

*This Appendix contains a summary of our Articles of Association. The principal objective is to provide potential investors with an overview of our Articles of Association. As the information contained below is a summary form, it does not contain all the information that may be important to potential investors. As stated in the paragraph headed “Documents Available for Inspection” in Appendix IX, a copy of the Articles of Association, together with an English translation, is available for inspection.*

Our Articles of Associations were adopted by our shareholders in the extraordinary general shareholders’ meeting held on March 9, 2004 and were approved by the CIRC on March 18, 2004. These Articles of Association will become effective on the Listing Date.

### **Directors and Other Officers**

#### ***Power to Allot and Issue Shares***

There is no provision in the Articles of Association empowering the Directors to allot and issue Shares.

To increase the capital of our Company, the Board is responsible for formulating proposals for approval at a shareholders’ general meeting by way of special resolution. Any such increase must be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

#### ***Power to Dispose of the Assets of our Company or any Subsidiary***

The Board is accountable to the shareholders’ general meeting.

The Board shall not, without the prior approval of or consent shareholders in a general meeting, dispose or agree to dispose of, any fixed assets of our Company where the aggregate sum of the amount or value of the consideration, for the proposed disposition, and the amount or value of the consideration for any such disposition of any fixed assets of our Company that has been completed in the period of four (4) months immediately preceding the proposed disposition, exceeds 33% of the value of our Company’s fixed assets as shown in the last balance sheet placed before the shareholders in general meeting.

The validity of a disposition by our Company of fixed assets shall not be affected by the breach of the above paragraph.

For the purposes of the Articles of Association, a disposition of fixed assets includes an act involving the transfer of an interest in assets but does not include the provision of fixed assets by way of security.

The Board shall carry its duties in compliance with the laws, regulations, the Articles of Association and resolutions passed by the shareholders in general meetings.

#### ***Loans to Directors, Supervisors and Other Officers***

Our Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, Supervisor, CEO or other senior executive officer of our Company or of our Company’s holding company or any of their respective associates. However, the following transactions are not subject to such prohibition:

- the provision by our Company of a loan or a guarantee of a loan to a company which is a subsidiary of our Company;

- the provision by our Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, Supervisors, CEO and other senior executive officers to meet expenditure incurred or to be incurred by him for the purposes of our Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and
- Our Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, CEO and other senior executive officers or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of our Company includes the lending of money or the giving of guarantees.

A loan made by our Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

A guarantee provided by our Company in breach of the above provisions shall be unenforceable against our Company, unless:

- (1) the guarantee was provided in connection with a loan to an associate of any of the Directors, Supervisors, CEO and other senior executive officers of our Company or of our Company's holding company and at the time the loan was advanced the lender did not know the relevant circumstances; or
- (2) the collateral provided by our Company has been lawfully disposed of by the lender to a bona fide purchaser.

For these purposes:

- (a) a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor; and
- (b) a definition of an associate as referred to in subsection Duties below applies, mutatis mutandis, to this provision.

***Financial Assistance for the Acquisition of Shares in our Company or any Subsidiary***

Subject to the exceptions in the Articles of Association, our Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance (as defined below) to a person who is acquiring or is proposing to acquire shares of our Company. The said acquirer of shares of our Company includes a person who directly or indirectly incurs any obligations (as defined below) due to the acquisition of shares. Our Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

The following activities shall not be deemed to be prohibited activities:

- the provision of financial assistance by our Company where the financial assistance is given in good faith in the interest of our Company, and the principal purpose in giving the financial assistance is not for the acquisition of Shares, or the giving of the financial assistance is an incidental part of some larger purpose of our Company;

- the lawful distribution of our Company's assets by way of dividend;
- the allotment of bonus shares as dividends;
- a reduction of registered capital, a repurchase of Shares or a reorganization of the share capital structure of our Company effected in accordance with these Articles of Association;
- the lending of money by our Company within its scope of business and in the ordinary course of its business, where the lending of money is part of the scope of business of our Company (provided that the net assets of our Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits);
- the provision of money by our Company for contributions to staff and workers' share schemes (provided that the net assets of our Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits).

For these purposes:

- (a) "financial assistance" includes (without limitation) the following meanings:
- (1) gift;
  - (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of our Company's own default) or release or waiver of any rights;
  - (3) provision of loan or any other agreement under which the obligations of our Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the novation of, or the assignment of rights arising under, such loan or agreement; or
  - (4) any other form of financial assistance given by our Company when our Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.
- (b) "incurring an obligation" includes the incurring of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

***Disclosure of Interests in Contracts with our Company or any of its Subsidiaries***

Where a Director, Supervisor, CEO or other senior administrative officer of our Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with our Company, (other than his contract of service with our Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board.

Unless the interested Director, Supervisor, CEO or other senior administrative officer discloses his interests in accordance with the Articles of Association and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, CEO or other senior administrative officer is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, Supervisor, CEO or other senior executive officer is materially interested is voidable at the instance of our Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, CEO or other senior administrative officer.

For these purposes, a Director, Supervisor, CEO or other senior executive officer of our Company is deemed to be interested in a contract, transaction or arrangement in which an associate of him is interested.

Where a Director, Supervisor, CEO or other senior executive officer of our Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by our Company, such notice shall be deemed for the purposes of this paragraph to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of our Company.

### ***Remuneration***

The remuneration of Directors must be approved by shareholders in general meeting.

### ***Appointment, Removal and Retirement***

The term of office of the Chairman and the other Board members shall be three years. If the term of appointment of a director expires and he is re-elected, the director may be reappointed for consecutive terms.

