

Yantai North Andre Juice Co., Ltd

Rules for Shareholders' Meeting

Chapter 1 General Provisions

Article 1 In accordance with the provisions of relevant laws and regulations such as *Company Law of the People's Republic of China* (hereinafter referred to as the "*Company Law*") and the *Securities Law of the People's Republic of China* (hereinafter referred to as the "*Securities Law*") and the *Articles of Association of Yantai North Andre Juice Co., Ltd.* (hereinafter referred to as "*Articles of Association*"), with reference to the *Code of Corporate Governance for Listed Companies* and the listing rules of the listing places, the Rules is formulated to protect the legitimate rights and interests of all shareholders of Yantai North Andre Juice Co., Ltd. (hereinafter referred to as "the Company"), and to guarantee that the Shareholders' Meeting can exercise its functions and powers according to law.

Article 2 The Company shall hold the Shareholders' Meeting in strict accordance with relevant provisions of the laws, administrative regulations, the *Articles of Association* and these rules to guarantee that the shareholders can exercise their rights according to law.

The Board of Directors of the Company shall practically perform its duties, and conscientiously organize the Shareholders' Meeting on time. All directors of the Company shall act with due diligence to ensure that the Shareholders' Meeting can be held normally and that its functions and powers can be exercised according to law.

Article 3 The Shareholders' Meeting shall exercise its functions and powers to the extent specified in the *Company Law* and the *Articles of Association*.

Article 4 The Shareholders' Meeting is divided into Annual General Meeting and Extraordinary General Meeting where the former shall be held within 6 months after the ending of the last fiscal year annually.

The Extraordinary General Meeting is held irregularly. In case any of the following circumstances occurs, the meeting shall be held within 2 months:

- (1) When the number of directors is less than that specified in the *Company Law*, or 2/3 of the stipulated number of the *Articles of Association*;
- (2) The unrecovered losses of the Company reach 1/3 of the Company's subscribed capital stock;
- (3) The shareholders separately or jointly holding over 10% outstanding shares with voting right have a written request to hold the Extraordinary General Meeting;
- (4) When deemed necessary by the Board of Directors;
- (5) At the request of the Board of Supervisors; and
- (6) Other circumstances provided by the laws, administrative regulations, departmental rules or the *Articles of Association*.

If the Company can not hold the Shareholders' Meeting within the above-mentioned time limit, it shall report to the agency of the China Securities Regulatory Commission of the place where the Company is located and the stock exchange where the share of the Company is listed for transaction (hereinafter referred to as the "stock exchange"), explain the reasons and make announcement.

Article 5 In case the Company intends to hold the Shareholders' Meeting, it shall engage lawyers to render legal opinions and make announcement on the following issues:

- (1) Whether the procedures by which the meeting is convened and held conform to the provisions of the laws, administrative regulations, the Rules and the *Articles of Association*;
- (2) Whether the qualification of the participants present at the meeting and that of the convener are legal and valid;
- (3) Whether the voting procedure and voting result of the meeting are legal and valid; and
- (4) Legal opinions rendered on other relevant issues upon request of the Company.

Chapter 2 Functions and Powers of Shareholders' Meeting

Article 6 The Shareholders' Meeting shall be the organ of power of the Company, and shall exercise its following functions and powers according to law:

- (1) To decide on the Company's operational policies and investment plans;
- (2) To elect and replace directors and supervisors and decide on matters relating to the remuneration of both;
- (3) To deliberate and approve the reports of the Board of Directors;
- (4) To deliberate and approve reports of the Board of Supervisors;
- (5) To deliberate and approve the annual financial budget plans and final accounting plans of the Company;
- (6) To deliberate and approve the Company's profit distribution plan and plans to cover losses;
- (7) To adopt resolutions about increase or reduction of the registered capital of the Company;
- (8) To adopt resolutions on the issuance of corporate bonds or other securities and listing scheme;
- (9) To adopt resolutions for the merger, division, dissolution, liquidation of the Company, or change of corporate form;
- (10) To amend the *Articles of Association*;
- (11) To make resolutions on appointment, dismissal or discontinuity for renewal of the accounting firm;
- (12) To deliberate and approve the security matters specified in Article 7 of the Rules;
- (13) To deliberate and approve the matters specified in Article 8 of the Rules;
- (14) To deliberate and approve the matters on change of the purposes for the funds raised;
- (15) To deliberate and approve equity incentive plans.
- (16) To deliberate the proposals made by the shareholders representing over 3% (inclusive) voting shares of the Company; and
- (17) To deliberate other matters that are regulated to be determined by the Shareholder's Meeting by the laws, administrative regulations, departmental rules or the provisions of the *Articles of Association*.

No functions and powers of the Shareholders' Meeting mentioned above may be exercised by the Board of Directors or other institutions and the individuals in the form of authority.

Article 7 The following guarantee actions of the Company are subject to deliberation and approval of the Shareholders' Meeting:

- (1) Any guarantee provided for those parts where total amount of the foreign guaranty of the Company exceeds 30% of the gross assets of the Company through audit in the latest period

- (2) Any guarantee provided for those parts where total amount of the foreign guaranty of the Company and its controlling subsidiaries reaches or exceeds 50% of the net assets of the Company through audit in the latest period;
- (3) Guarantee which exceeds 30% of the total assets of the Company through audit in the latest period in accordance with the principle of being accumulated within 12 consecutive months.
- (4) Guarantee provided for those guarantee subjects where the debt-to-assets ratio exceeds 70%;
- (5) One single guarantee the amount of which is larger than 10% of the latest period's audited net assets;
- (6) Guarantees for shareholders, actual controllers and their related parties;
- (7) Guarantee which exceeds 50% of the net assets of the Company through audit in the latest period in accordance with the principle of being accumulated within 12 consecutive months, and the absolute amount exceeds RMB 50 million yuan; and
- (8) Other guarantees stipulated by the stock exchange or in the *Articles of Association*.

