5) and/or (6) above, it shall pursuant to the requirements of these Articles or the mandate of the shareholders' meeting, be resolved at a Board meeting that is attended by at least two-thirds of all directors.

After purchasing its own shares pursuant to the provisions of the first paragraph of article 30, the Company shall, under the circumstance set forth in subparagraph (1), cancel them within 10 days after the purchase; while under the circumstances set forth in either subparagraph (2) or (4), transfer or cancel them within six months; and while under the circumstances set forth in subparagraph (3), (5) or (6), the total number of shares of the Company held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or canceled within three years.

Article 31. The Company shall apply to the original company registration authority for registration of the change in its registered capital.

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

CHAPTER 5: FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES

Article 32. The Company shall not provide gifts, loans, guarantees, or other financial assistance for another person to acquire shares of the Company or its parent company, unless the Company implements an employee stock ownership plan. For the benefit of the Company, the Company may provide financial assistance for another person to acquire shares of the Company or its parent company, under a resolution of the shareholders' meeting, or under a resolution adopted by the board of directors in accordance with the Company's Articles of Association or under the authority of the shareholders' meeting, provided that the cumulative total of financial assistance shall not exceed 10% of the total issued share capital. The resolution adopted by the board of directors shall be approved by more than two-thirds of all directors.

If any loss is caused to the Company by violating the provisions of the preceding two paragraphs, the responsible directors and senior managers shall be liable for compensation.

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 33. The Share certificates of the Company shall be in registered form.

Article 34. The Company shall establish a register of shareholders based on the certificates provided by the securities registrar.

The register of shareholders shall be sufficient evidence of the shareholders' shareholdings in the Company.

Article 35. Where laws, administrative regulations, the securities regulatory body under The State Council or the listing rules of the place where the Company is listed stipulate that the register of shareholders shall not be changed before the shareholders' meeting or the date before which the Company decides to distribute dividends, such provisions shall prevail.

Article 36. The Company may, in accordance with the mutual understanding and agreements made between the securities authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of Overseas listed foreign shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register for holders of Overseas listed foreign shares listed in Hong Kong (“register of H shareholders”) shall be maintained in Hong Kong.

In case of any inconsistency between the records in the original and the duplicate copies of the H-share shareholders’ register, the original shall prevail. The register of H-share members must be available for inspection by shareholders, but the Company may suspend the registration of shareholders in accordance with section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

Any member whose name is entered in the Register of Members or any person who requests his name (s) to be entered in the Register of Members may apply to the Company for a replacement issue of new share certificates in respect of his shares (hereinafter referred to as the “relevant shares”) if his share certificates (hereinafter referred to as the “original share certificates”) are lost. Where a shareholder of unlisted shares loses his share certificates and applies for replacement, it shall be handled in accordance with the relevant provisions of the Company Law. Where a shareholder of Overseas listed foreign shares loses his share certificates and applies for replacement, it may be handled in accordance with the laws of the place where the original register of H-share shareholders is kept, the rules of the stock exchange or other relevant regulations.

Article 37. Different parts of the register of shareholders shall not overlap. 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.

All Overseas listed foreign shares listed in Hong Kong which have been fully paid-up may be freely transferred in accordance with the Company’s Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer and need not provide any reason therefore:

- (1) a fee of HK\$2.50 per instrument of transfer or other amount agreed from time to time by the Stock Exchange for registration of the instrument of transfer and other documents relating to or which will affect the right of ownership of the shares;
- (2) the instrument of transfer only relates to Overseas listed foreign shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the instrument of transfer has already been paid;
- (4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;

- (5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than four (4);
- (6) the Company does not have any lien on the relevant shares.

The transfer of Overseas listed foreign shares shall in accordance with the standard securities transfer registration form required by Stock Exchange.

Any change or correction to various parts of the register of shareholders shall be carried out in accordance with the law of the place where such parts of the register of shareholders are maintained.

Article 38. When the Company needs to convene a shareholders' meeting, distribute dividends, liquidate the Company or for any other purpose requiring the confirmation of the rights attaching to the shares in the Company, the board of directors shall decide on a date for the determination of rights attaching to shares in the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such determination date.

CHAPTER 7: SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 39. A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations.

Regarding to H shareholders of the company, shares may be jointly held by two(2) or more persons. They shall be treated as joint holders and limited by the following rules:

- (1) The company must not register more than 4 persons as joint holders of shares;
- (2) Any joint shareholder shall individually and jointly take the liability of unpaid amount;
- (3) In the case of the joint shareholders, if one of the joint shareholders is deceased, only the other existing shareholders of the joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. The board of directors, however, may require the other existing shareholders to provide a certificate of death as necessary for the purpose of modifying the register of shareholders;
- (4) any of the joint shareholders of the shares, only the joint shareholders ranking first in the register of shareholders have the right to accept certificates of the relevant shares, receive notices of the Company, attend and vote at shareholders' meetings of the Company. Any notice which is delivered to the shareholder shall be deemed to be delivered to all the joint shareholders of the relevant shares.

When legal person act as company's shareholder, its legal representative or proxy of it or (if shareholder is a recognized registrar (or designated other person) (called "recognized registrar" below)) recognized registrar or its proxy to exercise its rights.

No powers shall be taken to freeze or otherwise impair any of the rights attaching to any share by reason only that the person or persons who are interested directly or indirectly therein have failed to disclose their interests to the company.

That where power is taken to sell the shares of a member who is untraceable it will not be exercised unless:

- (a) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (b) on expiry of the 12 years the issuer gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Exchange of such intention.

Article 40. Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to attend or appoint a proxy to attend shareholders' meetings and to vote thereat;
- (3) the right to present proposals or to raise queries to the Company;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Company's Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Company's Articles of Association, including:
 - ① The shareholders shall be entitled to review and make copies of the Company's Articles of Association, the register of the shareholders, the minutes of shareholders' meetings, the minutes of the meetings of the board of directors and the financial reports, and may put forward suggestions or raise inquiries about the business operations of the Company;

- ② If shareholders who individually or aggregately hold more than 3% of the Company's shares for 180 consecutive days or more requests for review of the accounting books and accounting vouchers of the Company, they shall submit a written request to the Company stating the purpose. If the Company, has reasonable grounds to believe that the shareholder's requests to review the accounting books and accounting vouchers has improper purposes and may impair the legitimate interests of the Company, it may reject the request of the shareholder to review the books and shall, within 15 days from the shareholder's written request, respond to the shareholder in writing, which shall include an explanation. If the Company rejects the request of any shareholder to review the accounting books, the shareholder may initiate proceedings in the people's court. The shareholder may retain an accounting firm, a law firm, or other intermediaries to review the materials specified in the preceding paragraph. The shareholder and the accounting firm, law firm, or other intermediaries retained by it shall comply with the provisions of laws and administrative regulations on the protection of state secrets, trade secrets, personal privacy, personal information etc., when reviewing and duplicating the relevant material;
 - ③ If a shareholder requests for a review or reproduction of the relevant materials of the company's wholly-owned subsidiaries, the provisions of the preceding two paragraphs shall apply;
 - ④ If a shareholder of the Company requests for a review or reproduction of the relevant materials, the shareholder shall comply with the Securities Law of the People's Republic of China and other laws and administrative regulations.
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of surplus assets of the Company in accordance with the number of shares held;
 - (7) other rights conferred by laws, administrative regulations and the Company's Articles of Association.