Directors shall be elected and removed by the shareholders in general meeting (provided that the shareholders in general meeting complying with the laws and regulations and subject to claims under any contract). The procedures for the nomination, election and appointment of Directors are set forth below:

- (1) Subject to the maximum number of Directors prescribed in the articles of association, candidates for Directors are nominated by the Board;
- (2) The nominations committee will review the qualifications of the candidates for the Directors and make its recommendation to the Board for discussion. After receiving the Board's approval, such candidates shall be referred to the shareholders' meeting for consideration by way of a written resolution. The Board shall provide some basic background information, including the resumes, of the candidates to the shareholders.
- (3) The shareholders' meeting shall hold a vote on the election of each candidate separately.

- (4) If any alternative Director is to be appointed, a resolution shall be raised by the Board at the shareholders' meeting for the shareholders' consideration.

In addition to these procedures, shareholders holding five percent or more of the total number of the Company's voting shares are entitled to make new proposals in writing to the Company and have such proposals included in the meeting agenda a shareholders' general meeting. As a result, a shareholder holding five percent or more of the total number of the Company's voting shares has the right to nominate the candidate to be elected as a Director through a written proposal and have such proposal considered at the shareholders' general meeting.

The appointment of a director nominated under the above paragraph shall take effect when the shareholders resolutions effecting such appointment is passed.

The Board shall consist of nineteen Directors, of which one to three shall be independent non-executive Directors. The Board shall have one chairman and one or two vice-chairmen. The chairman and vice-chairman shall be elected and removed by a majority of all of the Directors. A Director is not required to hold shares of our Company.

A person may not serve as a Director, Supervisor, CEO and any other senior executive officer of our Company if any of the following circumstances apply:

- a person without legal or with restricted legal capacity;
- a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;
- a person who is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation because of mismanagement and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- a person who is a former legal representative of a company or enterprise which had its business license revoked due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license;
- a person who has a relatively large amount of debts due and outstanding;
- a person who is under criminal investigation or prosecution by judicial organization for violation of the criminal law which investigation or prosecution is not yet concluded;
- a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- a non-natural person; or
- a person convicted of the contravention of provisions of relevant securities regulations by a relevant government authority, and such conviction involves a

finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction.

The validity of an act of a Director, Supervisor, CEO or other senior executive officer on behalf of our Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

### ***Borrowing Powers***

On condition of compliance with applicable laws and regulations of the PRC, our Company has the power to raise and borrow money, which power includes, without limitation, the issue of debentures, the charging or mortgaging of part or whole of our Company's business or properties and other rights permitted by PRC laws and administrative regulations. The Articles of Association do not contain any specific provision in respect of the manner in which borrowing powers may be exercised by the Directors nor do they contain any specific provision in respect of the manner in which such powers may be varied, other than: (a) provisions which give the Directors the power to formulate proposals for the issuance of debentures by our Company; and (b) provisions which provide that the issuance of debentures must be approved by the shareholders in a general meeting by way of a special resolution.

### ***Duties***

In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges on which Shares are listed, each of our Company's Directors, Supervisors, CEO and other senior executive officers owes a duty to each shareholder, in the exercise of the functions and powers of our Company entrusted to him:

- not to cause our Company to exceed the scope of the business stipulated in its business license;
- to act honestly in the best interest of our Company;
- not to expropriate in any guise our Company's property, including (without limitation) usurpation of opportunities advantageous to our Company;
- not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of our Company submitted to shareholders for approval in accordance with the Articles of Association.

Each of our Company's Directors, Supervisors, CEO and other senior executive officers owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Each of our Company's Directors, Supervisors, CEO and other senior executive officers shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

- to act honestly in the best interests of our Company;
- to exercise powers within the scope of his powers and not to exceed those powers;



- to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in general meeting, not to delegate the exercise of his discretion;
- to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- except in accordance with the Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with our Company;
- without the informed consent of shareholders given in general meeting, not to use our Company's property for his own benefit;
- not to exploit his position to accept bribes or other illegal income or expropriate our Company's property by any means, including (without limitation) opportunities advantageous to our Company;
- without the informed consent of shareholders given in general meeting, not to accept commissions in connection with our Company's transactions;
- to abide by the Articles of Association, faithfully execute his official duties and protect our Company's interests, and not to exploit his position and power in our Company to advance his own private interests;
- not to compete with our Company in any form unless with the informed consent of shareholders given in general meeting;
- not to misappropriate our Company's funds or lend such funds to others, not to open accounts in his own name or other names for the deposit of our Company's assets and not to provide a guarantee for debts of a shareholder of our Company or other individual(s) with our Company's assets; and
- unless otherwise permitted by informed shareholders in general meeting, to keep in confidence information acquired by him in the course of and during his tenure and not to use the information other than in furtherance of the interests of our Company, save that disclosure of such information to the court or other governmental authorities is permitted if; (i) disclosure is made under compulsion of law; (ii) the interests of the public require disclosure; (iii) the interests of the relevant Director, Supervisor, CEO or other senior executive officer require disclosure.

Each Director, Supervisor, CEO or other senior executive officer of our Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

- (1) the spouse or minor child of that Director, Supervisor, CEO or other senior executive officer;
- (2) a person acting in the capacity of trustee of that Director, Supervisor, CEO or other senior executive officer or any person referred to in the preceding paragraph;
- (3) a person acting in the capacity of partner of that Director, Supervisor, CEO or other senior executive officer or any person referred to in paragraphs (1) and (2) above;

- (4) a company in which that Director, Supervisor, CEO or other senior executive officer, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above and other Directors, Supervisors, CEO and other senior executive officers have a de facto controlling interest; and
- (5) the Directors, Supervisors, CEO and other senior executive officers of the controlled company referred to in the preceding paragraph.

The fiduciary duties of the Directors, Supervisors, CEO and other senior executive officers of our Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of our Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and our Company are terminated.