Article 8 The decision-making authority of the Shareholders' Meeting shall be stated as follows:

In case the Company purchases or sells assets, invests externally (including entrusted financing, entrusted loans, investment made to the subsidiaries, joint ventures and the associated enterprises, investment on trading financial assets, available-for-sale financial assets and held-to-maturity investment, etc.), provides financial assistance, lease-in or lease-out assets, signs management contracts (including commissioned operation and entrusted operation, etc.), grants asset or receives donated assets, reorganizes the creditor's rights or debts, transfers research & development projects or concludes license agreement, if reaching any of the following standards, it is subject to examination and approval of the Shareholders' Meeting, except for guarantees provided by the Company, donated cash assets received by the Company and debts that purely reduce the obligations of the Company or exempt it therefrom:

- (1) The total sum of assets (if book value and assessed value exist at the same time, the higher shall prevail) involved in transaction accounts for over 50% of the latest total assets through audit of the Company;
- (2) Income from related main business of objects of transaction (such as equity) in the latest accounting year accounts for over 50% of that through audit in the same period, and the absolute amount exceeds RMB 50 million yuan;
- (3) Related net profit of objects of transaction (such as equity) in the latest accounting year accounts for over 50% of that through audit in the same period, and the absolute amount exceeds RMB 5 million yuan;
- (4) The gross transaction amount (including debts and costs undertaken) accounts for over 50% of the net assets of the Company through audit in the latest period and the absolute amount exceeds RMB 50 million yuan; and
- (5) The profit arising from the transaction accounts for over 50% of the net profit of the Company through audit in the latest accounting year and the absolute amount exceeds RMB 5 million yuan.

If the value of any above index is a negative value, the absolute value shall be taken in calculation.

When the transaction on asset purchase or sales is incurred to the Company, no matter whether the object of transaction is related, in case total amount of the asset involved or closing amount exceeds

30% of the latest audited total assets of the Company upon the latest auditing accumulatively within twelve successive months, it shall submit to the Shareholders' Meeting for examination, and subject to at least 2/3 of the voting rights held by the shareholders present at the meeting.

The connected transaction (guarantees provided by the Company, donated cash assets received by the Company and debts purely reduce the obligations of the Company or exempt it therefrom are excluded) with total amount of transaction over RMB 30 million yuan and accounting for over 5% of the absolute value of net asset upon the latest auditing are subject to discussion and resolution made by the Board of Directors, and shall be submitted to the Shareholders' Meeting for approval.

Chapter 3 Convening of the Shareholders' Meeting

Article 9 The Board of Directors shall convene the Shareholders' Meeting on time within the period stipulated in Article 4 of the Rules.

Article 10 The independent director reserves the right to make proposal to the Board of Directors on the convening of the Extraordinary General Meeting. With regard to independent director's request on the convening of the Extraordinary General Meeting, the Board of Directors shall propose the written feedback opinion on consent or objection within 10 days upon receipt of such proposal in accordance with the provisions of the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene the Extraordinary General Meeting, it shall make convening notice within 5 days upon the board resolution; if the Board disagrees, reasons should be given and be noticed publicly.

Article 11 The Board of Supervisors has the right to propose to the Board of Directors to convene an Extraordinary General Meeting, and the proposal shall be in written form. The Board of Directors shall give written feedback on consent or objection within 10 days upon receiving the proposal, according to the laws, administrative regulations and the provisions of the *Articles of Association*.

If the Board of Directors agrees to convene the Extraordinary General Meeting, it shall make convening notice within 5 days upon the board resolution, and any change in the notice to the original proposal should be with the consent of the Board of Supervisors.

When the Board of Directors disagrees to convene the Extraordinary General Meeting, or fails to make a written feedback within 10 days after receiving the request, it shall be assumed that the Board of Directors is unable to perform or not performing the duty of convening a Shareholders' Meeting, meanwhile the Board of Supervisors may convene and chair the meeting independently.

Article 12 The shareholders separately or jointly holding over 10% voting shares at the proposed meeting reserve the rights to request the Board of Directors to hold the Extraordinary General Meeting or the Shareholders' Meeting of different classes, and shall propose to the Board of Directors in the written form. The Board of Directors shall have a written feedback on consent or objection according to the laws, administrative regulations and the Articles of Association within 10 days after receiving the request.

If the Board of Directors agrees to convene the Extraordinary General Meeting, it shall make convening notice within 5 days upon the board resolution, and any change in the notice to the original proposal should be with the consent of the related shareholders.

When the Board of Directors disagrees to convene the Extraordinary General Meeting, or fails to make a written feedback within 10 days after receiving the request, the shareholders who separately or

aggregately hold over 10% of shares are entitled to propose to convene the Extraordinary General Meeting and submit request to the Board of Supervisors in written form.

If the Board of Supervisors agrees to convene the Extraordinary General Meeting, it shall make convening notice within 5 days after receiving the request, and any change in the notice to the original proposal should be with the consent of the related shareholders.

When the Board of Supervisors fails to issue the notice of Extraordinary General Meeting within the prescribed period, it shall be regarded that the board fails to convene or chair the Shareholders' Meeting, meanwhile, the shareholder who separately or aggregately holds over 10% of shares in over continuous 90 days may convene and chair the meeting independently.

Article 13 In case the Board of Supervisors or the shareholders decide to convene the Shareholders' Meeting independently, it shall notify the Board of Directors in the written form, and relevant supporting data must be filed with the resident agency of the CSRC where the Company is located and listing stock exchange.

Before the announcement of the resolutions of the Shareholders' Meeting, the share proportion of convening shareholders shall not be less than 10%.

The convening shareholders shall submit relevant supporting data to the resident agency of the CSRC where the Company is located and listing stock exchange when sending the notice of the Shareholders' Meeting and the announcement of resolutions of the Shareholders' Meeting.