Article 41. Holders of ordinary shares of the Company shall have the following obligations:

- (1) to abide by the Articles of Association of the Company;
- (2) to pay subscription fees on the basis of the shares subscribed by them and the method of capital injection, and;
- (3) other obligations imposed by laws, administrative regulations and the Company's Articles of Association.

CHAPTER 8: SHAREHOLDERS' MEETINGS

Article 42. The shareholders' meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with law.

Article 43. The shareholders' meeting shall have the following functions and powers:

- (1) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (2) to examine and approve the board of directors' reports;
- (3) to examine and approve the Company's profit distribution plans and loss recovery plans;
- (4) to decide on the increase or reduction of the Company's registered capital;
- (5) to decide on matters such as material purchase or sale, merger, division, dissolution and liquidation of the Company;
- (6) to decide on the issue of debentures by the Company;
- (7) to decide on the appointment, dismissal and non-reappointment of the accountants of the Company;
- (8) to amend the Company's Articles of Association;
- (9) to consider motions raised by shareholders who represent 3% or more of the total number of voting shares of the Company;
- (10) to decide on other matters which, according to law, administrative regulation or the Company's Articles of Association, need to be approved by shareholders in the shareholders' meetings;

The shareholders' meeting may authorize the board of directors to adopt resolutions on the issuance of corporate bonds.

Article 44. Shareholders' meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' meetings shall be convened by the board of directors. Annual general meetings are held once every year and within six (6) months from the end of the preceding financial year.

The board of directors shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Company's Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) where shareholder(s) holding 10% or more of the Company's issued and outstanding voting shares request(s) for the convening of an extraordinary general meeting;
- (4) whenever the board of directors deems necessary;
- (5) the audit committee of the Company so request;
- (6) other circumstances stipulated in these Articles of Association.

Article 45. When the Company convenes a shareholders' meeting, a notice notifying shareholders of the time, location of the meeting and the matters to be considered shall be issued; in respect of the convening of an annual general meeting, twenty-one (21) days prior to the meeting; and in respect of the convening of an extraordinary general meeting of shareholders, fifteen (15) days prior to the meeting. The Company may provide convenience for shareholders to attend, speak and vote at shareholders' meetings through the internet or other methods approved by the CSRC which are safe, economical and convenient, provided that the shareholders' meeting is legal and valid. Shareholders who attend the shareholders' meeting in the aforesaid manners shall be deemed to be present, and may vote electronically through the internet.

Article 46. Whenever the Company convenes a shareholders' meeting, shareholder(s) individually or collectively holding 1% or more of the voting shares of the Company may put forward a written additional proposal to the board of directors 10 days before a shareholders' meeting is held. The additional proposal shall contain a clear topic for discussion and specific matters to be resolved. The board of directors shall notify the other shareholders within two days after receiving the additional proposal, and submit the additional proposal for review at the shareholders' meeting, unless the additional proposal violates the provisions of laws, administrative regulations, or the Company's Articles of Association, or does not fall within the scope of the shareholders' meeting.

Article 47. After the notice of the shareholders' meeting is issued, the resolutions listed in the notice of the shareholders' meeting shall not be cancelled, but the convenor of the shareholders' meeting has the right to postpone the shareholders' meeting and make an announcement and explain the reasons at least two working days before the original date of the meeting subject to compliance with relevant laws and regulations, the Listing Rules and the provisions of the Articles of Association.

Article 48. The shareholders' meeting shall not decide on any matter not stated in the notice mentioned in article 45 and 46, and the agenda for the meeting.

Article 49. A notice of the shareholders' meeting shall satisfy the following criteria:

- (1) be made by way of announcement;
- (2) specify the time and place of the meeting;
- (3) the matters to be considered;
- (4) other requirements that should be met in accordance with laws, regulations, Listing Rules, etc;
- (5) specify the time and procedures for voting via the internet or other methods.

Article 50. If the procedures for calling a shareholders' meeting or meeting of the board of directors, or the voting form, is in violation of any law, administrative regulation or the bylaw, or if a resolution is in violation of the bylaw of the company, the shareholders may, within 60 days from the day when the resolution is made, request the people's court to revoke it, unless the procedures or the voting form contains a minor defect without a substantial impact on the resolution.

Shareholders who have not been notified to attend the shareholders' meeting may apply to the people's court for revocation within sixty days from the date they knew or should have known of the passing of the resolution of the shareholders' meeting; if the right to revoke is not exercised within one year from the date the resolution is made, the right to revoke shall be extinguished.

Article 51. Any shareholder who is entitled to attend and vote at a shareholders' meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand or join in demanding a poll (including electronic voting);
- (3) the right to vote by hand or on a poll (including electronic voting), but a proxy of a shareholder who has appointed more than one (1) proxy may only vote on a poll (including electronic voting).

Article 52. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or if the appointor is a legal entity, either under seal or under the hand of a director or an authorized person or a duly authorized attorney of the legal entity. The letter of authorization shall contain the number of the shares to be represented by the proxy. If several persons are authorized as the proxies of the shareholder, the letter of authorization shall specify the number of shares to be represented by each proxy.

Article 53. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority shall be deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than twenty-four (24) hours before the time for holding the meeting at which the proxy propose to vote or the time appointed for the passing of the resolution.

If the appointor is a legal person, its legal representative or such person as is authorized by resolution of its board of directors or other governing body may attend any shareholders' meeting of the Company as a representative of the appointor. If the shareholder is the recognized clearing house (or its attorney) as defined under the relevant laws and regulations of the place in which the Company's securities are listed, such shareholder is entitled to appoint Corporate Representative or one or more persons as his proxies to attend on his behalf to attend a shareholders' meeting or at any class meeting or creditors meetings, but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares in connection with such authorization. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he is the individual shareholder of the Company.

Article 54. Any form issued to a shareholder by the directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favour of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting.

A shareholder that appoints a proxy to attend a shareholders' meeting shall specify the matters in which the proxy will act, the authority, and the period. The proxy shall present a shareholder's proxy form to the Company, and exercise his voting rights within the scope of the proxy form.

