

南京熊猫電子股份有限公司
NANJING PANDA ELECTRONICS COMPANY LIMITED
(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 00553)

RULES OF PROCEDURES FOR GENERAL MEETING
(Amended in March 2019)

Note: The Rules of Procedures for General Meeting is written in Chinese and there is no official English translation in respect thereof. The English translation is for reference only. In case of any inconsistency between the English and Chinese versions the Chinese version shall prevail.

CHAPTER 1 GENERAL PROVISIONS

Article 1 These rules are formulated in accordance with the Company Law of the PRC (the “Company Law”), the Articles of Association and other relevant regulations in order to regulate methods and procedures of the general meeting of Nanjing Panda Electronics Company Limited (the “Company”) to ensure powers are exercised according to law, as well as scientific and correct decision-making of the general meeting and to ensure legally and properly exercising rights and performing obligations of the shareholders.

Article 2 These Rules shall be binding on all shareholders, directors, supervisors, secretary to the board and other relevant persons of the Company.

The Board of Directors of the Company shall earnestly perform their duties to organize general meetings in a serious and timely manner. All directors of the Company shall act diligently and responsibly to ensure that the general meetings are properly held and their functions and powers are exercised according to laws.

CHAPTER 2 POWERS AND CONVENING OF THE GENERAL MEETING

Article 3

The general meeting is the authority of power of the Company and shall exercise its powers to the extent as provided by the Company Law and the Articles of Association in accordance with law.

The general meeting shall exercise the following functions and powers:

- (1) to decide the Company's operational guidelines and investment schemes;
- (2) to elect and replace directors and to determine their remunerations;
- (3) to elect and replace supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;
- (4) to consider and approve the report of the Board of Directors;
- (5) to consider and approve the report of the Supervisory Committee;
- (6) to consider and approve the Company's proposed annual budgets, and final accounting plans;
- (7) to consider and approve the Company's profit distribution plan and plan for recovery of losses;
- (8) to resolve on increases or reduction in the Company's registered capital;
- (9) to resolve on the merger, demerger, dissolution and liquidation of the Company;
- (10) to resolve on the issue of bonds by the Company;
- (11) to pass resolutions on retaining, dismissing or ceasing to continue to retain the accounting firms;
- (12) to amend the Articles of Association;

- (13) to consider the motions put forward by shareholder(s) representing 3% or more of the Company's shares with voting rights;
- (14) to consider and approve the guarantees provided in Article 71 of the Articles of Association;
- (15) to consider the purchases or sales of any material asset of the Company within 1 year, the amount of which exceeds 30% of its latest audited total assets;
- (16) to consider and approve the change in use of proceeds from fund raising;
- (17) to consider the share incentive plan;
- (18) to decide on matters which the Board of Directors may be authorised or delegated to deal with by the general meeting;
- (19) to determine any other matters as required in accordance with the laws, administrative regulations and the Articles of Association.

Article 4

General meetings are classified into annual general meetings and extraordinary general meetings. General 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 shall convene an extraordinary general meeting within two months of the occurrence of any one of the following circumstances:

- (1) the number of directors is less than the quorum required by the Company Law or is less than two-thirds of the number of directors specified in the Articles of Association;
- (2) when the unrecovered losses of the Company amount to one third of the total amount of its share capital;
- (3) where any shareholder(s) holding 10% or more of the Company's issued and outstanding shares carrying voting rights requests in writing for the convening of an extraordinary general meeting;

- (4) when the Board deems necessary or when requested by the supervisory committee;
- (5) when proposed by more than two independent directors.

Should the Company be unable to convene a general meeting within the period mentioned in the preceding paragraph, it shall report to the local office of the China Securities Regulatory Commission (“CSRC”) at the place where the Company is located and the listing stock exchange(s) where the shares of the Company are listed (the “Stock Exchange(s)”), explain the reason and make announcement.

Article 5

Independent directors are entitled to propose to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal from the independent directors.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board of Directors. In the event that the Board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 6

The Supervisory Committee is entitled to propose to convene an extraordinary general meeting to the Board of Directors, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten (10) days after receiving such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board of Directors. Any change to the original proposal made in the notice requires prior approval of the Supervisory Committee.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any written reply within ten days after receiving such proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over such meeting on an unilateral basis.