Article 14 The Board of Directors and the secretary of the Board of Directors shall coordinate on the Shareholders' Meeting convened by the Board of Supervisors or by shareholders independently. The Board of Directors shall provide the register of shareholders on the date of determination. If the Board of Directors fails to provide the register of shareholders, the convener can apply to the securities registration and settlement agency for obtaining with relevant announcements of the notice of holding the Shareholders' Meeting. The register of shareholders obtained by the convener shall not be used for other purposes other than holding the Shareholders' Meeting.

Article 15 The Company shall be responsible for the necessary expenses of the Shareholders' Meeting convened by the Board of Supervisors or by shareholders independently.

Chapter 4 Proposals and Notices of the Shareholders' Meeting

Article 16 The content of the proposals shall belong to the terms of reference of the Shareholders' Meeting, have clear issues and specific resolutions as well as comply with the relevant provisions of laws, administrative regulations, listing rules and the *Articles of Association*.

Article 17 When the Shareholders' Meeting is held, the Board of Directors, the Board of Supervisors and the shareholders who separately or aggregately hold over 3% of the shares are entitled to put forward the proposals to the Company.

The shareholders who separately or aggregately hold over 3% of the shares of the Company may issue the temporary proposal and submit to the convener in writing 10 days ahead of the Extraordinary General Meeting.

The convener shall issue the complementary notice of the Shareholders' Meeting within 2 days after receiving the proposal and announce the content of temporary proposal.

Except what has stipulated in the preceding paragraph, after sending the notice of the Shareholders' Meeting, the convener shall not alter the proposal listed in such notice of the Shareholders' Meeting or increase new proposal.

The proposals that are not listed in the notice of the Shareholders' Meeting or not in accordance with the Article 16 of the Rules shall not be voted or resolved.

Article 18 In calling the Shareholders' Meeting, the Company shall issue a written notice forty-five days in advance to all the listed shareholders, specifying the matters to be examined and discussed, the date and place of the meeting. The shareholders planning to attend the Shareholders' Meeting shall send back the reply in writing to the Company twenty days before the convocation of the meeting.

The Company shall calculate the number of voting shares represented by the shareholders planning to be present at the meeting according to the written reply received within twenty days prior to the convening of the Shareholders' Meeting. In case the number of voting shares represented by the shareholders planning to be present at the meeting reaches over half of total voting shares of the Company, the Company may hold the Shareholders' Meeting; otherwise, the Company shall make a new notice on the matters to be examined and discussed, meeting date and place to the shareholders in form of announcement within five days; upon such announcement, the Company may hold the Shareholders' Meeting.

The Extraordinary General Meeting shall not decide any matter that is not listed in the notice.

When the Company calculates initial period, the current day when the meeting is convened shall be excluded.

Article 19 The notice of the Shareholders' Meeting shall conform to the following requirements:

- (1) To be made in the written form;
- (2) To appoint time, place and duration of the meeting;
- (3) To include the matters and proposals submitted to be deliberated at the meeting;
- (4) To provide necessary data and explanation required for wise decisions made by the shareholders on the discussed matters to the shareholders; this principle shall apply (but not limit to) when the Company proposes a merger, acquisition of shares, reorganization of share capital or other restructuring, and it shall provide the specific conditions and contract (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;
- (5) In case any director, supervisor, president, deputy president, chief financial officer and other senior management personnel have major interest in proposed matters, nature and degree of such interest shall be disclosed; if the proposed matters have different influence on such director, supervisor, president, deputy president, chief financial officer and other senior management personnel as the shareholders from other shareholders of the same class, the distinction shall be stated;
- (6) To include full text of special resolutions proposed to be adopted at the meeting;
- (7) To state in explicit words: the shareholders entitled to attend and vote shall reserve the right to appoint one or more shareholder proxies on their behalf present at the meeting and voting, and such shareholder proxies need not be shareholders;
- (8) To specify the date of equity right registration of the shareholders who have rights to attend the Shareholders' Meeting;
- (9) To specify the delivery time and location of the voting power of attorney;

(10) Names and telephone numbers of standing contacts of the meeting; and

(11) The opinions and reasons of the independent directors shall be simultaneously disclosed when the notice or supplemental notice of the Shareholders' Meeting is published if the proposed matters require the opinions of the independent directors.

Article 20 The notice of the Shareholders' Meeting shall be delivered by hand or via postage prepaid mail to the shareholders (no matter if they have the voting right at the Shareholders' Meeting), and the address of recipients shall be determined by that recorded in the register of shareholders. The notice of the Shareholders' Meeting shall also be delivered via the announcement to the holders of domestic shares. For holders of overseas listed foreign shares, notice of the Shareholders' Meeting, letter circular to the shareholders and relevant documents can also be informed by way of being published on the Company's website and SEHK's website according to the *Listing Rules of SEHK* and following relevant procedures as well as listening to the shareholders' will.

The public announcement referred to in the preceding paragraph shall be published in one or more national newspapers or periodicals designated by the China Securities Regulatory Commission during the period between forty-five and fifty days before the meeting is held. Once the announcement is made, all holders of domestic shares shall be deemed to have received the notice of the relevant Shareholders' Meeting. For the notice of the Shareholders' Meeting, circular to the shareholders and relevant documents to be sent to the holders of overseas listed foreign shares, the Company may only send the English version or the Chinese version of the notice of the Shareholders' Meeting and relevant documents according to the *Listing Rules of SEHK* and following relevant procedures as well as listening to the shareholders' will.

Article 21 When the Shareholders' Meeting plans to discuss matters on election of directors and supervisors, the notice of meeting will fully disclose the sufficient details of candidates of directors and supervisors, at least includes the contents as follows:

- (1) The educational background, working experience, part-time job and other personal circumstances;
- (2) Whether there is a connected relationship between the candidate and the Company or controlling shareholders and the actual controllers of the Company;
- (3) Disclosure of shares of the Company held by them; and
- (4) Whether punished by China Securities Regulatory Commission (hereinafter referred to as "CSRC") and other relevant departments and disciplined by the stock exchange.