Article 55. Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing more than half of the voting rights represented by the shareholders (including proxies) present at the shareholders' meeting.

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

Article 56. Shares held by the company have no voting right. Where any shareholder is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. Shareholders shall comply with such requirement or restriction annex to share's voting right and relevant law and regulations and this article.

Article 57. When a shareholder attends the shareholders' meeting, he shall have one voting right for each share he holds.

Article 58. The following matters shall be resolved by an ordinary resolution at a shareholders' meeting:

- (1) work reports of the board of directors;
- (2) profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) election or removal of members of the board of directors who shall not be employees' representatives and their remuneration;
- (4) matters other than those which are required by the laws and administrative regulations or by the Company's Articles of Association to be adopted by special resolution.

Article 59. The following matters shall be resolved by a special resolution at a shareholders' meeting:

- (1) the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- (2) material purchase or sale, merger, division, dissolution and liquidation of the Company;
- (3) amendment of the Company's Articles of Association;
- (4) where the Company purchases or sells any major asset, or provides guarantees that exceed 30% of the Company's total assets within one year.

The shareholders' meeting may authorize the board of directors to adopt resolutions on the issuance of corporate bonds.

Article 60. Shareholders shall comply with the following procedures when they propose to convene an extraordinary general meeting or a class meeting:

- (1) Shareholders individually or jointly holding 10% or more (including 10%) of the Shares carrying the right to vote at the meeting proposed to be held for 90 consecutive days or more may sign one or more written request(s), the form and substance of which being the same, to propose to the Board for holding an EGM or a class meeting, and shall list out clearly the agenda of the meeting in the request. The Board shall, upon receipt of the aforesaid written request, decide whether to convene an EGM or a class meeting within 10 days of receiving the request, and provide a written reply to the shareholders. The shareholdings mentioned above shall be calculated on the date when the Shareholders make such written request.
- (2) If the Board disagrees with convening the EGM or the class meetings, or does not serve a notice of such meeting within 30 days upon receipt of the aforesaid written request, Shareholders individually or jointly holding 10% or more (including 10%) of the Company's shares carrying the right to vote at the meeting proposed in 90 consecutive days or more may sign one or more written request(s), the form and substance of which being the same, to propose to the Audit Committee for holding an extraordinary general meeting or a class meeting, and shall list out clearly at the agenda of the meeting in the request. The Audit Committee shall, upon receipt of the aforesaid written request, decide whether to convene an EGM or a class meeting within 10 days of receiving the request, and provide a written reply to the shareholders.
- (3) If the Audit Committee disagrees with convening the EGM or the class meetings, or does not serve a notice of such meeting within 30 days upon receipt of the aforesaid written request, the Shareholders making such request may convene shareholders' meeting by themselves within four months upon receipt of the request by the Audit Committee, and the procedures for convening such meeting shall be as similar to those for convening a shareholders' meeting by the Board as possible.

Any reasonable cost incurred in connection with the convening and holding of the meeting by the Shareholders themselves as result of the failure on the part of the Board and the Audit Committee to hold such meeting as required above shall be borne by the Company, and shall be deducted from the amount due to the Directors and members of the Audit Committee of the Company who are in default.

Article 61. The shareholders' meeting shall be convened by the board of directors and the Chairman of the board of directors shall be the Chairman of the meeting and preside the meeting. If the Chairman is unable or fails to perform his duties, a director elected by more than half of the board of directors may designate a director to serve as the chairman of the meeting and preside the meeting.

Article 62. A shareholders' meeting shall keep minutes for the decisions about the matters discussed at the meeting. The chairman and directors present at the meeting shall sign on the minutes. The minutes of the meeting shall be kept together with the shareholders' attendance lists, proxy forms, and the valid information on the votes cast by way of internet and by other means.

Article 63. If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 64. Those shareholders who hold different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Company's Articles of Association.

Article 65. Rights conferred on any class of shareholders may not be varied or abrogated save with the approval of a special resolution of shareholders in the shareholders' meeting and by holders of shares of that class at a separate meeting convened in accordance with Articles 67 to 71.

Article 66. The following circumstances shall be deemed to be variation or abrogation of the rights attaching to a particular class of shares:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting or distribution rights or privileges equal or superior to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4) to reduce or remove preferential rights attached to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;

- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting or distribution rights or privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;
- (9) to allot and issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders;
- (12) to vary or abrogate the provisions of this Chapter.

Article 67. Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' meetings, have the right to vote at class meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 66, but interested shareholder(s) shall not be entitled to vote at such class meetings.

“(An) interested shareholder(s)”, as such term is used in the preceding paragraph, means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a stock exchange, ” (an) interested shareholder(s)” means a controlling shareholder, that is, a person who meets one of the following conditions:
 - ① a person who holds more than 50 percent of the total issued shares of the Company;
 - ② a person who holds not more than 50 percent of the total issued shares of the Company, but the voting rights of the shares held have a material influence on the resolution of the shareholders' meeting;
 - ③ a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;
 - ④ a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the Company's voting rights;

- ⑤ a person who, acting alone or in concert with others, holds 30% or more of the outstanding shares of the Company;
 - ⑥ a person who, acting alone or in concert with others, has de facto control of the Company in any other way.
- (2) in the case of a repurchase of shares, a holder of the shares to which the proposed agreement relates;
 - (3) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 68. Resolutions of a meeting of shareholders of different categories may be passed only by more than two-thirds of the voting rights of that category represented at the meeting in accordance with Article hereof.

Article 69. Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders with reference to the timeline for the issue of notice for convening a shareholders' meeting as specified in the Articles of Association. Such notice shall give such shareholders notice of the matters to be considered at such meeting, the date and the place of the class meeting.

Article 70. Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' meetings. The provisions of the Company's Articles of Association relating to the manner for the conduct of shareholders' meetings are also applicable to class meetings.

Article 71. Apart from the holders of other classes of shares, the holders of the Domestic shares and holders of Overseas listed foreign shares shall be deemed to be holders of different classes of shares. The special procedures for approval by a class of shareholders shall not apply in the following circumstances:

- (1) where the Company issues, upon the approval by special resolution of its shareholders in a shareholders' meeting, either separately or concurrently once every twelve (12) months, not more than 20% of each of its existing issued Domestic shares and Overseas listed foreign shares; or
- (2) where the Company's plan to issue Domestic shares and Overseas listed foreign shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the CSRC; or

- (3) upon approval or filing from the securities regulatory authorities of the State Council, the holders of the Domestic shares of the Company transferring their shares to Overseas investors or converting their shares into overseas listed foreign shares, and list and trade such shares on an overseas securities exchange.