Article 7

Shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Board of Directors to convene an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after the passing of the relevant resolution of the Board of Directors. Any change to the original proposal made in the notice requires prior approval of the shareholder(s) concerned.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within 10 days after receiving such proposal, shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee to convene extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall require prior approval of the shareholders concerned.

Failure of the Supervisory Committee to issue the notice of the general meeting within the term stipulated shall be deemed as failure of the Supervisory Committee to convene and preside over the general meeting, and shareholders individually or collectively holding 10% or more of the Company's shares for 90 consecutive days or more may convene and preside over the meeting on an unilateral basis.

- Article 8 Where the supervisory committee or shareholders decide(s) to convene the general meeting by itself/themselves, it/they shall send out a written notice to the Board of Directors, and shall file with the local office of CSRC at the place where the Company is located and the Stock Exchange(s).
- The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.
- The Supervisory Committee and the convening shareholder shall submit relevant evidence to the local office of CSRC at the place where the Company is located and the Stock Exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.
- Article 9 The Board of Directors and the secretary to the Board of Directors shall cooperate with respect to matters relating to a general meeting convened by the Supervisory Committee or shareholders at its/their own discretion. The Board of Directors shall provide the register of shareholders as of the record date. If the Board of Directors does not provide the register of shareholders, the convener may apply to the securities depository and clearing authority for obtaining the register of shareholders with the announcement in relation to the notice convening the general meeting. The register of shareholders obtained by the convener shall not be used for any other purposes other than to convene a general meeting.
- Article 10 Expenses arising from convening of a general meeting by the Supervisory Committee or shareholders shall be borne by the Company.
- Article 11 Voting via telecommunication shall not be adopted at annual general meetings or general meetings convened as proposed by shareholders or the supervisory committee; voting via telecommunication shall not be adopted at extraordinary general meetings discussing the following matters:
- (1) Increase or reduction of registered capital of the Company;
 - (2) Issuance of Company's bonds;
 - (3) Division, merger, dissolution and liquidation of the Company;

- (4) Amendments to the Articles of Association of the Company;
- (5) Profit distribution plans and loss recovery plans;
- (6) Appointment and dismissal of members of the Board of Directors and Supervisory Committee;
- (7) Change in raised proceeds' usage;
- (8) Connected transactions subject to consideration by general meeting;
- (9) Acquisition or disposal of assets subject to consideration by general meeting;
- (10) Change of an accounting firm;
- (11) Other matters on which the Articles of Association do not permit voting by telecommunication.

CHAPTER 3 NOTICE OF MEETING

Article 12 A forty-five (45) days' written notice convening the general meeting shall be given to shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve the written reply slip to the Company twenty (20) days prior to the date of the meeting.

Article 13 When the Company convenes a general meeting, the Board of Directors, Supervisory Committee and shareholders severally or jointly holding 3% or more of the total voting shares have the right to propose new motions in writing to the Company, and the Company is required to include such proposed motions into the agenda for such general meeting if they are matters falling within the functions and powers of general meeting.

Other than the circumstances stipulated in the above provision, proposals already listed in the notice of the general meeting shall not be altered and new proposals shall not be added following the issuance of the notice of the general meeting by the convener.

Proposals that are not clearly listed in the notice of the general meeting or are not in compliance with Article 13 of the Articles of Association shall not be voted on and decided during the general meeting.

- Article 14 After despatch of the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The motions stated in the notice of general meeting shall not be cancelled. In the event that the general meeting is postponed or cancelled, the convener shall make announcement at least 2 business days in advance prior to the original date of the general meeting and expatiate on the reasons.
- Article 15 The Company shall, based on the written replies received twenty (20) days before the date of the general meeting from the shareholders, calculate the number of voting shares represented by the 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 the Company's total voting shares, the Company may hold the meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting. The Company may convene such meeting after such announcement.
- An extraordinary general meeting shall not transact matters not stated in the notice of meeting.
- Article 16 The notice and supplemental notice of the general meeting should fully and completely disclose specific contents of all the resolutions and all information or explanation to enable the shareholders to make reasonable judgment on the matters proposed to be discussed. Independent directors should comment on the matters proposed to be discussed and their comments should be disclosed in the notice or supplemental notice of the general meeting. A notice shall:
- (1) be in writing;
 - (2) specify the place, date and time of the meeting, the equity registration date;
 - (3) set out the matters to be considered at the meeting;

- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager or other senior management members in the proposed transaction 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 other shareholders of the same class;
- (6) set out the full text of any special resolution proposed to be moved at the meeting;
- (7) contain a writing statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) specify the equity registration date. Once confirmed, the equity registration date shall not be altered.