Each director, supervisor candidate shall be proposed via single proposal except for election of directors, supervisors via cumulative voting system.

Article 22 After the notice of the Shareholders' Meeting has been sent out, without any justified reason, the Shareholders' Meeting shall not be postponed or cancelled and the proposals listed in the notice of the Shareholders' Meeting shall not be cancelled. The convener shall explain the reasons at least 2 working days before the originally scheduled date, if the meeting is delayed or cancelled.

If those hereto shall be informed did not be sent the notice of meeting because of being neglected accidentally or merely not receiving it, the meeting and resolutions made herein will not be invalid.

Chapter 5 Convocation of the Shareholders' Meeting

Article 23 The Board of Directors and other conveners should take necessary measures to ensure the normal order of the Shareholders' Meeting. As to the behaviours regarding as interfering the

Shareholders' Meeting, making trouble deliberately and violating shareholders' legal rights and interests, the board will take measures to halt and report to the relevant department to investigate and treat timely.

Article 24 The Company shall convene the Shareholders' Meeting at its premise or other specific location recorded by the convener on the meeting notice.

The Shareholder's Meeting shall set the venue, and be held in the form of live meeting. The Company shall provide convenience to the shareholders for attending the shareholders' meeting by offering network or other means. In case the shareholders participate in the Shareholders' Meeting via the above mentioned ways, it shall be deemed as attending the meeting.

All shareholders or their agents registered on the date of determination reserve the right to attend the Shareholders' Meeting, and may exercise the voting right in accordance with relevant laws, regulations and the *Articles of Association*.

The shareholders may attend the Shareholders' Meeting personally and exercise the voting right, and may also entrust others to attend the meeting and exercise the voting right to the extent authorized.

Article 25 In case a individual shareholder attends the meeting personally, he shall show the stock account card, ID card or other valid certificate or evidence indicating his identity. In case a shareholder entrusting others to attend the meeting on behalf of him, the entrusted proxy shall also show his valid ID card and the power of attorney.

For legal person shareholder, the legal representative or proxy entrusted by the legal representative may attend the meeting. When a legal representative attends the meeting, he shall present his identification card and an effective evidence of his qualification as a legal representative; when an entrusted proxy attends the meeting, he shall present his identification card and the power of attorney in writing issued to him by the legal representative of a legal person shareholder.

Any shareholder entitled to attend the Shareholders' Meeting and vote shall reserve the right to appoint one person or more (such person needs not be a shareholder) as his proxy for such attendance and voting. Such shareholder proxy may exercise the following rights according to the entrustment made by such shareholders:

- (1) The right of speech of such shareholder at the Shareholders' Meeting; and
- (2) The voting right.

Article 26 Shareholders shall entrust their proxies by written instruments signed by the entrusting parties or such proxies. Provided the entrusting party is a legal person, the instrument shall be sealed by the legal person or signed by its directors or duly authorized proxies.

Article 27 The following contents in the power of attorney given by shareholders who entrust others to attend the Shareholders' Meeting shall be recorded:

- (1) Proxy's name;
- (2) Whether the proxy holds voting right;
- (3) The instructions including approval, disapproval or abstention to each matter of deliberation in agenda of the Shareholders' Meeting;
- (4) Date of issuance and expiration date of letter of attorney; and
- (5) Signature (or seal) of the consignor. The proxy of legal person shareholder shall stamp the seal of the corporate unit.

Article 28 Any format for the power of attorney delivered by the Board of Directors to the shareholders used to appoint the agents shall be at the discretion of the shareholders indicating affirmative vote or negative vote made by the proxies, and making indication respectively on voting matters made for each issue. It should be indicated in the power of attorney that when the shareholders don't make specific instructions, their agents can vote according to their own wills.

Article 29 Voting power of attorney shall be preserved at the premise of the Company or other place appointed in the meeting notice at least 24 hours prior to the convening of the relevant meeting with the entrusted voting for the power of attorney or 24 hours prior to the specified voting time. In case the voting power of attorney is signed by others authorized by the consignor, the signed power of attorney or other authority document shall be notarized. The notarized authority letter or other authority document and the voting power of attorney shall be preserved at the premise of the Company or other place appointed in the meeting notice.

In case the consignor is the legal person, the person authorized by its legal representative, the Board of Directors or resolutions made by other decision-making body shall attend the Shareholders' Meeting as a representative.

Article 30 In case the consignor dies, loses capacity for conduct, withdraws the appointment, withdraws the signed power of attorney or relevant shares have been transferred before the voting, the voting made by the proxy according to the power of attorney shall be still valid as long as the Company has not received written notice of such matters prior to the commencement of relevant meeting.

Article 31 The register of participants at the meeting shall be produced by the Company. The names (or unit names), identity card numbers, home addresses of staff attending the meeting, the number of shares held or voting shares represented, and the names (or unit names) of principals and other matters will be recorded in the register.

Article 32 In case the Shareholders' Meeting adopts the network or other means, it shall specially indicate the voting time and voting procedures of the network or other means in the notice of the Shareholders' Meeting.

The voting of the Shareholders' Meeting through the network or other means shall not be commenced earlier than 3:00 p.m. at the previous day prior to the convening of Shareholders' Meeting on site and later than 9:30 a.m. at current day of the convening of Shareholders' Meeting on site, and shall not be completed earlier than 3:00 p.m. at current day of the ending of Shareholders' Meeting on site.

Article 33 The convener and the lawyer employed by the Company shall verify the validity of the shareholder qualification jointly on a basis of register of shareholders provided by the securities registration settlement authority, and register name or title of the shareholders and the number of voting shares held respectively. Before the meeting presider announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares held, the registration of the meeting shall be terminated.

Article 34 All the directors, supervisors and the secretary of the Board of Directors shall attend the Shareholders' Meeting held by the Company; the general manager and other senior management personnel shall attend the meeting as non-voting delegates.