CHAPTER 10: PARTY COMMITTEE

Article 72. The Company has established the Committee of the Communist Party of China in Beijing Jingkelong Company Limited (the “Jingkelong Party Committee”) and the Discipline Inspection Committee of the Communist Party of China in Beijing Jingkelong Company Limited (hereinafter referred to as the “Jingkelong Discipline Inspection Committee”). In principle, the positions of the chairman and the secretary of the Party Committee shall be held by one person, and there shall be a full-time deputy secretary responsible for party building. The Company adheres to and improves the leadership system of “two-way entry and cross-serving”, and qualified members of the Party committee team can enter the board of directors and managers through legal procedures, and qualified Party members of the board of directors and managers can enter the Party Committee in accordance with relevant regulations and procedures.

Article 73. The number of secretaries, deputy secretaries and members of the Party Committee and the Discipline Inspection Committee of the Company shall be set up according to the approval of the district SASAC Party Committee and shall be elected. When the Party Member Congress (or Party Representative Congress) is not in session, the superior Party organizations may appoint the secretary of the Party Committee, deputy secretary and secretary of the Discipline Inspection Committee when it deems necessary.

Article 74. The party committee of the Company shall play a political leadership role to ensure the Company to fully implement the guidelines, policies and significant deployment of the Party and the State. For any significant decision of the Company to be made by the Board, opinions from the party committee and the management of the Company shall be sought first.

Article 75. The Party committee of the Company shall perform its duties in accordance with the “Constitution of the Communist Party of China”, the Regulations on the Work of Grassroots Organizations of State-owned Enterprises of the Communist Party of China (Trial Implementation) and other intra-party regulations.

- (1) Strengthen the political work of the Party in enterprise, adhere and imply the fundamental system, basic system and important system of socialism with Chinese characteristics, educate and guide all Party members in their political positions, political directions, political principles, and political paths staying closely aligned with the Central Committee which as the core of Xi Jinping in Party Central Committee;

- (2) In-depth study and implementation the Thought on Socialism with Chinese Characteristics for a New Era by Xi Jinping, study and publicize the Party's theory, implement the line, principles and policies of the implementation sense, supervise and ensure the implementation of the major decisions of the Party Central Committee and the resolutions of the superior party organizations in the enterprise;
- (3) To study and discuss major business management matters of the enterprise, and support the shareholders' meeting, the board of directors, the Audit Committee and the management in exercising their functions and powers according to law;
- (4) Strengthen the leadership and gatekeeping role in the process of selection and appointment of personnel of the enterprise, and the building of the leadership team, cadre and talents team of the enterprise;
- (5) To fulfill the main responsibility of the construction of party conduct and clean government in enterprises, lead and support the internal discipline inspection organization to perform the responsibilities of supervision, discipline enforcement and accountability, strictly enforce political discipline and political rules, and promote the extension of comprehensive and strict Party governance to the grassroots;
- (6) Strengthen the building of grass-roots Party organizations and Party members, unite and lead the workers and workers to actively participate in the reform and development of enterprises;
- (7) To lead the ideological and political work of the enterprise, the construction of spiritual civilization, the united front work, and to lead the enterprise trade union, the Communist Youth League, women's organizations and other group organizations.

Article 76. The party committee of the Company shall assume the full responsibility for strengthening the Party's discipline.

CHAPTER 11: BOARD OF DIRECTORS

Article 77. The Company shall have a board of directors. The board of directors shall consist of nine (9) directors. Outside directors (meaning directors who do not hold office in the Company hereinafter) shall account for more than one half of the total number of directors, of which at least three shall be independent non-executive directors (meaning directors who are independent from the Company's shareholders and do not hold office in the Company).

Non-executive/independent non-executive directors must have sufficient time and necessary knowledge to fulfill its responsibilities. Company must provide relevant informations. Independent non-executive directors may report to the shareholders' meeting, CSRC and other administrations.

The Company's board of directors has one employee representative, and the employee representative on the board of directors is democratically elected by the Company's employees through the employee representative meeting.

The board of directors shall have one (1) Chairman.

Article 78. Directors (excluding the employee representative director) shall be elected at shareholders' meetings, the term of office of Directors shall be three (3) years and may be re-elected upon the expiry of the term.

Subject to compliance with the Listing Rules and other laws and regulations, the minimum length of the period, during which notice to the Company of the intention to propose a person for election as a Director, and during which notice to the Company by such person of his willingness to be elected may be given, will be at least seven (7) days and the period for lodgment of the notices to the Company of the intention to propose a person for election as a Director will commence no earlier than the day after the dispatch of the notice of the shareholders' meeting appointed for such election and end no later than seven (7) days prior to the date of such shareholders' meeting. The above notice takes effect upon arrival at the Company's address mentioned in Article 3.

The Chairman shall be elected and removed by half of the Directors, the term of office of the Chairman shall be three (3) years and may be re-elected upon expiry of the term.

A Director could be removed before the expiration of his term of office by way of an ordinary resolution passed in the shareholders' meeting provided that the relevant laws and regulations are complied with. However, the Director's right to claim for damages which arise from his removal shall not be affected thereby.

The Directors are not required to hold shares in the Company.

Article 79. Directors must act in good faith for the benefits of the company in general. They must exercise their powers for their proper purposes under relevant law and regulations, protect the interest of minority shareholder.

Article 80. Director and chairman shall not be removed within their term of office. If they have to be removed, it should in accordance with the provisions of laws, administrative regulations or the company's articles of association, disclosed to the public.

If the number of the members of the board of directors is less than the quorum due to the resignation of some directors from the board of directors prior to the expiry of their term of office, the original directors shall, before the newly elected directors take office, continue to perform his duties as a director according to the laws, administrative regulations, as well as these Articles of Association.

Where a director resigns, he shall notify the Company in writing, and the resignation shall take effect on the day the Company receives the notice, however, if the circumstances specified in the preceding paragraph exist, the director shall continue to perform his duties.

Article 81. The board of directors is accountable to in the shareholders' meeting to perform the duties of formulating strategies, making decisions and preventing risks, and exercises the following functions and powers:

- (1) to be responsible for the convening of the shareholders' meeting and to report on its work to the shareholders in the shareholders' meetings;
- (2) to implement the resolutions passed by the shareholders in the shareholders' meetings;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's profit distribution proposal and loss recovery proposal; to formulate the plans for profit distribution and making up losses of the Company;
- (5) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures;
- (6) to formulate the Company's proposals and plans for merger, division or dissolution of the Company and change the form of the Company;
- (7) to decide on the establishment of the Company's internal management structure;
- (8) to appoint or remove the Company's general manager and to appoint or remove the deputy general managers and his/her remuneration, and financial deputy general manager of the Company and other senior management, based on the recommendations of the general manager and to decide on their remuneration and method of the payment;
- (9) to formulate the basic management structure of the Company;
- (10) to formulate proposals for any amendment of the Company's Articles of Association;
- (11) draw up the Company's proposals and plans for the material purchase or sale;
- (12) to exercise company's power of raising fund and borrowing, deciding matters such as external investment and external guarantees in accordance with provision of law, regulations and the article;
- (13) to exercise other functions and powers granted by the shareholders' meeting and the article.

Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (5), (6) and (10) of this Article which shall be passed by the affirmative vote of more than two-thirds of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative vote of more than half of the directors.

When the board of directors decides on major issues of the Company, it shall listen to the opinions of the Party Committee of the Company in advance.

Board shall exercise any rights which has not designated to shareholders' meeting by the article. Board shall observe the article and resolutions by the shareholders' meeting, only those resolutions shall not void board previous conducts.

Article 82. The Chairman of the board of directors shall exercise the following powers:

- (1) to preside over shareholders' meetings and to convene and preside over meetings of the board of directors;
- (2) to supervise and to check on the execution of resolutions passed by the board of directors at directors' meetings;
- (3) to exercise other powers conferred by the board of directors.

When the Chairman is unable to exercise his powers, such powers shall be exercised by a director elected by more than half of the directors.

Article 83. The meeting of a Board of Directors shall be convened and presided over by the chairman of the board at least twice a year; at least 14 days notice should be given to all directors.

Shareholders represent 10% or more of voting rights, more than one third directors, may propose to hold an extraordinary board meeting. Board shall convene and holding meeting within 10 days after receiving a proposal.

When the Chairman deems it is necessary, or when proposed by the Party Committee the extraordinary board meeting may be convened.

The extraordinary board meeting shall not be limited to announcement in paragraph 1 of this article.

In principle, meetings of directors shall be held at the Company's address.

The meetings of the board of directors shall be conducted in Chinese.

Article 84. The time and address of the regular meeting of the Board of Directors shall be notified to all the directors by announcement, and the extraordinary meetings shall be notified to all the directors by electronic means.

Board members may use telephonic or video conferencing to join a board meeting without physically attending. Where board members can hear and talk to each other.

Article 85. A board meeting normally needs a quorum of more than half of total directors. Including one director (proxy) who was appointed by other directors (appointers) as proxy in writing.

Each director shall be entitled to one vote. Resolutions of the board meeting must be passed by more than half of all the directors. If laws, regulations or the Articles of Association have higher requirements on the adoption ratio of resolutions of the Board of directors, such provisions shall prevail.

Article 86. Meetings of the board of directors shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he may entrust in writing another director with attending the meeting on his behalf. The instrument of entrustment shall specify the scope of authority.

If a director of the Company has related party relationship with an enterprise or individual involved in the matter to be resolved at the meeting of the board of directors, the director shall report to the board of directors in writing in a timely manner. The director with the related party relationship shall not vote on the resolution, nor may he vote on behalf of any other director. The meeting of the board of directors shall not be held unless more than half of the directors without related party relationships are present at the meeting. A resolution of the board of directors shall be adopted by more than half of the directors without related party relationships. If the number of directors without related party relationships present is less than 3, the matter shall be submitted to the shareholders' meeting of the Company for consideration.

Article 87. The board of directors shall keep minutes of its decisions on the matters examined at their meetings, the opinions and written proposals of the independent non-executive Directors shall be recorded in the minutes of the meeting. The directors attending a meeting and the person taking minutes shall sign the minutes of that meeting. The directors shall bear liability for the decisions of the board of directors. The views expressed by the independent non-executive Directors shall be set out in the board minutes and resolutions. Where a resolution of the board of directors is in violation of laws, administrative regulations or the Company's Articles of Association or the resolutions of the shareholders' meetings, thereby causing serious losses to the Company, the directors who took part in the resolution shall be liable to the Company for damages. However, where a director can prove that he expressed his opposition to such resolution when it was put to the vote, and that such opposition was recorded in minutes of the meeting, the director may be relieved from such liability.

Article 88. The board of directors consists of three special committees, namely the Audit Committee (also known as the Audit Committee), the Nomination Committee and the Remuneration Committee. The board of directors may, in accordance with the regulatory provisions amended from time to time and the actual needs of the Company, establish a number of special committees of the board of directors to conduct research on specialised matters, provide advice and recommendations as references for the Board of Director's decision. The members of the special committees of the board of directors shall all be composed of directors. The members of the special committees shall serve a term of three years in general, and the term of office shall be consistent with that of the directors.

CHAPTER 12: SECRETARY OF THE BOARD OF DIRECTORS

Article 89. The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company.

Article 90. The secretary of the board of directors shall be responsible for preparing the shareholders' meeting and Board meeting, minutes of the meetings, keeping documents, managing the information of shareholders of the Company, dealing with information disclosure related matters, etc.

Article 91. The Company may appoint company secretary who comply with Stock Exchange's requirement to managing company affairs if shares listed in Stock Exchange.

CHAPTER 13: GENERAL MANAGER

Article 92. The Company shall have a general manager who shall be appointed or dismissed by the board of directors. The Company shall have several deputy general managers and one financial deputy general manager who shall assist the General Manager. The deputy general managers and financial deputy general manager shall be nominated by the general manager and appointed or dismissed by the board of the directors. Employment period commencing with the board period.

General manager, vice general manager and financial controller are senior management of the company.

The senior management of the Company shall be responsible for business operation, decision implementation and management improvement

Article 93. The general manager shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the board of directors, and to report to the board of directors;

- (2) to organize the implementation of the Company's annual business plan and investment proposal;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to propose the appointment or dismissal of the deputy general managers and financial deputy general manager of the Company;
- (6) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (7) to draft plans for the establishment of the Company's branch organizations;
- (8) other powers conferred by the Company's Articles of Association or the board of directors.

Article 94. The general manager who is not a director shall be entitled to attend meetings of the board of directors. The general manager who is not a director does not have any voting rights at board meetings.

CHAPTER 14: THE AUDIT COMMITTEE

Article 95. An audit committee shall be established under the board of directors. The Company shall no longer have supervisors or supervisory committee in place.

Article 96. The audit committee consists of three independent non-executive directors and the chairman (convenor) shall be an independent non-executive Director with appropriate accounting or related financial management expertise.

Article 97. The audit committee shall perform its duties in accordance with the Terms of Reference of the Audit Committee and the Company Law.

Article 98. When the Audit Committee makes a resolution, it shall be approved by more than half of all the members of the Audit Committee.

Article 99. For the voting on a resolution of the Audit Committee, each member of the Audit Committee shall have one vote only.

CHAPTER 15: THE NOMINATION COMMITTEE

Article 100. A Nomination Committee shall be established under the Board of Directors.