Article 17

If the general meeting intends to discuss the election of directors or supervisors, the notice of the general meeting should disclose full information of the candidates for directors and supervisors. The notice should at least include the following:

- (1) personal circumstances such as education background, work experience, other simultaneous appointments;
- (2) whether the candidate has a related party relationship with the Company or its controlling shareholder and de facto controller;

- (3) disclose the number of shares held in the listed company;
- (4) whether the candidate was subject to punishment by CSRC and other relevant department and sanctioned by the Stock Exchange(s).

Each candidate for director or supervisor should be separately proposed, except for directors or supervisors elected by way of cumulative voting system.

Article 18

All registered shareholders as at the equity registration date and their proxies are entitled to attend the general meeting. The Company and the convenor cannot reject such shareholders from attending the general meeting for any reason.

Notice of general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by delivery or prepaid mail to the registered address of any such shareholders. For the holders of domestic shares, notice of the meeting may also be made by way of announcement.

The public notice referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities 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 notice, the holders of domestic-invested shares shall be deemed to have received notice of the relevant general meeting.

Article 19

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 meeting and the resolutions passed at the meeting.

- Article 20 The venue of a general meeting of the Company shall be the principal place of business of the Company. Meeting venue shall be set for general meetings which shall be convened by way of on-site meetings. The Company will provide conveniences for shareholders to attend general meetings through various means and approaches and will provide priority to modern information technology methods such as online voting platform, in order to assure the legality and validity of the general meeting and to expand the proportion of social public shareholders participating in the general meeting. A shareholder who participated in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting. The Company shall confirm the legality and validity of the identification of the shareholders according to the register of shareholders provided by the securities registration and clearing institutions.
- Article 21 Shareholders may attend a general meeting in person and exercise his voting right, or may entrust other person to attend the meeting and exercise the voting right to the extent of the authorization given.
- Article 22 In the event that the general meeting of the Company adopt online transmission or other means, the time and procedures for voting via internet or by other means will be specifically stated in the notice of the general meeting.
- The beginning time for voting via internet or other means for the general meeting shall not be earlier than 3:00 p.m. of the day prior to the general meeting, and shall not be later than 9:30 a.m. of the day when the onsite general meeting is convened and its closing time shall not be earlier than 3:00 p.m. of the day when the onsite general meeting is closed.
- Article 23 Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his proxy to attend and vote on his behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:
- (1) the shareholder's right to speak at the meeting;
 - (2) the right to demand or join in demand for a poll;

- (3) the right to vote by hand or on a poll, provided that when a shareholder has appointed more than one proxy, such proxies may only vote on a poll.

A shareholder who is a minor, a ward or bankrupt shall not attend in person the general meeting. His/her legal representative or bankruptcy trustee shall attend on his/her behalf.

Article 24

A shareholder who attends the general meeting shall show his shareholding account voucher, identity card or other valid identification documents which can prove his identity; in case of attending the meeting by appointing a proxy, the instrument appointing the 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. Such written power of attorney shall contain the number of shares of the principal represented by proxy.

Article 25

The proxy form shall be deposited at the address of the Company or another place specified in the notice of the meeting not less than 24 hours prior to the time appointed for the holding of the meeting or 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorised by the principal, the power of attorney or other authorisation instruments shall be notarised. The notarised power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice to the meeting.

In the case that the principal is a legal person, the proxy shall be authorised by the legal representative, the Board of Directors or other authority body of that legal person to attend the Company's general meeting.

Article 26

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

- Article 27 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given prior to the voting, provided that no notice in writing of such event have been received by the Company before the commencement of the meeting at which the proxy is used.
- Article 28 A proxy shall produce his identity card, and the power of attorney signed by the principal or legal representative of the principal (on which the date of issuance is provided) when attending a meeting on behalf of a shareholder.
- Article 29 The convenor and lawyers should rely on the register of shareholders provided by the securities registration and clearing institution to jointly verify the legality of the qualification of the shareholders and register the names of the shareholders and the number of shares held by them with voting rights. The registration for the general meeting should end before the chairman announces the number of shareholders and proxies attending the general meeting and the total number of shares held by them carrying voting rights.