In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, manager or other senior administrative officer of our Company is in breach of his duties to our Company, our Company has a right to:

- claim damages from the Director, Supervisor, CEO or other senior executive officer in compensation for losses sustained by our Company as a result of such breach;
- rescind any contract or transaction entered into by our Company with the Director, Supervisor, CEO or other senior executive officer or with a third party (where such third party knows or should know that there is such a breach of duties by such Director, Supervisor, CEO or other senior executive officer);
- demand an account of the profits made by the Director, Supervisor, CEO or other senior executive officer in breach of his duties;
- recover any funds received by the Director, Supervisor, CEO or other senior executive officer to the use of our Company, including (without limitation) commissions; and
- demand payment of the interest earned or which may have been earned by the Director, Supervisor, CEO or other senior executive officer on the funds that should have been paid to our Company

Subject to the Articles of Association, a Director, Supervisor, CEO or other senior executive officer of our Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

***Right of directors to be indemnified by the Company***

To the extent permitted under applicable laws and regulations and subject to the Articles of Association, the Company can purchase and maintain insurance against any liability for any director of the Company and will indemnify every director out of its own assets against any liability incurred by him as a director in defending any civil or criminal proceedings which relate to anything done or omitted, or claimed to have been done or omitted, by him as a director of



the Company (excluding however anything done or omitted by a director involving any gross negligence or misconduct or fraud on the part of a director);

- in which judgment is given in his favor;
- in which he is acquitted; or
- in connection with any application under any legislation for relief from liability in respect of any such act or omission where relief is granted to him by the court.

### **Alterations to Constitutional Documents**

Our Company may amend its Articles of Association in accordance with the requirements of law, administrative regulation and the Articles of Association.

Amendments to the Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approvals by the companies approving department authorized by the China Insurance Regulatory Commission and Securities Authority of the State Council. If there is any change relating to the registered particulars of our Company, application shall be made for registration of the changes in accordance with law.

### **Variation of Rights of Existing Shares or Classes of Shares**

Rights conferred on any class of shareholders in the capacity of shareholders (“class rights”) may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with the Articles of Association.

Subject to all relevant PRC laws and regulations, shares of the same class of a PRC domestic joint stock limited company shall have the same rights and benefits. Under the PRC Insurance Law, any acquisition of shares that results in the holder, including any H Share holder, that owns, directly or indirectly, 10% or more of our issued and outstanding Shares requires the prior approval of the CIRC. Our Articles of Association provide that, without the prior approval of the CIRC, any shareholder that owns, directly or indirectly, more than 10% or such percentage as specified by the CIRC from time to time, whichever is higher, of our issued and outstanding Shares will not be able to exercise, with respect to the amount of Shares held by such shareholder that is in excess of the applicable ownership limitations, the right to vote at the general or class meeting of our shareholders or to nominate directors and supervisors. If a shareholder has obtained the prior approval of the CIRC and then acquired Shares of our Company that results in the shareholder owning, directly or indirectly, more than 10% of our issued and outstanding Shares, such shareholder will be able to exercise all the rights associated with respect to all of the Shares owned by such shareholder, including the right to vote at the general or class meeting of our shareholders or to nominate directors and supervisors.

The following circumstances shall be deemed to be variation or abrogation of the class rights of a class:

- (1) to increase or decrease the number of shares of such class, or increase or decrease the number of shares of class having voting or equity rights or privileges equal or superior to those of the shares of such class;

- (2) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;
- (4) to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;
- (5) to add, remove or reduce conversion privileges, options, voting rights, transfer or preemptive rights, or rights to acquire securities of our Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by our Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having voting or equity right or privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or add to such restriction;
- (9) to allot and issue rights to subscribe for, or convert into, shares in our Company of such class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure our Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring; and
- (12) to vary or abrogate provisions in the Articles of Association.

Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) above, but interested shareholder(s) (as defined below) shall not be entitled to vote at class meetings.

Resolutions of a class of shareholders shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class represented at the relevant meeting who are entitled to vote at class meetings.

Written notice of a class meeting shall be given forty-five (45) days before the date of the class meeting to notify all of the shareholders in the share register of the class of the matters to be considered, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply concerning attendance at the class meeting to our Company twenty (20) days before the date of the class meeting.

If the number of shares carrying voting rights at the meeting represented by the shareholders who intend to attend the class meeting reaches one half or more of the voting shares at the class meeting, our Company may hold the class meeting; if not, our Company shall within five (5) days notify the shareholders of the class, again by public notice, of the

matters to be considered, the date and the place for the class meeting. Our Company may then hold the class meeting after such publication of such notice.

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

Meetings of any class of shareholders shall be conducted in a manner as similar as possible to that of general meetings of shareholders. The provisions of the Articles of Association relating to the manner of conducting any shareholders' general meeting shall apply to any meeting of a class of shareholders. Holders of domestic-invested shares and foreign-invested shares are deemed to be shareholders of different classes.

The special procedures for voting at a class of shareholders shall not apply in the following circumstances:

- (1) where our Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once ever twelve months, not more than 20% of each of its existing issued domestic-invested shares and overseas-listed foreign-invested shares; or
- (2) where our Company's plan to issue domestic-invested shares and overseas-listed foreign-invested Shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the Securities Authority of the State Council.

For the purposes of the class rights provisions of the Articles of Association, the meaning of "interested shareholder(s)" is:

- (1) in the case of a repurchase of Shares by offers to all shareholders or public dealing on a stock exchange, a "controlling shareholder" within the meaning of the Articles of Association;
- (2) in the case of a repurchase of Shares by an off-market contract, a holder of the Shares to which the proposed contract relates; and
- (3) in the case of a restructuring of our Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

### **Resolutions — Majority Required**

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

To adopt an ordinary resolution, votes representing more than one half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution, votes representing two-thirds or more of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

**Voting Rights (generally, on a poll and right to demand a poll)**

The ordinary shareholders of our Company have the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat. A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

At any general meeting of shareholders a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

- by the chairman of the meeting;
- by at least two shareholders entitled to vote present in person or by proxy; or
- by one or more shareholders present in person or by proxy and representing 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll be so demanded, a declaration by the chairman that a resolution has on a show of hands been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favor of or against such resolution. The demand for a poll may be withdrawn by the person who makes such demand.