Article 101. The nomination committee shall be composed of three members, the majority of whom shall be independent non-executive Directors, and the Chairman (convenor) of the committee shall be an independent non-executive Director. At least one member of the nomination committee shall be a Director of a different gender.

Article 102. The nomination committee shall perform its duties in accordance with the Terms of Reference of the Nomination Committee and the Company Law.

Article 103. When the nomination committee makes a resolution, it shall be approved by more than half of all the members of the nomination committee.

Article 104. For the voting on a resolution of the nomination committee, each member of the nomination committee shall have one vote only.

CHAPTER 16: THE REMUNERATION COMMITTEE

Article 105. A Remuneration Committee shall be established under the board of directors.

Article 106. The remuneration committee shall be composed of three members, the majority of whom shall be independent non-executive Directors, and the Chairman (convenor) of the committee shall be an independent non-executive Director.

Article 107. The remuneration committee shall perform its duties in accordance with the Terms of Reference of the remuneration committee and the Company Law.

Article 108. When the remuneration committee makes a resolution, it shall be approved by more than half of all the members of the remuneration committee.

Article 109. For the voting on a resolution of the remuneration committee, each member of the remuneration committee shall have one vote only.

CHAPTER 17: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, GENERAL MANAGER AND OTHER SENIOR OFFICERS OF THE COMPANY

Article 110. A person may not serve as a director or general manager or any other senior officer of the Company if any of the following circumstances apply:

- (1) a person who does not have or who has limited capacity for civil conduct;

- (2) a person who has been sentenced to criminal punishment due to an offense of corruption, bribery, misappropriation of property or diversion of property or disrupting the order of the socialist market economy, or deprived of political rights for committing a crime, and where not more than five years have elapsed since the expiration of the period of punishment, or two years have not elapsed since the expiration of the probation period for suspended sentence, if applicable;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise and three (3) years not elapsed since the date of the completion of its bankruptcy and liquidation;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of law and which was ordered to close due to a violation of the law and who are personally liable therefor and three (3) years have not elapsed since the date of the revocation of the business license thereof or the order for its closure;
- (5) a person who has a relatively large amount of debts which have become overdue and was listed as a dishonest party subject to enforcement by the people's court.

Where any director or any general manager is elected or appointed, manager or senior manager is employed in violation of the provisions in the preceding paragraph, such elections, appointments, or employment shall be invalid.

In the event that the circumstances stipulated in the preceding paragraph arise during the term of appointment of directors, general manager or senior management, the Company shall dismiss the appointment.

Article 111. Directors and officers shall have a duty of loyalty to the Company, and take measures to avoid conflicts between their own interests and the interests of the Company, and shall not use their powers to pursue improper interests.

Directors, supervisors, and senior managers shall have an obligation of diligence to the company, and exercise reasonable care that managers shall ordinarily exercise, in the best interests of the company in performing their duties.

Article 112. The directors and senior managers shall comply with the laws, administrative regulations, and these Articles of Association.

Article 113. No director or senior manager may commit any of the following acts:

- (1) Embezzling Company property and misappropriating the Company's funds;
- (2) Depositing the Company's fund into an account under his own name or any other individual's name;
- (3) Taking advantage of his power to accept bribes or other illegal income;
- (4) Taking commissions on the transactions between others and the Company as his own;
- (5) Disclosing the Company's confidential information without authorization;
- (6) Other acts inconsistent with the obligation of fidelity to the Company.

Article 114. Where the Company intends to invest in any other enterprise or provide guarantee for others, the Company shall make a resolution through the board of directors or the shareholders' meeting. Except for the matters that are required to be approved by the shareholders' meeting under these Articles of Association, all other matters shall be approved by the resolution of the Board of directors.

If the Company intends to provide guarantee to a shareholder or actual controller of the Company, it shall make a resolution through the shareholder's meeting.

The shareholder as mentioned in the preceding paragraph or the shareholder controlled by the actual controller as mentioned in the preceding paragraph shall not participate in voting on the matters as mentioned in the preceding paragraph. Such matters shall be passed by resolution of more than half of the other shareholders attending the meeting.

Article 115. The income received by any director or senior manager in violation of Articles 181 to 184 of the Company Law shall belong to the Company.

Article 116. If the shareholders' meeting requires a director or senior manager to attend the meeting, the director or senior manager shall do so and shall answer the shareholders' inquiries.

Article 117. Where any director or senior manager violates any law, administrative regulation, or the provisions of these Articles of Association during the course of performing his duties and causes loss to the Company, he shall be liable for compensation.

Article 118. Where a director or senior manager falls under the circumstances as mentioned in the preceding article, the shareholder(s) of the Company separately or aggregately holding 1% or more of the total shares of the Company for 180 consecutive days or more may request in writing the audit committees to initiate proceedings in the people's court. If a member of the audit committees falls under the circumstance as mentioned in the preceding article, the aforesaid shareholder(s) may request in writing the board of directors to initiate proceedings in the people's court.

Article 119. The remuneration assessment methods for directors and senior management of the Company shall be determined by the regulatory authority, the shareholders' meeting, the board of directors and the remuneration committee of the board of directors respectively in accordance with their respective terms of reference and relevant regulations.

CHAPTER 18: DEMOCRATIC MANAGEMENT OF WORKERS AND LABOR PERSONNEL SYSTEM

Article 120. The Company shall exercise democratic management in accordance with the "Constitution of the People's Republic of China" and relevant laws. The company shall establish trade union organizations according to law, carry out trade union activities, and safeguard the legitimate rights and interests of employees. The Company shall provide the necessary conditions for the activities of the trade union organization.

The Company shall establish and improve the democratic management system with the workers' congress as the basic form in accordance with law, and carry out democratic management through the workers' congress or other forms.

Article 121. The Company shall abide by PRC laws, regulations, provisions on labor protection and work safety, implement relevant state policies, and protect the legitimate rights and interests of labor. The Company shall, according to PRC laws, regulations, provisions and other policies on labor and personnel, and in light of the actual situation of the Company, formulate labor and personnel relevant systems.

CHAPTER 19: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 122. The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 123. The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited by an accounting firm according to law.

Company's accounting period use calendar year. Company use RMB as booking currency. All accounts are booked in Chinese.

Article 124. The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare. Such reports must be verified and certified.

Article 125. The Company shall not keep accounts other than those required by law.

The accounts required by law shall be look by the directors.

Article 126. The Company shall publish its financial report twice in each financial year, that is, it shall disclose its annual financial report on a regular basis after the end of each financial year and its interim financial report on a regular basis after the end of the first half of each financial year in accordance with the Listing Rules and other laws and regulations.