Article 35 The Shareholders' Meeting shall be convened by the Board of Directors, the chairman of the Board of Directors shall act as the the meeting presider to preside over the meeting. In case the chairman cannot or fails to perform his or her duties, the deputy chairman shall act as the meeting presider to preside over the meeting; in case the deputy chairman cannot or fails to perform his or her duties, the meeting will be chaired by a director who is jointly elected by over half of directors; if no meeting presider is elected, the shareholders present at the meeting may elect one person to act as the meeting presider; if the shareholders cannot elect the chairman due to any reason, the shareholder (including the proxy) holding most voting shares present at the meeting shall act as the meeting presider.

The Shareholders' Meeting which is convened by the Board of Supervisors independently is chaired by the chairman of Board of Supervisors. When the chairman of Board of Supervisors is unable to or fails to perform duty, the meeting will be chaired by a supervisor who is jointly elected by over half of supervisors.

The Shareholders' Meeting which is convened by shareholders independently is chaired by the representative who is elected by the convener.

If the Shareholders' Meeting cannot keep going due to the chairman's violating the Rules, after being approved by over half of the shareholders with the voting right present at the meeting, the Shareholders' Meeting can choose a meeting presider.

Article 36 In Annual General Meeting, the Board of Directors and the Board of Supervisors shall make report on the work in the last year to the Shareholders' Meeting, and each independent director shall also make the work report.

Article 37 The directors, supervisors and the senior management personnel shall make explanation and statement on the inquiries of the shareholders at the Shareholders' Meeting.

Article 38 The meeting presider shall announce the number of shareholders and proxies present at the meeting as well as the total number of voting shares held before the voting. The number of shareholders and proxies present at the meeting as well as the total number of voting shares held by them shall be determined by the meeting registration.

Article 39 The convener shall ensure that the Shareholder's Meeting to be held successively until the final resolution comes out. If the Shareholders' Meeting is stopped or fails to make resolutions due to special reasons such as force majeure, necessary measures should be taken as soon as possible to restore the Shareholders' Meeting or directly terminate the Shareholders' Meeting, and announce to the shareholders timely, and report to the resident agency of the CSRC where the Company is located and listing stock exchange.

Chapter 6 Voting and Resolution of the Shareholders' Meeting

Article 40 The shareholders shall make votes by ballot.

When the shareholders (including shareholder proxy) vote at the Shareholders' Meeting, they shall exercise the voting right in proportion to their voting shares with each share for one vote except for the condition of cumulative voting system.

Pursuant to the listing rules, the shareholders shall waive the vote on any separate resolution or be restricted to vote for or against any separate resolution. Any vote against such provision or restriction or representing relevant shareholder shall not be counted.

The shares held by the Company don't have the voting right, and these shares are not included in the total number of the shares with voting right to attend the Shareholders' Meeting.

On the premise that the Company guarantees the Shareholders' Meeting to be legal and valid, it shall facilitate the shareholders' participation at the Shareholders' Meeting through various manners and channels, including provision of voting platform in form of network and other modern information technology means.

The Board of Directors, independent directors and the shareholders consistent with relevant specified conditions may collect the voting right of the shareholders publicly. Collecting the voting right of the shareholders shall fully disclose the information such as specific voting intention to the persons collected. It is prohibited to collect the voting right of the shareholders by the paid or disguised paid way. The Company shall not propose the limitation of minimum shareholding proportion on collecting the voting right.

When the Shareholders' Meeting considers the significant matters affecting the benefits of the medium and small investors, the voting of medium and small investors shall be counted separately and the separate vote counting result shall be disclosed in public.

Article 41 When a shareholder or a shareholder proxy considers the issue, he shall demonstrate his opinions briefly and explicitly, propose the inquiry on any problem affecting judgment and voting but not stated by the reporter and request the reporter to make explanation and statement. With regard to any issue in dispute and can not be adopted by voting, the meeting presider may decide to suspend the voting upon opinions of the shareholders present at the meeting and submit to the next Shareholders' Meeting for consideration. Such suspended matter shall be stated in the resolution of the Shareholders' Meeting.

Article 42 The shareholders may propose the inquiries and suggestions on proposal contents, and the meeting presider shall personally make or appoint the director and the supervisor or other relevant personnel to make reply or statement on such inquiries and suggestions of the shareholders. Under any of the following circumstances, the meeting presider may decline the inquiry, but shall state the reasons to the inquirer:

- (1) The inquired matter is unrelated to the proposed issue;
- (2) The inquired matter is to be investigated further;
- (3) The matter involved with trade secrets shall not be disclosed at the Shareholders' Meeting;
- (4) The answer to inquiry will remarkably damage mutual interests of the shareholders;
- (5) Other material matters.

Article 43 In the voting, the shareholder (including the shareholder proxy) with two or more votes will not cast all affirmative votes or negative votes.

Article 44 The matters adopted at the Shareholders' Meeting via the voting shall form the meeting resolutions. The resolutions are divided into ordinary resolutions and special resolutions. The ordinary resolutions made at the Shareholders' Meeting shall be adopted by over half of the voting rights held by the shareholders (including shareholder proxies) present at the Shareholders' Meeting; the special resolutions made at the Shareholders' Meeting shall be adopted by over two-thirds of the voting rights held by the shareholders (including shareholder proxies) present at the Shareholders' Meeting.

Article 45 The following issues shall be approved through ordinary resolutions:

- (1) The working reports of the Board of Directors and the Board of Supervisors.
- (2) The Company's plans for profit distribution and plans for making up losses which are proposed by the Board of Directors;
- (3) Appointment and dismissal of members of the Board of Directors and members of the Board of Supervisors served by any person other than staff representatives as well as the remuneration and payment methods;
- (4) Annual financial budget plans and final accounting plans, balance sheet, profit statement and other financial statements of the Company;
- (5) Annual reports of the Company; and
- (6) Other issues shall be approved through special resolutions according to the provisions of the laws, administrative regulations or the *Articles of Association*.