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

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

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to one additional vote.

**Requirements for Annual General Meetings**

The Board shall convene an annual shareholders' meeting once each year and within six (6) months from the close of the preceding financial year.

**Accounts and Audit**

Our Company shall establish its financial and accounting system and internal audit system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

The Company will establish a committee called the "Audit Committee" which shall report and be responsible to the Board. The Audit Committee shall act within such terms of reference and shall have such responsibilities and powers as the Board may from time to time determine.

The Audit Committee shall be appointed by the Board from among the directors of the Company and shall consist of three (3) members.

The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by our Company.

Our Company's financial reports shall be made available for shareholders' inspection at our Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports.

The financial statements of our Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either International Financial Reporting Standards, or that of the overseas place where our Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be stated in an appendix to the financial statements. When our Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Any interim results or financial information published or disclosed by our Company must also be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either International Financial Reporting Standards or that of the overseas place where our Company's shares are listed.

Our Company shall publish its financial reports twice every fiscal year, that is, the interim financial report shall be published within sixty (60) days after the expiration of the first six (6) months of each fiscal year and the annual financial report shall be published within one hundred and twenty (120) days after the expiration of each fiscal year.

#### **Notice of Meetings and Business to be Conducted Thereat**

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

Our Company shall not, without the prior approval of shareholders in general meeting, enter into any contract with any person other than a Director, Supervisor, CEO or other senior executive officer whereby the management and administration of the whole or any substantial part of the business of our Company is to be handed over to such person.

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meeting shall be convened by the Board.

Under any of the following circumstances, the Board shall convene an extraordinary general meeting within two (2) months:

- when the number of Directors is less than the number of Directors required by the PRC Company Law or two-thirds of the number of Directors specified in the Articles of Association;

- when the unrecovered losses of our Company amount to one-third of the total amount of its share capital;
- when shareholder(s) holding 10% or more of our Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- when deemed necessary by the Board or as requested by the supervisory committee; or
- when at least 2 independent Directors request convening of an extraordinary general meeting.

When our Company convenes a shareholders' general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting to notify all of the shareholders in the share register of the matters to be considered and the date and the place of the meeting. A shareholder who intends to attend the meeting shall deliver his written reply concerning the attendance of the meeting to our Company twenty (20) days before the date of the meeting.

When our Company convenes a shareholders' annual general meeting, shareholders holding 5% or more of the total voting shares of our Company shall have the right to propose new motions in writing, and Our Company shall place matters in the proposed motions within the scope of functions and powers of the shareholders' general meeting on the agenda.

A shareholders' extraordinary general meeting shall not decide on those matters not stated in the notice of meeting.

Our Company shall, based on the written replies received twenty (20) days before the date of the shareholders' general meeting from the shareholders, calculate the number of voting shares represented by shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of our Company's total voting shares, our Company may hold the meeting. If not, then our Company shall within five (5) days notify the shareholders again by public notice of the matters to be considered, the place and the date for the meeting. Our Company then may hold the meeting after such publication of such notice.

A notice of meeting of shareholders shall comply with the following requirements:

- be in writing;
- specify the place, the day and the hour of the meeting;
- list out the share registration date of shareholders who are entitled to attend the meeting
- state the name and telephone number of the regular contact person of the meeting
- state the matters to be discussed at the meeting;
- provide such information and explanations as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate our Company with another, to repurchase shares, to reorganize the share capital, or to restructure



our Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;

- contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, CEO, COO or other senior executive officer in the transaction proposed and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class;
- contain the full text of any special resolution proposed to be moved at the meeting;
- contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder; and
- specify the time and place for lodging proxy forms for the relevant meeting.

Notice of shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by delivery or prepaid airmail to their addresses as shown in the register of shareholders. For the holders of Domestic Shares, notice of the meetings may be issued by way of public notice.

The public notice shall be published in one or more newspapers designated by the securities governing authority of the State Council within the interval between forty-five (45) days and fifty (50) days before the date of the meeting. After the publication of such notice, the holders of domestic-invested Shares shall be deemed to have received the notice of the relevant shareholders' general meeting. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

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

- work reports of the Board and the supervisory committee;
- plans formulated by the Board for the distribution of profits and for making up losses;
- removal of the members of the Board and members of the supervisory committee, their remuneration and method of payment;
- annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of our Company; and
- matters other than those required by the laws and administrative regulations or by the Articles of Association to be adopted by special resolution.

The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- the increase or decrease of share capital and the issue of shares of any class, warrants and other similar securities;
- the repurchase of shares of our Company;
- the issue of debentures of our Company;

- the division, merger, dissolution and liquidation of our Company;
- amendments to the Articles of Association; and
- any other matters considered by the shareholders' general meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on our Company and should be adopted by a special resolution.

The following acts or things may only be done with the prior approval of an affirmative vote of more than two-thirds of the Board and the prior affirmative approval of the shareholders of the Company holding in aggregate more than two-thirds of the total number of issued shares in the capital of the Company:

- propose or implement any acquisition or realization of assets where:
  - (i) the value of the assets being acquired or realized represents 50% or more of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; or
  - (ii) the net profit before tax and extraordinary items attributable to the assets being acquired or realized as disclosed in the latest audited accounts represents 50% or more of such net profit of the Company as disclosed in the latest audited accounts of the Company; or
  - (iii) the aggregate value of the consideration given or received represents 50% or more of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; or
  - (iv) the value of the equity capital issued as consideration by the Company represents 50% or more of the value of the equity capital previously in issue; or
  - (v) a change in control of the Company occurs through the introduction of a majority holder or group of holders of Shares;

excluding for the avoidance of doubt any transaction between the Company and its Subsidiaries.