CHAPTER 20: DIVIDENDS AND RESERVES

Article 127. All after tax profit shall be distributed as following orders:

- (1) make up losses;
- (2) Allocate statutory surplus fund;
- (3) Allocate discretionary surplus fund;
- (4) Distribute ordinary share dividend.

The specific distribution proportion mentioned in (3) and (4) are decided by the board on company's operation, also resolved by the shareholders' meeting.

Authorized by the shareholders' meeting, if sufficient earnings available, board may pay interim dividend without approval of shareholders' meeting.

Article 128. The Company shall not distribute dividend before allocating statutory surplus fund and making up losses. Company shall not paying interest for the dividend, except for dividend which already reaches maturity.

Article 129. When distributing its after-tax profits in a given year, the Company shall set aside 10% of its after-tax profits as the Company's statutory common reserve fund, and between 5% and 10% of its after-tax profits as the Company's statutory welfare fund. Where the accumulated amount of the statutory common reserve fund reaches 50% or more of the registered capital of the Company, no further contribution is required.

Article 130. After making contribution to the statutory common reserve fund from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' meeting, make contributions to discretionary common reserve funds.

Article 131. The capital surplus fund includes the following items:

- (1) premium on shares issued at a premium price;
- (2) any other income designated for the capital surplus fund by the regulations of the finance regulatory department of the State Council.

Article 132. The surplus fund of a company shall be used to make up for the company's losses or to expand production and operation of the company, or shall be converted into an increase in the company's capital. Where the reserve funds are used to make up losses, the discretionary reserve funds and statutory reserve funds shall be used in priority; if not sufficient, the capital reserve funds may be used according to regulations.

The statutory surplus fund can be converted to capital with the approval at the shareholders' meeting, the remaining amount of such surplus fund shall not be less than 25 percent of the registered capital prior to such conversion.

Article 133. Under limited in Article 128, Article 129, Article 130 and Article 132, if a shareholders' meeting adopts a resolution to distribute profit, the board of directors shall make distributions within six months from the date of the resolution of the shareholders' meeting.

Article 134. Company may distribute cash dividend or share dividend (or distribute both).

Ordinary share dividend or other distribution shall use RMB.

Domestic share dividend or other cash distribution shall use RMB.

H share dividend or other cash distribution are declared in RMB and paid in HK dollar comply with Chinese foreign currency regulation. The Exchange rate adopt is weighted average close rate every workday one week before the declare date. It may adopt other rate which decided by the board under certain law and regulations.

Article 135. Board may declare interim dividend with authorization by shareholders' meeting.

Article 136. When distributing dividends to its shareholders, the Company shall withhold and pay on behalf of its shareholders the taxes levied on the dividends in accordance with the provisions of the PRC tax law.

Article 137. The Company shall appoint receiving agents for holders of the Overseas listed foreign shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas listed foreign shares on such shareholders' behalf.

The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place at which the stock exchange on which the Company's shares are listed or the relevant regulations of such stock exchange.

The receiving agents appointed for holders of Overseas listed foreign shares listed in Hong Kong shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Under relevant Chinese law and regulations, company may scrip uncollected dividend (or scrip and distribute on other purposes), but this right cannot be exercised before ending of lawsuit period.

That where power is taken to cease sending dividend warrants by post, if such warrants have been left uncashed, it will not be exercised until such warrants have been so left uncashed on two consecutive occasions. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

That any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

CHAPTER 21: APPOINTMENT OF ACCOUNTANCY FIRM

Article 138. The Company shall appoint an independent and internationally well known firm of accountants which is qualified under the relevant regulations of the State to audit the Company's annual report and review the Company's other financial reports.

Article 139. The appointment of an accounting firm by the Company must be decided by the shareholders' meeting, and the board of directors may not appoint an accounting firm before the decision is made by the shareholders' meeting.

Article 140. The Company shall provide the accounting firm it appoints with truthful and complete accounting vouchers, accounting books, financial and accounting statements, and other accounting materials, and shall not refuse, conceal any of the materials, or make any false statements.

Article 141. The accountancy firm appointed by the Company shall be the Company's auditors from the conclusion of the annual general meeting of shareholders at which they were appointed until the conclusion of the next annual general meeting of shareholders.

Article 142. The shareholders in the shareholders' meeting may by ordinary resolution remove the Company's accountancy firms before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the Company's accountant firm. However, the accountancy firm's right to claim for damages which arise from its removal shall not be affected thereby.

Article 143. The remuneration of an accountancy firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in the shareholders' meeting.

Article 144. The Company's appointment, removal or non-reappointment of an accountancy firm shall be resolved by the shareholders in a shareholders' meeting.

Article 145. Prior notice should be given to the accountancy firm if the Company decides to remove such accountancy firm or not to renew the appointment hereof. Such accountancy firm shall be entitled to make representations at the shareholders' meeting. Where the accountancy firm resigns from its position, it shall make clear to the shareholders in the shareholders' meeting whether there has been any impropriety on the part of the Company.

CHAPTER 22: MERGER AND DIVISION OF THE COMPANY

Article 146. In the event of the merger or division of the Company, a plan shall be presented by the Company's board of directors and shall be approved in accordance with the procedures stipulated in the Company's Articles of Association. The Company shall then go through the relevant approval process. A shareholder who objects to the plan of merger or division made by the shareholders' meeting shall have the right to demand the Company to acquire such dissenting shareholders' shareholding.

Such special documents shall be delivered in a manner permitted under the Listing Rules to holders of Overseas listed foreign shares.

Article 147. The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Where the Company merges with a company of which it holds 90% or more of its shares, the merged company is not required to obtain approval by resolution of its shareholders' meeting, but shall notify other shareholders who have the right to request the Company to buy its equities or shares at a reasonable price.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's merger resolution and shall publish a public notice in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's merger resolution. The creditors may require the Company pay for the debt or provide corresponding guarantee during the thirty (30) days after receiving the notice or fifty-five (45) days after the public notice foresaid.

Upon the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 148. Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's division resolution and shall publish a public notice in a newspaper within thirty (30) days of the date of the Company's division resolution.

Debts of the Company prior to division shall be assumed by the companies which exist after the division in accordance with the agreement of the parties.

Article 149. The Company shall, in accordance with law, apply for change in its registration with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

CHAPTER 23: DISSOLUTION AND LIQUIDATION

Article 150. The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) upon the expiration of its term of operation;
- (2) if the shareholders' meeting resolves to dissolve the Company;
- (3) if dissolution is necessary as a result of the merger or division of the Company;
- (4) if the business licence of the Company is revoked and the Company is ordered to close or is rescinded according to law; or
- (5) if the Company is lawfully ordered to close down as a result of violation of company laws article 231 by the court.