Article 46 The below issues shall be approved through special resolutions:

- (1) Increase or decrease of registered capital and issuance of any kind of stocks, share warrant and other similar securities of the Company;
- (2) Issuance of corporate bonds;
- (3) Matters of division, merger, and alteration of the Company form, dissolution and liquidation of the Company;
- (4) Amendment of the *Articles of Association*;
- (5) Purchase or sales of material assets by the Company within one year or the guarantee amount beyond 30% of the latest audited total assets of the Company;
- (6) Share incentive plan; and
- (7) Other issues that are prescribed by laws, administrative regulations or the *Articles of Association* as well as the ordinary resolutions of the Shareholders' Meeting on which the ordinary resolutions conclude that it will have important effect on the Company and need to be approved through special resolutions.

Article 47 In case the meeting presider has any doubts about the result of a resolution put to the vote, he may check the votes cast; in case the chairman does not check the votes, but the shareholders or the proxies present at the meeting have objection to the result announced by the meeting presider, they shall request to check the votes immediately after such announcement, and the meeting presider shall conduct real-time check.

Article 48 In case the votes are checked at the Shareholders' Meeting, its result shall be recorded into the meeting minutes.

Article 49 When a shareholder is connected to the issue to be deliberated at the Shareholders' Meeting, he shall avoid the voting, and the voting shares held by him shall not be counted into the total number of voting shares present at the Shareholders' Meeting; the resolution announcement of the Shareholders' Meeting shall fully disclose the voting of non-connected shareholders.

When the Shareholders' Meeting deliberates the connected transaction matter, the connected shareholder shall actively state the situation to the Shareholders' Meeting and explicitly indicate that he will not participate in the voting. In case such shareholder fails to actively state the connected relation and avoid the voting, other shareholders may request him to state the situation and avoid the voting. Under the circumstance that other shareholders discover the connected shareholder should

avoid the voting but did not actually, or the shareholders have objection if the avoidance is applicable after completion of the Shareholders' Meeting, the shareholders reserve the right to lodge an appeal against relevant resolutions to the people's court in accordance with relevant provisions of the *Articles of Association*.

Article 50 Connected shareholders referred to in the preceding article include the following shareholders or shareholders who satisfy one of the following conditions:

- (1) The counterparty;
- (2) Direct or indirect controller of the counterparty;
- (3) Being controlled by the counterparty directly or indirectly;
- (4) Being controlled directly or indirectly together with the counterparty by the same legal person or natural person;
- (5) Shareholders with their voting rights restricted or influenced by the equity transfer agreement or other agreements which have not been fully performed with the counterparty or other connected people; and
- (6) Shareholders under other circumstances that they are likely to tilt the company interest towards themselves.

Article 51 The Shareholders' Meeting on site shall not complete earlier than that via network or other means, and the meeting presider shall announce the voting situation and result for each proposal and announce whether the proposal is adopted according to the voting result.

Before the voting results are announced formally, the related parties such as the Company, the vote counter, the counting witness, the main shareholders, and the network provider should keep secret of the voting conditions.

Article 52 The slate of directors and supervisors shall be proposed to the Shareholders' Meeting for voting by means of proposal. The Board of Directors shall make an announcement about the resume and basic information of the candidates of the director or supervisor to the shareholders.

The director candidates other than independent director candidates shall be proposed by the Board of Directors, the Board of Supervisors and the shareholders separately or jointly holding over 3% shares of the Company and independent director candidates shall be proposed by the Board of Directors, the Board of Supervisors and the shareholders separately or jointly holding over 1% shares of the Company. The shareholder representatives among the supervisor candidates shall be proposed by the Board of Directors, the Board of Supervisors and the shareholders separately or jointly holding over 3% shares of the Company.

For election of directors and supervisors, upon the approval of ordinary resolutions at the Shareholders' Meeting, the election may adopt cumulative voting system, and the contents and procedures of the system are as follows:

- (1) When voting on the election of directors or supervisors at a shareholders' general meeting, each share held by a shareholder shall carry the same number of votes as the number of directors or supervisors to be elected. The shareholder can exercise his voting rights by focusing his votes on one candidate;
- (2) The shareholder may cast his votes for one candidate or for several candidates;

(3) Upon the exercise of his voting rights by focusing his votes on one or several of the candidates while the number of voting rights carried by each of his shares is the same as the number of directors to be elected, a shareholder shall not have any right to vote for any other candidates;

(4) Where the total number of votes cast by a shareholder for one or several of the candidates is in excess of the number of votes carried by the total number of shares held by him, the votes cast by the shareholder shall be invalid, and the shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast for one or several candidates by a shareholder is less than the number of votes carried by the total number of shares held by such a shareholder, the votes cast by the shareholder shall be valid, and the voting rights attached to the shortfall between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to have been waived by the shareholder;

(5) The notice of a shareholders' general meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of directors or supervisors. The convenors of the shareholders' general meeting shall prepare ballots suitable for cumulative voting, and shall give explanations in writing regarding the cumulative voting system, the completion of the ballots and the methods of counting the votes;

(6) Where the number of approval votes received by a candidate exceeds one-half of the total voting rights (to be counted according to the total number of shares if the cumulative voting is not adopted) represented by the shareholders present at the shareholders' general meeting and the approval votes exceeds the against votes, the candidate shall be the elected candidate. If the number of the elected candidates exceeds the total number of directors or supervisors to be elected, those candidates who receive the largest number of approval votes shall be elected as directors or supervisors; if the number of directors or supervisors elected at a shareholders' general meeting is less than the number of directors or supervisors to be elected, a new round of voting shall be carried out for the purpose of filling such directorship or supervisorship vacancies, until all the directors or supervisors to be elected are validly elected;

(7) Where a new round of voting is carried out according to the provisions of paragraph (6) of this Article at the shareholders' general meeting, the number of votes cast by the shareholders in the cumulative voting shall be re-counted according to the number of directors or supervisors to be elected in the new round of voting.