- the entering into of any agreement or arrangement with any shareholder, director, supervisor, officer of the Company or any of their associate (as "associate" is defined below) ("connected person") but excluding:
  - (i) the acquisition or realization of consumer goods or services by the Company from or to a connected person in the ordinary and usual course of business of the Company on normal commercial terms;
  - (ii) any transaction on normal commercial terms in which the total consideration or value is or represents less than the higher of either Rmb10,000,000 or 3% of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; and
  - (iii) agreements on normal commercial terms with any shareholders pertaining to the appointment of global coordinator or other syndicate position in relation to the Company's public offering of Shares in any recognized securities exchange or pertaining to any consultancy arrangements.

“Associate” herein shall mean in relation to any person:

- (i) his spouse and any child or step child under the age of 18 years of that person;
- (ii) the trustees, acting in their capacity as such trustees, of any trust of which that person or any of his family interests is a beneficiary or in the case of a discretionary trust, is a discretionary object;
- (iii) any company in the equity capital of which that person and/or his family interests together taken are, directly or indirectly, interested so as to exercise or control the exercise of 30% or more of the voting power at general meetings or are able to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.

### **Transfer of Shares**

All the fully paid-up H Shares can be freely transferred in accordance with the Articles of Association. For H Shares listed on the HKEx, unless the requirements stipulated in the Articles of Association are met, the Board may refuse to accept any transfer documents without giving any explanation for such refusal.

The alteration and rectification of each part of the share register shall be carried out in accordance with the laws of the place where the register is maintained.

No changes in the shareholders' register due to the transfer of shares may be made within thirty (30) days before the date of a shareholders' general meeting or within five (5) days before the record date for our Company's distribution of dividends. The record date of a shareholders' meeting shall be at least four (4) business days before such shareholders' meeting.

### **Power of our Company to Purchase its Own Shares**

In accordance with the provisions of the Articles of Association, our Company may reduce its registered share capital.

Our Company may, with approval according to the procedures provided in the Articles of Association and subject to the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:

- cancellation of shares for the reduction of its capital;
- merging with another company that holds shares in our Company; and
- other circumstances permitted by laws and administrative regulations.

Our Company may, with the approval of the relevant State governing authority for repurchasing its shares, conduct the repurchase in one of the following ways:

- making a pro rata general offer of repurchase to all of its shareholders;
- repurchase shares through public dealing on a stock exchange; or
- repurchase by an off-market agreement.

Where our Company repurchases its shares by an off-market agreement, the prior sanction of shareholders shall be obtained in accordance with the Articles of Association. Our Company may release, vary or waive its rights under a contract so entered into by our Company with the prior approval of shareholders obtained in the same manner.

A contract to repurchase shares includes (without limitation) an agreement to become obliged to repurchase or an acquisition of the right to repurchase shares of our Company. Rights of our Company under a contract to repurchase its shares are not capable of being assigned.

Shares repurchased in accordance with law by our Company shall be cancelled within the period prescribed by laws and administrative regulations, and our Company shall apply to the original companies registration authority for registration of the change of its registered shares capital. The amount of our Company's registered shares capital shall be reduced by the aggregate par value of those cancelled shares.

Unless our Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares:

- where our Company repurchases shares of our Company at par value, payment shall be made out of book surplus distributable profits of our Company or out of proceeds of a fresh issue of shares made for that purpose;
- where our Company repurchases shares of our Company at a premium to its par value, payment up to the par value shall be made out of the book surplus distributable profits of our Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows: (i) if the shares being repurchased were issued at par value, payment shall be made out of the book surplus distributable profits of our Company; or (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the book surplus distributable profits of our Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by our Company on the issue of the shares repurchased nor the current amount of our Company's share premium account (including the premiums on the fresh issue);
- payment by our Company in consideration of the following shall be made out of our Company's distributable profits: (i) acquisition of rights to repurchase shares of our Company; (ii) variation of any contract to repurchase shares of our Company; and (iii) release of any of our Company's obligation under any contract to repurchase shares of our Company; and
- after our Company's registered shares capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of our Company for payment of the par value portion of the shares repurchased shall be transferred to our Company's share premium account.

**Power for Any Subsidiary of Our Company to Own Shares in our Company**

There are no provisions in the Articles of Association preventing ownership of shares in our Company by a subsidiary.

**Dividends and Other Methods of Profit Distribution**

Our Company may distribute dividends in the following manner:

- cash; or
- shares.

Dividends or other payments declared by our Company to be payable to holders of domestic-invested shares shall be declared and calculated in Renminbi, and paid in Renminbi. Those payable to holders of foreign-invested shares shall be declared and calculated in Renminbi, and paid in the local currency at the place where such foreign-invested shares are listed (if there is more than one place of listing, then the principal place of listing as determined by the Board).

Our Company shall appoint receiving agents on behalf of the H Shares to receive on behalf of such shareholders dividends declared and all other monies owing by our Company in respect of their H Shares. The receiving agents appointed on behalf of holders of the H Shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

**Proxies**

Any shareholder entitled to attend and vote at a meeting of our Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall:

- have the same right as the shareholder to speak at the meeting;
- have authority to demand or join in demanding a poll; and
- have the right to vote by hand or on a poll, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a legal entity either under seal or under the hand of a director or attorney duly authorized. 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 appointer, a notary certified copy of that power of attorney or other authority, shall be deposited at the residence of our 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 proposes to vote or the time appointed for the passing of the resolution.