CHAPTER 4 PROPOSALS PUT FORWARD AT THE MEETING

- Article 30 Proposals raised at the general meeting shall meet the following criteria:
- (1) It shall be free of conflicts with the provisions of laws, administrative regulations and Articles of Association, and fall into the business scope of the Company and the terms of reference of the general meeting;
 - (2) Contain definite topics to discuss and specific matters to resolve;
 - (3) Be submitted in writing to the Board of Directors.
- Article 31 The Board of Directors shall act in the best interests of the Company and shareholders, and review the proposals to general meeting in accordance with the previous article.

Article 32 Should the Board of Directors decide not to include a motion of shareholders into the agenda of the general meeting, appropriate explanations shall be made at the general meeting. Shareholders who object to the board decision to exclude the proposal from the agenda of the meeting are entitled to request to convene an extraordinary general meeting pursuant to the Articles of Association, these rules and other relevant regulations.

CHAPTER 5 DECISION-MAKING PROCEDURES AND RESOLUTION FOR GENERAL MEETING

Article 33 Resolutions of general meetings are classified into ordinary resolutions and special resolutions.

To adopt an ordinary resolution, not less than one half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.

Article 34 Shareholders (including proxies) exercise their voting rights in proportion to their shareholdings with voting rights, and each share entitles the shareholder one voting right upon voting at the general meeting.

Article 35 When convening the general meeting of the Company, all directors and supervisors and the secretary to the Board of the Company shall attend the meeting, and the managers and other senior management members shall also be present at the meeting.

Article 36 At a general meeting, a resolution shall be decided on a show of hands unless a poll is demanded before or after a vote is carried out by a show of hands:

- (1) by the chairman of the meeting;
- (2) by at least two shareholders present in person or by proxy for the time being entitled to vote at the meeting;

- (3) by one or more shareholders present in person or by proxy separately or jointly representing 10% or more of shares carrying the right to vote at the meeting.

Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against or abstain from voting on such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

Article 37 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.

Article 38 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 (for, against or abstain).

Article 39 In the case of equality of dissenting votes and affirmative votes, whether voting by show of hands or a poll, the chairman of the meeting has the right to cast one more vote.

Article 40 Any shareholder or proxy of shareholder who attends the general meeting shall take one of the following stances when a resolution is put forward for voting: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders.

For voter(s) whose voting slips are left blank, incorrectly completed, illegible or without vote casting, such voter(s) shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

- Article 41 When the general meeting votes on a motion to elect directors and supervisors, cumulative voting shall be used in accordance with the regulations of these rules or resolutions passed at the general meeting.
- Under the aforesaid accumulative voting mechanism, each share carrying voting right is entitled to such number of votes equivalent to the number of candidates for director and supervisor which may be pooled in the course of the election of directors and supervisors at the general meeting.
- Article 42 Save and except for the accumulative voting mechanism, all resolutions shall be voted at the general meeting item by item, and shall be voted in the sequence according to the time of proposal when various proposals are put forward concerning the same issue. Except under special circumstances such as force majeure which lead to the suspension or inability to pass resolutions at a general meeting, proposals shall not be set aside or rejected for voting at the general meeting.
- Article 43 No amendment shall be made on the proposals during the consideration at the general meeting. Any such amendments to a proposal shall be treated as a new proposal and shall not be voted at the current general meeting.
- Article 44 The same voting right can only be exercised by electing to vote onsite, via internet or by other means. In the event that the same voting right has been exercised by more than one means, the result of the first voting shall prevail.
- Article 45 The following matters shall be resolved by an ordinary resolution at a general meeting:
- (1) work reports of the Board of Directors and the supervisory committee;
 - (2) plans formulated by the Board of Directors for distribution of profits and for making up losses;
 - (3) appointment or removal of members of the Board of Directors and the supervisory committee, their remuneration and manner of payment;
 - (4) the Company's proposed annual budgets and final accounting plan and annual report;

- (5) matters other than those required by the laws and administrative regulations or Articles of Association to be adopted by special resolution.

Article 46

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

- (1) Increase or reduction of the share capital and issue of shares of any class, stock warrants or other similar securities;
- (2) Issuance of Company's bonds;
- (3) Division, merger, dissolution and liquidation of the Company;
- (4) Amendments to the Articles of Association of the Company;
- (5) The purchase or disposal of material assets of the Company within 1 year or any guarantee, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (6) Share incentive scheme;
- (7) Adjustments to profit distribution policy;
- (8) Any other matters required by the laws, administrative regulations and the Articles of Association and considered by the general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and to require approval by a special resolution.