If the Company has a cause of dissolution specified in the preceding paragraph, it shall publicize the cause of dissolution on the National Enterprise Credit Information Publicity System within ten days.

Article 151. If the Company run into situation in previous Article (1) or (2), and has not distributed property to shareholders, it may continue to exist by amending the company's articles or by resolution of the shareholders' meeting made at shareholders' meeting on amendment to the company's articles of association, shall be subject to adoption by the shareholders representing two-thirds or more of the voting rights.

Where a company is confronted with serious difficulties in operation and management, its continued existence may cause grievous losses to the interests of its shareholders and the difficulties cannot be surmounted through other channels, the shareholders holding more than 10 percent of the total number of the voting rights held by all the shareholders of the company may request a people's court to dissolve the company.

Article 152. Where a company is dissolved because of the reasons specified in Subparagraph (1), (2), (4) or (5) of Article 150, it shall, within 15 days from the date the reasons for dissolution prevail, set up a liquidation team to begin liquidation. The directors are the liquidation obligors of the Company, and the liquidation team shall be composed of directors, unless otherwise provided for by the Company's Articles of Association or a resolution of the shareholders' meeting.

Where the Company is liquidated in accordance with the preceding paragraph and fails to form a liquidation team for liquidation, or there is no liquidation after formation of a liquidation team within the specified period, an interested party may apply to the people's court to designate relevant persons to form a liquidation team for liquidation. The people's court shall accept such request and form a liquidation team to carry out the liquidation in a timely manner.

If the Company is dissolved according to the provisions of paragraph 1(4) of Article 150 of these Articles of Association, the department or company registration authority that is responsible for the revocation of its business license, order its closure, or effect abolishment may plead the people's court to designate relevant persons to form a liquidation team.

Where company has been announced bankruptcy, liquidation process shall begin based on bankruptcy law.

Article 153. The liquidation committee shall, within ten (10) days of its establishment, notify the creditors and make a public announcement on newspapers or the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days since the date of receiving a notice or within 45 days since the date of the public announcement for those who have not received a notice, report their creditors' rights to the liquidation committee.

When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide evidentiary materials. The liquidation committee shall register the creditors' rights.

During the period in which the creditors declare their rights, the liquidators shall not pay off creditors.

Article 154. During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes and the taxes incurred in the process of liquidation;
- (5) to settle claims and debts;
- (6) to distribute the assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil proceedings.

Article 155. After it has sorted out the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' meeting or to the relevant governing authority for confirmation.

After the payment of liquidation expenses with priority, the Company's assets shall be distributed in accordance with the following sequence:

- (i) salaries and labour insurance expenses of employees of the Company;
- (ii) outstanding taxes;
- (iii) debts of the Company.

Where a receiver has been appointed, no one without receiver's permission allow to allocate company's property. During the liquidation period, the Company shall not commence any new business activities.

Any surplus assets of the Company remaining after payment referred to in the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held in the following sequence:

- (1) In the case of preferential shares, distribution shall be made to holders of such preferential shares according to the par value thereof; if the surplus assets are not sufficient to repay the amount of preferential shares in full, the distribution shall be made to holders of such shares in proportion to their respective shareholdings.
- (2) In the case of ordinary shares, distribution shall be made to holders of such shares in proportion to their respective shareholdings.

Article 156. The members of a liquidation team shall perform the duty of liquidation and have obligations of fidelity and diligence.

Members of a liquidation team shall be devoted to their duties and perform their liquidation obligations according to law. Members of a liquidation team shall not take advantage of their functions and powers to accept bribes or other illegal income, or to take illegal possession of the property of the company. Where a member of the liquidation team causes losses to the company or its creditors intentionally or through gross negligence, he shall be liable for compensation.

Article 157. If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets in connection with the liquidation of the Company, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the People's Court for a declaration of insolvency.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer all matters arising from the liquidation to the trustee in bankruptcy designated by People's Court.

Article 158. Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial report, which shall be verified by a Chinese registered accountant and submitted to the shareholders' meeting or the relevant governing authority for confirmation.

The liquidation team shall, within 30 days from the date of confirmation by the shareholders' meeting or the people's court, submit the aforementioned documents to the company registration authority, apply for cancellation of the Companies registration and announce the termination of the Company.

CHAPTER 24: THE METHODS FOR ISSUING NOTICES OR PUBLIC ANNOUNCEMENTS OF THE COMPANY

Article 159. Any notices issued as "announcements" or "advertisements" under these Articles of Association shall comply with the rules of the stock exchange in the place of listing of the Company.

Subject to the applicable laws and regulations of the PRC and other relevant jurisdictions and compliance with the listing rules of the stock exchange in the place of listing of the Company, any notices, communications or other documents of the Company (hereinafter referred to as “Corporate Communication”) may be transmitted and served by electronic means of communication including, to the extent permitted by the applicable laws and regulations, by posting it on the website of the Company and/or the website of the stock exchange in the place of the listing of the Company (“Website Publication”), and the shareholders and other relevant parties shall be deemed to have consented to the transmission and service of the Corporate Communications by electronic means.

Where a relevant Corporate Communication (other than in the form of a Website Publication) is sent by electronic means of communication, it shall be deemed to have been served on the day on which it is transmitted from the server of the Company or its agent. The relevant Corporate Communication shall be deemed to have been transmitted and served by electronic means of communication once it is published in the form of Website Publication, and the date of service shall be the day on which it is so published and the shareholders and other relevant persons shall be deemed to have received such corporate communication.

CHAPTER 25: SUPPLEMENTARY

Article 160. Article is written in Chinese.

Article 161. The board of directors of the Company shall be responsible for the interpretation of these Articles of Association, and the shareholders’ meeting shall have the right to amend the Articles of Association.

Article 162. In the Articles of Association, unless the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”: the Articles of Association of the Company

“Board”: the Board of Directors of the Company

“Chairman”: Chairman of the Board of Directors of the Company

“Director(s)”: the director(s) of the Company

“Legal address”: Block No.45 Xinyuan street, Chaoyang district, Beijing, PRC.

“RMB”: Renminbi yuan, the lawful currency of the PRC

“Company secretary”: the company secretary appointed by the Board

“Stock Exchange”: The Stock Exchange of Hong Kong Limited.

“recognized registrar”: Definition referred to Article 48

“Country”, “PRC”: People’s Republic of China, which for the purposes of the Articles of Association excludes Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan

“H Share”: Definition referring to Article 18.

“Business day”: the day on which The Stock Exchange of Hong Kong Limited is open for the business of dealing in securities.

Article 163. In these Articles of Association, reference to “accountancy firm” shall have the same meaning as “auditor”.

Article 164. In these Articles of Association, reference to “Audit Committee (審計委員會)” shall have the same meaning as “Audit Committee (審核委員會)”.