If the appointer is a legal entity, its legal representative or such person as is authorized by resolution of its board of directors or other governing body to act as its representative may attend at any meeting of shareholders of our Company as a representative of the appointer.

Any form issued to a shareholder by the Directors for use by him for appointing a proxy to attend and vote at a meeting of our Company shall be such as to enable the shareholder,

according to his intention, to instruct the proxy to vote in favor of or against each resolution dealing with business to be transacted at the meeting. Such a form shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by our Company at its residence before the commencement of the meeting at which proxy is used.

### **Calls on Shares and Forfeiture of Shares**

There are no provisions in the Articles of Association relating to the making of calls on shares or for the forfeiture of shares.

### **Rights of Shareholders (including inspection of register)**

The ordinary shareholders of our Company shall enjoy the following rights:

- the right to dividends and other distributions in proportion to the number of shares held;
- the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;
- the right of supervisory management over our Company's business operations, and the rights to present proposals or to raise enquiries;
- the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- the right to obtain relevant information in accordance with the provisions of the Articles of Association, including: (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy; (ii) the right to inspect and copy, subject to payment of a reasonable charge: (a) all parts of the register of shareholders; (b) personal particulars of each of our Company's Directors, Supervisors, CEO, COO and other senior executive officers as follows: (1) present name and alias and any former name and alias; (2) principal address (residence); (3) nationality; (4) primary and all other part-time occupations; and (5) identification document and its number; (c) report on the state of our Company's share capital; (d) reports showing the number, aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by our Company since the end of the last accounting year and the aggregate amount incurred by our Company for this purpose; and (e) minutes of shareholders' general meetings;
- in the event of the termination or liquidation of our Company, to participate in the distribution of remaining assets of our Company in accordance with the number of shares held; and
- other rights conferred by laws, administrative regulations and the Articles of Association.



**Quorum for Meetings and Separate Class Meetings**

Our Company may convene a shareholders' general meeting where the number of voting shares represented by those shareholders from whom our Company has received, twenty (20) days before the meeting, notices of intention to attend the meeting reaches one half or more of our Company's voting shares; or, if not, where our Company has between fifteen (15) and twenty (20) days before the meeting publicly announced the particulars of the meeting.

Our Company may convene a class meeting where the number of voting shares represented by those shareholders from whom our Company has received, twenty (20) days before the meeting, notices of intention to attend the meeting reaches one half or more of the total number of voting shares of that class; or, if not, where our Company has between fifteen (15) and twenty (20) days before the meeting publicly announced the particulars of the meeting.

**Rights of the Minorities in Relation to Fraud or Oppression**

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which Shares of our Company are listed, a controlling shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of the shareholders generally or of some part of the shareholders of our Company:

- to relieve a Director or Supervisor of his duty to act honestly in the best interests of our Company;
- to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person), in any guise, of our Company's assets, including (without limitation) opportunities beneficial to our Company; or
- to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval in accordance with the Articles of Association.

For these purposes, a "controlling shareholder" means a person who satisfies any one of the following conditions:

- he alone, or acting in concert with others, has the power to elect more than half of the Board;
- he alone, or acting in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in our Company;
- he alone, or acting in concert with others, holds 30% or more of the issued and outstanding shares of our Company; or
- he alone, or acting in concert with others, in any other manner controls our Company in fact.

See also the Section headed "Variation of Rights of Existing Shares or Classes of Shares" above.

**Procedures on Liquidation**

Our Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- a resolution for dissolution is passed by shareholders at a general meeting;
- dissolution is necessary due to a merger or division of our Company;
- our Company is legally declared bankrupt due to its failure to repay debts due; or
- our Company is ordered to close down because of its violation of laws and administrative regulations.

The dissolution of our Company has to be approved by China Insurance Regulatory Commission.

Where the Board proposes to liquidate our Company due to causes other than where our Company has declared that it is insolvent, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of our Company, the Board is of the opinion that our Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of our Company, all functions and powers of the Board shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of our Company and the progress of the liquidation and to present a final report to the shareholders' general meeting on completion of the liquidation.

**Other Provisions Material to our Company and our Shareholders*****General Provisions***

Our Company is a joint stock limited company in perpetual existence.

The Articles of Association take effect from the date of listing on the HK Ex. From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating our Company's organization and activities, and the rights and obligations between our Company and each shareholder and among the shareholders *inter se*.

Our Company may invest in other limited liability companies or joint stock limited companies. Our Company's liabilities to an investee company shall be limited to the amount of its capital contribution to such investee company.

Upon approval of the companies approving department authorized by the State Council, our Company may, according to its need of operation and management, operate as a holding company.

Our Company may, based on its requirements for operation and development and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

Our Company may increase its capital in the following ways:

- offering new shares to non-specialty-designated investors for subscription;
- placing new shares to its existing shareholders;
- distributing new shares to its existing shareholders by way of bonus issues;
- offering new shares through capitalization of the Company's capital reserve;
- issuing convertible bonds;
- issuing shares to employer share-holding entity in accordance to lawful employee share scheme; and
- any other way permitted by law and administrative regulations.

Our Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations.

Unless otherwise provided by law or administrative regulation, shares in our Company are freely transferable and are not subject to any lien.

When our Company reduces its registered share capital, it must draw up a balance sheet and an inventory of assets. Our Company shall notify its creditors within ten (10) days of the date of our Company's resolution for reduction of share capital and shall publish a notice in a newspaper at least three times within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receiving the notice from our Company or, in the case of a creditor who does not receive the notice, within ninety (90) days of the date of the first public notice, to demand our Company to repay its debts or provide a corresponding guarantee for such debt. Our Company's registered capital after reduction shall not be less than the statutory minimum amount.