Article 53 In case the number of directors or supervisors elected at the Shareholders' Meeting is less than that specified in the *Articles of Association*, the insufficiency of the members shall be elected in the next Shareholders' Meeting, until all directors or supervisors needed have been appointed.

Article 54 Except for cumulative voting system, the Shareholders' Meeting shall make votes for all proposals item by item. In case different proposals are made for the same matter, it shall make the vote in time sequence proposed for the proposals. Except the Shareholders' Meeting are terminated or can not make a decision because of force majeure and other special reasons, it can't shelve the proposals or make no resolution.

Article 55 When the Shareholders' Meeting deliberates the proposals, it shall not alter them; otherwise, relevant alteration shall be deemed as a new proposal, and it cannot be voted at the current Shareholders' Meeting.

Article 56 The same voting right may only adopt one of the means including on site, network or others. The repeated voting incurred to the same voting right shall be determined by the first voting result.

Article 57 The shareholders who participate in the Shareholders' Meeting shall have one of the following opinions to the proposal: approval, disapproval or abstention. The securities registration settlement authority shall serve as the nominal holder of the shares in interconnection mechanism for transactions between the Mainland and Hong Kong stock markets, except for declaration according to the intention of the actual holder.

Votes unfilled, wrongly filled or with illegible handwriting as well as those don't casted are considered that the voters have given up the voting rights, and the voting results of the shares held by them should be recorded as "abstention".

Article 58 Before voting, the Shareholders' Meeting shall choose 2 shareholder representatives to calculate and supervise the votes. If the matter under consideration has connected relations with the shareholders, the related shareholders and their agents shall not take part in vote counting and counting witnessing.

When voting on the proposal at the Shareholders' Meeting, lawyers, the representatives of the shareholders and the supervisors should together be responsible for calculating and supervising the votes, and announce the voting results on the spot; the results will be written in the meeting minutes.

The shareholders or their proxies of the listing company vote via network or other means reserve the right to inspect and verify their respective voting results through the corresponding voting system.

Article 59 In case the meeting presider has any doubts about the result of a resolution put to the vote, he may check the votes cast; in case the chairman does not check the votes, but the shareholders or the proxies present at the meeting have objection to the result announced by the meeting presider, they shall request to check the votes immediately after such announcement, and the meeting presider shall conduct check immediately.

Article 60 The resolutions at the Shareholders' Meeting shall be announced timely, and the announcement shall specify the number of shareholders and proxies present at the meeting, the total number of voting shares held by them and proportions in the total number of voting shares of the Company, voting method, voting result for each proposal and details of resolutions adopted.

Article 61 If a proposal is not passed, or this Shareholders' Meeting changes the resolution of the previous Shareholders' Meeting, there should be special hints in the resolution of the meeting.

Article 62 In case the Shareholders' Meeting approves the proposal related to election of directors or supervisors, new directors or supervisors shall take office immediately upon completion of the Shareholders' Meeting.

Article 63 The Company shall take specific plans to carry out proposals on cash dividends, allotment of shares or share capital increase through reserve fund adopted in the Shareholders' Meeting within 2 months after the closing date of the Shareholders' Meeting.

Article 64 Any resolution at the Shareholders' Meeting in violation of the laws or administrative regulations shall be deemed as invalid.

The controlling shareholders and actual controllers of the Company shall neither restrict or hinder the medium and small investors from legally exercising the voting right nor damage the legal rights and interests of the Company and medium and small investors.

Where the procedures for convoking and the voting method of the Shareholders' Meeting violate any law, administrative regulation or the *Articles of Association*, or the resolution content is in violation of the *Articles of Association*, the shareholders may, within 60 days as of the day when the resolution is made, request the people's court to revoke it.

Chapter 7 Minutes of the Shareholders' Meeting

Article 65 There shall be meeting minutes on the Shareholders' Meeting, which is the responsibility of the secretary of the Board of Directors. The contents of the meeting minutes are as follows:

- (1) The time, place, agenda and the name or title of convener of the meeting;
- (2) The names of the meeting presider, the directors, the supervisors, the presidents and other senior management personnel present at the meeting or attending the meeting as non-voting delegates;
- (3) The number of the shareholders and proxies who attend the meeting, the total number of the voting shares held by them and the proportion in the total shares of the Company;
- (4) The deliberation process, the main points of the speech and the voting result of each proposal;
- (5) Inquiries or suggestions of the shareholders and corresponding answers or explanations;
- (6) The names of the lawyer, the vote counter and the counting witness;
- (7) The respective proportion of voting shares held by domestic holders (including their proxy) and holders of overseas listed foreign shares (including their proxy) attending the Shareholders' Meeting in the total number of shares of the Company;
- (8) When recording the voting result, the voting details of domestic holders and holders of overseas listed foreign shares on each resolution should also be recorded;
- (9) Other contents to be recorded into the meeting minutes according to the *Articles of Association*.

Article 66 The convener should ensure that the contents of the meeting minutes are true, accurate and complete. The directors, the supervisors, the secretary of the Board of Directors, the convener or his representative and the meeting presider present at the meeting should sign on the meeting minutes.

Article 67 The meeting minutes shall be preserved together with the signing book of the shareholders present at the meeting, the power of attorney for the proxies, voting situations via network or other means and other valid data for 10 years.

Article 68 The shareholders may have access to the copy of meeting minutes free of charge during the working time of the Company. In case any shareholder requests the Company to give the copy related to the meeting minutes, the Company shall send out the copy within seven days upon receipt of reasonable expenses.

Chapter 8 Special Procedures of Class Shareholder Voting

Article 69 The shareholders holding different classes of shares shall be shareholders of different classes.

Shareholders of different classes shall enjoy the rights and assume the obligations in accordance with the provisions of the laws, administrative regulations and the *Articles of Association*.