Article 47

The implementation or proposal of the following matters are subject to and conditional upon approval at the general meeting and they shall be passed with more than half of the votes held by public shareholders who participate in the poll:

- (1) any issue of new shares to the public (including issue of overseas listed foreign shares or warrants for shares of other nature), issue of convertible bonds, and share placement to existing shareholders (save for the shares to be fully subscribed in cash pursuant to undertakings of the controlling shareholder prior to the convening of general meeting);
- (2) any material asset restructuring under which the total consideration for acquired assets exceeds 20% or more of the audited book value of the acquired assets;

- (3) any repayment of debts due to the Company from a shareholder by way of its equity interests;
- (4) any proposed overseas listing of a subsidiary of material importance to the Company;
- (5) any matter with material impact on interest of public shareholders in the course of the Company operations.

For the purpose of considering the abovementioned matters at a general meeting, the Company shall provide shareholders with access to internet voting platform.

For the purpose of considering the matters set out in the sub paragraph (1) of this article, the Company shall, after publishing the notice of general meeting, re-publish the notice of general meeting within 3 days following the record date of the shareholders.

Article 48 In the event that any resolution passed in the general meeting is in breach of PRC laws, administrative regulations, or violates the lawful rights and interests of shareholders, the shareholders shall be entitled to lodge an action to the People's Court to abort such breach and violation.

Article 49 Shareholders requisitioning extraordinary general meetings of shareholders or class meetings shall abide by the following procedures:

- (1) Two or more shareholders holding 10 per cent or more of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions stating the object of the meeting and requiring the Board of Directors to convene an extraordinary general meeting or a class meeting. The Board of Directors shall as soon as possible proceed to convene the extraordinary general meeting of shareholders or a class meeting after receiving the requisition. The amount of shareholdings referred to above shall be calculated according to the shareholders' shareholdings at the date of the deposit of the requisition in writing.

- (2) If the Board of Directors fails to issue a notice of such a meeting within thirty (30) days from the date of the receipt of the requisition, the requisitionists may themselves convene such a meeting in a manner as similar as possible as that in which meetings are to be convened by directors within four (4) months from the date of receipt of the requisition by the Board of Directors.

Any reasonable expenses incurred by the shareholder convening the meeting by reason of the failure of the Board of Directors to duly convene a meeting shall be repaid to such shareholder by the Company and any sum so repaid shall be set off against sums owed by the Company to the directors in default.

Article 50

A general meeting shall be convened by the chairman of the board who shall preside as chairman of the meeting. If the chairman of the board cannot attend the meeting for any reasons, the vice chairman shall convene and preside at the meeting as chairman. If the Vice Chairman is unable or fails to perform such duties, a director elected by more than one half of the directors shall convene and preside over the meeting. If a chairman has not been designated, shareholders attending the meeting may elect a person to act as chairman. If for any reason the shareholders cannot elect a chairman, the shareholder with the greatest number of voting shares present at the meeting whether in person or by proxy shall act as chairman.

The general meeting convened by the supervisory committee shall be presided over by the chairman of the supervisory committee. If the chairman of the supervisory committee is unable or fails to perform his/her duties, the vice-chairman of the supervisory committee shall preside at the meeting. If the vice-chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a supervisor elected by half or more the supervisors.

Shareholders may convene the meeting themselves and a representative nominated by the convener shall preside over the meeting.

When the general meeting is held and the chairman of the meeting violates these Rules which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 51 Before voting, the chairman of the meeting shall announce the number of shareholders and proxies attending the meeting in person and the total number of shares held with voting rights. The number of shareholders and proxies attending the meeting in person and the total number of shares held with voting rights recorded on the meeting register shall prevail.

Article 52 Where the general meeting is considering matters related to a connected transaction, connected shareholders shall not participate in voting and the shares with voting rights which they represent shall not be counted in the total number of valid votes. Announcement on the resolutions passed at the general meeting shall fully disclose the details of voting by the non-connected shareholders.

When material issues affecting the interests of medium and small investors are considered at a general meeting, the votes of medium and small investors shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

The Company's shares held by itself shall not carry voting rights, and those shares shall not be included in calculating the total number of shares carrying voting rights upon attendance at a general meeting.