The ordinary shareholders of our Company shall assume the following obligations:

- to abide by the Articles of Association;
- to pay subscription funds according to the number of shares subscribed and the method of subscription; and
- other obligations imposed by laws, administrative regulations and the Articles of Association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.

***Secretary of the Board***

The Secretary of the Board shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board. His primary responsibilities include:

- to ensure that our Company's documents and records are complete;
- to be responsible for the organization and preparation of the documents for the Board and shareholders' general meeting, to take minutes of meetings and to ensure that the meeting policies are in conformity with the legal procedures;
- to ensure that the register of shareholders is properly maintained, to ensure that persons who are entitled to obtain our Company's records and documents can timely obtained the relevant records and documents;
- to be responsible for the organization and coordination of information disclosure, ensuring that our Company's disclosure is timely, accurate, lawful, truthful and complete; coordinate the relationship with the investors, and enhance the transparency of our Company;
- to perform other duties as stipulated under the relevant laws, regulations and the Articles of Association.

***Supervisory Committee***

Our Company shall have a Supervisory Committee. The Directors, managers and other senior executive officers shall not act concurrently as Supervisors. The Supervisory Committee shall be composed of 9 Supervisors. One of the members of the Supervisory Committee shall act as the chairman. The term of office of Supervisors shall be three years, renewable upon re-election and reappointment. The election or removal of the chairman of the Supervisory Committee shall be determined by two-thirds or more of the members of the Supervisory Committee. The chairman of the Supervisory Committee shall organize and exercise the functions and powers of the Supervisory Committee. The term of office of the chairman shall be three years, renewable upon re-election and re-appointment.

The Supervisory Committee shall comprise of representatives of shareholders, representative(s) of staff and workers of our Company and representative(s) from outsiders of the Company. The representatives of shareholders shall be elected and removed by shareholders' general meeting; the representative of workers and staff of our Company shall be elected and removed by the workers and staff of our Company democratically thereby.

The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

- to examine our Company's financial situation;
- to examine whether the Directors, CEO and other senior executive officers act in contradiction with the laws, administrative regulations and the Articles of Association;
- to demand rectification from a Director, CEO or any other senior executive officer when the acts of such persons are harmful to our Company's interest;

- to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the shareholders' general meetings and, should any queries arise, to authorize, in the name of our Company, a re-examination by the certified public accountants and practicing auditors of our Company for the time being;
- to propose to convene a shareholders' extraordinary general meeting;
- to represent our Company in negotiation with or bringing an action against a Director; and
- to exercise other powers specified in the Articles of Association.

Members of the Supervisory Committee shall be present at meetings of the Board.

***Chief Executive Officer of our Company***

Our Company shall establish an executive committee, which shall be composed of Chief Executive Officer ("CEO"), Chief Operation Officer ("COO"), Chief Financial Officer ("CFO") and a number of other members. Our CEO shall preside and lead work of the executive committee. Our Company shall have one CEO, who shall be appointed and dismissed by the Board. Each term of appointment of CEO shall be three years and may be reappointed for consecutive terms if re-elected.

Our CEO shall be accountable to the Board and exercise the following powers:

- To be in charge of our Company's operation and management and to organize the implementation of the resolutions, guidelines, policies and development plans of the Board and the Supervisory committee;
- To organize the implementation of our Company's annual business plan and investment plan;
- To draft plans for the establishment of the internal organizational structure of our Company;
- To draft our Company's basic management system;
- To formulate basic rules and regulations for our Company;
- To submit annual reports and other reports to the Board;
- To propose the appointment or dismissal of our Company Secretary of the Board, COO, CFO and other executive committee member;
- To appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;
- To propose to convene an extraordinary meeting of the Board; and
- To exercise other powers conferred by the Articles of Association and the Board.

Our CEO shall be present at meetings of the Board. However, the CEO shall have no voting rights at the meetings unless he is also a director.

Our CEO, in performing their functions and powers, shall act honestly and diligently and in accordance with laws, regulations and the Articles and Association.

***Board***

The Board is responsible to the shareholders' general meeting and exercises the following powers:

- (1) to be responsible for convening shareholders' general meetings and to report on its work to the shareholders' general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) to decide on our Company's business plans and investment plans;
- (4) to formulate our Company's proposed annual preliminary and final financial budget;
- (5) to formulate our Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for increases or reductions of our Company's registered share capital and the issue of corporate debentures;
- (7) to draw up plans for the merger, division or dissolution of our Company;
- (8) to decide on the establishment of our Company's internal management structure;
- (9) to appoint or remove our Company's CEO and, based on the recommendations of the CEO, to appoint or remove the COO, the Company Secretary, CFO and other senior officers and, to decide on their remuneration;
- (10) to formulate our Company's basic management system;
- (11) to formulate proposals for any amendment to the Articles of Association;
- (12) to determine any other important or administrative matters of our Company and to execute important agreements regarding investments, mortgages and other guarantees within the scope of authority given by the general shareholders' meeting, except for the matters as specified by the PRC Company Law or matters specifically to be determined by the shareholders' general meeting in accordance with the Articles of Association
- (13) to review reports of the CEO and to examine CEO's work; and
- (14) to exercise any other powers conferred by the shareholders in general meetings, laws, regulation and the Articles of Association.

Except for the Board's resolutions in respect of the matters specified in the above paragraphs (6), (7) and (11), which shall be passed by two-thirds or more of the Directors, the Board resolutions in respect of all other matters may be passed by more than one-half of the Directors.