Article 70 In case the Company intends to alter or abolish the rights of shareholders of different classes, it shall be approved at the Shareholders' Meeting via special resolution and at the

Shareholders' Meeting convened by affected shareholders of different classes separately pursuant to Article 72 to Article 76.

Article 71 The following circumstances shall be deemed as alteration or abolition of the rights of shareholders of certain class.

- (1) Increase or decrease the number of shares of such class or, increase or decrease the number of shares of a class entitled to equal or more voting rights, distribution rights, other privileges compared with shares of such class;
- (2) Completely or partially convert shares of such class into other classes, or completely or partially convert the shares of another class into those of such class or grant such conversion right;
- (3) Abolish or reduce the right to obtain incurred dividends or accumulative dividends possessed by the shares of such class;
- (4) Reduce or abolish the right to obtain prior dividends or prior property distribution in the liquidation of the Company possessed by the shares of such class;
- (5) Increase, abolish or reduce share conversion right, option right, voting right, transfer right, preemptive right to rights issues, and the right to obtain the corporate securities possessed by the shares of such class;
- (6) Abolish or reduce the right to charge the accounts payable by the Company in specific currency possessed by the shares of such class;
- (7) Establish new classes entitled to equal or more voting rights, distribution rights or other privileges compared with the shares of such class;
- (8) Impose restrictions on transfer or ownership of the shares of such class or increase such restrictions;
- (9) Issue the share subscription right of such class or another class or the share conversion right;
- (10) Increase rights and privileges for the shares of other classes;
- (11) The Company's reorganization scheme will result in disproportioned responsibilities for shareholders of different classes in such reorganization; and
- (12) Revise or abolish the articles stipulated in this Chapter.

Article 72 In case the affected class shareholder, no matter whether he has the voting right at the Shareholders' Meeting originally, when involving with the matters in paragraph (2) to (8), (11) to (12) of Article 71, he shall have the voting right at the Class Shareholders' Meeting, but the interested shareholder has no voting right at the Class Shareholders' Meeting.

The interested shareholder above-mentioned shall have the following meanings:

- (1) In case the Company makes the acquisition offer to all shareholders in the same proportion or acquires its own shares via public transactions on the stock exchange pursuant to the provisions of Article 27 in the *Articles of Association*, the interested shareholder shall refer to the controlling shareholder defined in Article 61 of the *Articles of Association*;
- (2) In case the Company acquires its shares via the agreement outside the stock exchange pursuant to the provisions of Article 27 in the *Articles of Association*, the interested shareholder shall refer to the shareholder related to such agreement; and

(3) In the reorganization scheme of the Company, the interested shareholder shall refer to the shareholder assuming the responsibility in a proportion less than that of other shareholders of the same class or the shareholder with different interests from other shareholders of such class.

Article 73 The resolutions at the Class Shareholders' Meeting shall be passed only by over two-third of voting rights of the shareholders present at the Class Shareholders' Meeting according to Article 72..

Pursuant to the Listing Rules, if any class shareholder shall waive the vote on any specific resolutions at the Class Shareholders' Meeting or be restricted to vote for or against any specific specific resolutions at any Class Shareholders' Meeting, any decisive vote against such provision or restriction made by the shareholder or the shareholder representative shall not be counted.

Article 74 In calling Class Shareholders' Meetings, the Company shall issue a written notice forty-five days in advance to all the listed shareholders of such class, specifying the matters to be examined and discussed, the date and place of the meeting. The shareholders planning to attend the meeting shall send back the reply in writing to the Company twenty days before the convocation of the meeting.

In case the number of voting shares represented by shareholders to be present at the meeting reaches over half of total voting shares of such class at the meeting, the Company may hold the Class Shareholders' Meeting; otherwise, the Company shall make new notice on deliberated matters, meeting date and location to the shareholders in form of announcement within five days, upon such announcement, the Company may hold the Class Shareholders' Meeting.

If the listing rules of the place where the shares of the Company get listed have special provisions, such provisions shall be followed.

Article 75 The notice of Class Shareholders' Meeting may only be served to the shareholders entitled to the voting at the meeting.

The Class Shareholders' Meeting shall be held in the same procedures with the Shareholders' Meeting as far as possible, and the terms related to the convening procedures of the Shareholders' Meeting specified in the *Articles of Association* shall be applicable to the Class Shareholders' Meeting.

Article 76 Except for shareholders of the shares of other classes, holders of domestic shares, foreign shares and overseas listed foreign shares shall be deemed as the shareholders of different classes.

The following circumstances shall not be applicable to special procedures of class shareholder voting:

(1) Upon special resolutions approved by the Shareholders' Meeting, the Company shall separately or jointly issue domestic shares, overseas listed foreign shares every twelve months, and the number of proposed domestic shares, overseas listed foreign shares shall not exceed 20% of outstanding shares of such classes respectively; and

(2) Upon establishment of the Company, the plan on issuance of domestic shares, overseas listed foreign shares shall be completed within fifteen months upon approval of securities governing authority under the State Council.

Chapter 9 Supplementary Provisions

Article 77 In the Rules, the referred "above-mentioned" and "including" contain the original part; the referred "over", "less than" and "more" don't contain the original part.

Article 78 The Rules shall come into effect on the date of approval at the Shareholders' Meeting.

Article 79 The Rules shall be revised at the discretion of the Shareholders' Meeting, and the Shareholders' Meeting shall authorize the Board of Directors to prepare the revised draft, and such revised draft shall come into effect only upon approval of the Shareholders' Meeting.

Article 80 In case the Rules conflicts with national laws, administrative regulations, department regulations and the listing rules of the listing places, such national relevant laws, administrative regulations, department regulations and the listing rules of the listing places shall prevail. In case the Company is listed at different listing places, the Rules shall conform to the listing rules of the listing places at the same time; in case of any discrepancy between the listing rules of different listing places, the stricter provisions shall prevail.

Article 81 The interpretation right of the Rules belongs to the Board of Directors of the Company.