The Board of Directors, Independent Directors and shareholders who meet the relevant requirements of the Company may collect voting rights from shareholders. Sufficient disclosure of information such as specific voting preferences shall be made to the shareholders from whom voting rights are being solicited. Consideration or other forms of de facto consideration for the solicitation of voting rights from shareholders shall be prohibited. The Company shall not set a minimum shareholding threshold on the solicitation of voting rights.

Article 53 Before a resolution is voted on at a general meeting, two shareholders, representatives shall be elected as vote counters and scrutinizers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When a proposal is voted upon at a general meeting, lawyers, shareholders' representatives and supervisors shall count and scrutinize the votes jointly.

Shareholders of the Company or their proxies who cast votes via Internet or other means shall be entitled to review their own voting result through the relevant voting system.

Article 54 The closing time of the general meeting at the venue where such meeting is physically held shall not be earlier than that for voting via Internet or by other means. The chairman of the meeting shall announce how the votes were cast and the voting results in respect of each resolution, and announce whether such resolution has been passed according to the voting results.

Before the official announcement of the voting results, the Company, the counting officers, the voting observers, the major shareholders and the Internet service providers and other relevant parties shall be obliged to keep confidential the way the votes were cast.

Article 55 The chairman of a general meeting shall determine whether or not a resolution tabled at the general meeting has been adopted. His decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 56 Should the chairman of the meeting have any doubt as to the result of a resolution which has been put to voting, he may have the ballots counted. If the chairman of the meeting has not counted the ballots, any participating shareholder or proxy who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman of the meeting shall have the ballots counted immediately.

Article 57 Provided that the ballots shall be counted at the general meeting, the counting results shall be recorded into the minutes of the meeting.

A general meeting shall have its minutes, which shall include the following contents:

- (1) date, venue and agenda of the meeting as well as the name and title of the convener;

- (2) name of the person who presided over the meeting, names of the directors, supervisors, secretary to the Board of Directors, managers and other senior management members who attended the meeting;
- (3) number of shareholders and proxies who attended the meeting, number of voting shares held by them and their proportion to the Company's total number of shares, and the number of shares with voting rights held by domestic shareholders (including their proxies) and domestic-listed foreign-investment shareholders (including their proxies) present at the meeting, and their proportions to the total numbers of shares of the Company;
- (4) deliberation procedure, main points of the speech and statement, and voting result, and the votes of domestic shareholders and domestic-listed foreign-investment shareholders (if any) on each motion which shall be recorded in the voting result;
- (5) inquiry, opinion or proposal of the shareholders and the relevant reply or explanation;
- (6) name of the lawyer, vote counter and scrutineer;
- (7) other matters which shall be recorded in the minutes of the meeting according to the Articles of Association.

Directors, secretary to the Board of Directors, convener or its representative and the chairman of the meeting present at the meeting should sign on the minutes of the meeting, and be responsible for the authenticity, accuracy and completeness of the minutes of meetings. Resolutions passed at the general meeting shall be produced in a summary of the meeting. Minutes and summaries of the meeting shall be produced in Chinese. The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company for a term not less than 10 years.

Article 58

Resolutions of the general meeting shall be announced in a timely manner, with the number of shareholders and proxies who attended the meeting and their ratio to all shares with voting rights of the Company, voting method, and voting result of each proposal, and details about each resolutions passed.

The Company shall formulate and announce the statistics of the attendance and voting by holders of domestic shares and foreign shares separately.

In the event that the general meeting passes proposals in relation to the election of directors and supervisors, the newly appointed directors and supervisors shall assume duty in accordance with the provisions of the Articles of Association.

For proposals in relation to the dividend payment, bonus shares, or conversion of capital reserve fund to increase share capital passed at the general meeting, the Company shall implement specific plan within two months after the conclusion of the general meeting.

Article 59 If any proposal is not adopted at a general meeting, or if a general meeting changes a resolution passed at the previous general meeting, a special note thereof shall be made in the announcement of resolutions of such general meeting.

Article 60 The Company shall engage lawyers to attend the general meeting and advise on the following issues with announcements made thereon:

- (1) whether or not the convening of the general meeting and its procedures are in compliance with the requirements in laws, administrative regulations, the Rules of Procedures for General Meeting of Listed Companies and the Articles of Association;
- (2) verification of the validity of the eligibility of attendees and the convenor;
- (3) whether or not the procedures for voting and the voting results of the meeting are lawful and valid;
- (4) legal opinions on other matters upon the request of the Company.