The following acts or things may only be done with the prior approval of an affirmative vote of more than two-thirds of the Board and the prior affirmative approval of the shareholders



of the Company holding in aggregate more than two-thirds of the total number of issued shares in the capital of the Company:

- propose or implement any acquisition or realization of assets where:
  - (i) the value of the assets being acquired or realized represents 50% or more of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; or
  - (ii) the net profit before tax and extraordinary items attributable to the assets being acquired or realized as disclosed in the latest audited accounts represents 50% or more of such net profit of the Company as disclosed in the latest audited accounts of the Company; or
  - (iii) the aggregate value of the consideration given or received represents 50% or more of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; or
  - (iv) the value of the equity capital issued as consideration by the Company represents 50% or more of the value of the equity capital previously in issue; or
  - (v) a change in control of the Company occurs through the introduction of a majority holder or group of holders of Shares;

excluding for the avoidance of doubt any transaction between the Company and its Subsidiaries.

- the entering into of any agreement or arrangement with any shareholder, director, supervisor, officer of the Company or any of their associate (as “associate” is defined below) (“connected person”) but excluding:
  - (i) the acquisition or realization of consumer goods or services by the Company from or to a connected person in the ordinary and usual course of business of the Company on normal commercial terms;
  - (ii) any transaction on normal commercial terms in which the total consideration or value is or represents less than the higher of either Rmb10,000,000 or 3% of the book value of the net tangible assets of the Company as disclosed in the latest audited accounts of the Company; and
  - (iii) agreements on normal commercial terms with any shareholders pertaining to the appointment of global coordinator or other syndicate position in relation to the Company’s public offering of Shares in any recognized securities exchange or pertaining to any consultancy arrangements.

“Associate” herein shall mean in relation to any person:

- (i) his spouse and any child or step child under the age of 18 years of that person;
- (ii) the trustees, acting in their capacity as such trustees, of any trust of which that person or any of his family interests is a beneficiary or in the case of a discretionary trust, is a discretionary object;
- (iii) any company in the equity capital of which that person and/or his family interests together taken are, directly or indirectly, interested so as to exercise or

control the exercise of 30% or more of the voting power at general meetings or are able to control the composition of a majority of the board of directors and any other company which is its subsidiary or holding company or a fellow subsidiary of any such holding company.

Meetings of the Board shall be held at least twice every year and convened by the chairman of the Board. Notice of the meeting shall be served on all of the Directors ten (10) days before the date of the meeting. In case of any urgent matters, upon requisition by the chairman, more than one-third of the members of the Board, the Supervisory Committee or the CEO, an extraordinary meeting of the Board may be held.

Meetings of the Board shall be held only if one half or more of the Directors are present. Each Director shall have one vote. Where the number of votes cast for and against a resolution are equal, the chairman of the Board shall have the deciding vote.

### ***Accounts and Audit***

- Appointment of accounting firm.

Our Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the PRC to audit our Company's annual financial statements and review our Company's other financial reports. The first certified public accounting firm of our Company may be appointed by the inaugural meeting of our Company before the first annual general meeting and the certified public accounting firm so appointed shall hold office until the conclusion of the first annual general meeting. If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the Board.

The certified public accounting firm appointed by our Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual meeting of shareholders.

Before the convening of the shareholders' general meeting, the Board may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

The shareholders in general meeting may, by ordinary resolution, remove a certified public accounting firm before the expiration of its office, notwithstanding the stipulations in the contract between our Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

The remuneration of a certified public accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of a certified public accounting firm appointed by the Board shall be determined by the Board.

- Change and removal of accounting firm

Our Company's appointment of, removal of and non-reappointment of a certified public accounting firm shall be resolved by shareholders in general meeting.

Where it is proposed that any resolution be passed at a shareholders' general meeting concerning the appointment of a certified public accounting firm, which is not an incumbent

firm, to fill a casual vacancy in the office of the certified public accounting firm, reappointment of a retiring certified public accountants' firm which was appointed by the Board to fill a casual vacancy, or removal of the certified public accountants' firm before the expiration of its term of office, the following provisions shall apply:

- A copy of the proposal shall be sent to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post (leaving includes leaving by removal, resignation and retirement) before notice of meeting is given to the shareholders.
- If the firm leaving its post makes representations in writing and requests our Company to notify such representations to the shareholders, our Company shall (unless the representations are received too late): (i) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and (ii) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.
- If the firm's representations are not sent in accordance with the preceding paragraph, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.
- A certified public accounting firm which is leaving its post shall be entitled to attend: (i) the shareholders' general meeting at which its term of office would otherwise have expired; (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and (iii) any shareholders' general meeting convened on its resignation; and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former certified public accountants' firm of our Company.
- Resignation of accounting firm.

Where the certified public accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of our Company.

Any certified public accounting firm may resign its office by depositing at our Company's legal residence a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following:

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

Where a notice is deposited under the preceding paragraph, our Company shall within fourteen (14) days send a copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) of the preceding paragraph, a copy of such statement shall be placed at our Company's registered office for shareholders' inspection. Our Company shall also send a copy of such statement by prepaid mail to every holder of H Shares at the address registered in the register of shareholders.

Where the certified public accountants' firm's notice of resignation contains a statement of any circumstances which should be brought to the notice of the shareholders or creditors of our Company, the certified public accounting firm may require the Board to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

***Dispute Resolution***

Whenever any disputes or claims arise between holders of the H Shares and our Company, holders of the H Shares and our Company's Directors, Supervisors, CEO or other senior executive officers, or holders of the H Shares and holders of Domestic Shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of our Company, such disputes or claims shall be referred by the relevant parties to arbitration.

A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

If any disputes or claims of rights are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.

Where a dispute or claim of rights is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration provided that such person is our Company or our Company's shareholder, Director, Supervisor, CEO or other senior executive officer. Disputes in relation to the identification of shareholders and disputes in relation to the share register need not be referred to arbitration.

The award of an arbitration body shall be final and conclusive and binding on all parties.