Article 61 Resolutions of a general meeting contrary to the laws and administrative regulations shall be void.

The controlling shareholder(s) and de facto controller(s) should not restrict or obstruct minority shareholders to exercise their voting rights in accordance with laws and should not infringe the legal rights of the Company and minority shareholders.

If the convening procedures or voting methods for the general meeting contravenes the laws, administrative regulations or the Articles of Association, or the contents of a resolution contravenes the Articles of Association, the shareholders on their own initiative may submit to the People's court to cancel the resolution within 60 days after the said resolution is made.

Article 62 Copies of the minutes of meeting shall be open for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within 7 days upon receipt of reasonable charges.

Article 63 At the annual general meeting, the Board of Directors and the Supervisory Committee shall report to the general meeting on their work over the previous year, and each of the independent directors shall also submit his/her work report. Directors, supervisors and senior management shall respond to and explain the enquiries raised by shareholders at the general meeting.

CHAPTER 6 THE SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 64 Shareholders holding different classes of shares are referred to as holders of class shares.

A class of shareholders shall, in accordance with laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations.

Article 65 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 and these rules.

Article 66 The rights of class shareholders shall be deemed to be varied or abrogated in the following circumstances:

- (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 rights, distribution rights or other privileges equal or superior to those of shares of that class;

- (2) to convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;
- (3) to abrogate or reduce the rights in respect of accrued dividends or the cumulative dividends attached to shares of that class;
- (4) to reduce or cancel the preferential rights to dividends or to distribution of assets (in the event that the Company is liquidated) attached to the shares of that class;
- (5) to add, remove or reduce conversion privileges, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company of such class;
- (6) to cancel or reduce the rights to obtain payables in specific currencies from the Company attached to shares of that class;
- (7) to create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of such class of shares or impose additional restrictions thereto;
- (9) to grant the right to subscribe for, or convert into, shares of such or another class of shares;
- (10) to increase the rights or privileges of shares of another class;
- (11) to conduct the proposed restructuring of the Company in such a way that may result in the holders of different classes of shares to assuming liability disproportionately;
- (12) to vary or abrogate provisions of this Chapter.

Article 67 Shareholders of the affected class, whether or not originally entitled to vote at the general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub paragraphs (2) to (8), (11) to (12) of Article 66 of the Rules, but interested shareholder(s) shall not be entitled to vote at class meetings.

“Interested shareholder(s)” as mentioned in the preceding paragraph means:

- (1) in the case of a repurchase of Company’s own shares by pro rata offers to all shareholders or public dealing on a Stock Exchange(s) under Article 35 of the Articles of Association, an “interested shareholder” shall refer to the controlling shareholders as defined in Article 67 of the Articles of Association;
- (2) in the case of a repurchase of its own shares by an off-market agreement under Article 35, a shareholder to whom the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears liabilities less than the proportion 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.

Article 68 Resolutions of a class meeting 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, according to Article 127 of the Articles of Association, are entitled to vote at class meetings.

Article 69 A 45 days’ written notice convening a class meeting shall be given to shareholders whose names appear in the register of shareholders of such class shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply to the Company twenty (20) days prior to the date of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches one half or more of the Company's total voting class shares at the meeting, the Company may hold the class meeting; if not, the Company shall within 5 days notify the shareholders by public notice of the matters to be transacted at, the place and date for, the meeting again. The Company may convene such a meeting after such announcement.

Article 70 Notices of class meetings need only be served on shareholders entitled to vote thereat. Any class meeting shall be conducted as similarly as possible as any general meeting. Provisions in the Articles of Associations which relate to any general meeting shall apply to any class meeting.

Article 71 Apart from the holders of other classes of shares, the holders of the domestic-invested shares and overseas-listed foreign-investment shares shall be deemed to be different classes.

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

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

CHAPTER 7 SUPPLEMENTARY PROVISIONS

Article 72 These rules of procedures shall come into effect after the approval of the general meeting of the Company as appendices to the Articles of Association. These rules shall be interpreted and amended by the general meeting.

Article 73 Should there be discrepancy between these rules and the PRC laws, administrative regulations and regulations of relevant authorities, the PRC laws, administrative regulations and regulations of relevant authorities shall prevail.

Note: The Rules of Procedures for General Meeting is written in Chinese and there is no official English translation in respect thereof. The English translation is for reference only. In case of any inconsistency between the English and Chinese versions the Chinese version shall prevail.