

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 These rules shall apply to matters such as the convening, proposal, notification, and holding of Shareholders' Meetings of the Company.

Article 3 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 4 The Shareholders' Meeting shall exercise its functions and powers to the extent specified in the *Company Law* and the *Articles of Association*.

Article 5 The Shareholders' Meeting is divided into Annual General Meeting and Special General Meeting where the former shall be held within 6 months after the ending of the last fiscal year annually.

The Special General Meeting is held irregularly. When circumstances under which a Shareholders' Meeting shall be convened as prescribed in Article 113 of the *Company Law* arise, the meeting shall be held within 2 months.

If the Company cannot 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 (the "China Securities Regulatory Commission") 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 6 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 who 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 7 The Shareholders' Meeting is organization of power of the Company, and exercises the following functions and powers according to laws:

- (1) To elect and replace directors who are not staff representatives, and decide on the remuneration of directors;
- (2) To deliberate and approve the reports of the Board of Directors;
- (3) To deliberate and approve the Company's profit distribution plan and plans to cover losses;
- (4) To adopt resolutions about increase or reduction of the registered capital of the Company;
- (5) Make resolutions on the issuance of corporate bonds;
- (6) To adopt resolutions for the merger, division, dissolution, liquidation of the Company, or change of corporate form;
- (7) To amend the *Articles of Association*;
- (8) To make resolutions on appointment, dismissal or discontinuity for renewal of the accounting firm undertaking the Company's audit services;
- (9) To deliberate and approve the security matters specified in Article 5 of the Rules;
- (10) To deliberate and approve the matters specified in Article 6 of the Rules;
- (11) To deliberate and approve the matters on change of the purposes for the funds raised;
- (12) Review and approve the equity incentive plan and employee stock ownership plan.
- (13) 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*.

The Board of Shareholders may authorize the Board of Directors to adopt resolutions on the issuance of corporate bonds.

Article 8 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 9 The decision-making authority of the shareholders' meeting is:

The company purchases or sells assets, invests abroad (including entrusted wealth management, investment in subsidiaries, etc.), provides financial assistance (including interest or interest-free loans, entrusted loans, etc.), rents in or out assets, entrusts or entrusts with the management of assets and businesses, donates or accepts assets, reorganizes creditor's rights or debts, transfers or accepts R&D projects, signs licensing agreements, waives rights (including giving up the right of first refusal, the right to subscribe for capital contribution, etc.). 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) The net assets involved in the transaction object (such as equity) (if there are both book value and evaluation value, whichever is higher) account for more than 50% of the latest audited net assets of the listed company, and the absolute amount exceeds RMB 50 million.
- (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.
- (6) The business income related to the transaction object (such as equity) in the latest fiscal year accounts for more than 50% of the audited business income of the company in the latest fiscal year, and the absolute amount exceeds RMB 50 million.

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 10 The Board of Directors shall convene the Shareholders' Meeting on time within the period stipulated in Article 5 of the Rules.

Article 11 Upon approval by more than half of all independent directors, the independent director reserves the right to make proposal to the Board of Directors on the convening of the Special General Meeting. With regard to independent director's request on the convening of the Special 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 Special 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 12 The Audit Committee has the right to propose to the Board of Directors to convene an Special 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 Special 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 Audit Committee.

When the Board of Directors disagrees to convene the Special 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 Audit Committee may convene and chair the meeting independently.

Article 13 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 Special General Meeting, 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 Special 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 Special 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 Special General Meeting and submit request to the Audit Committee in written form.

If the Audit Committee agrees to convene the Special 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 Audit Committee fails to issue the notice of Special 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 14 In case the Audit Committee 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 listing stock exchange.

Before the announcement of the resolutions of the Shareholders' Meeting, the share proportion (including preferred shares with restored voting rights, etc.) of convening shareholders shall not be less than 10%.

The Audit Committee or convening shareholders shall submit relevant supporting data to the listing stock exchange when sending the notice of the Shareholders' Meeting and the announcement of resolutions of the Shareholders' Meeting.

Article 15 The Board of Directors and the secretary of the Board of Directors shall coordinate on the Shareholders' Meeting convened by the Audit Committee 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 16 The Company shall be responsible for the necessary expenses of the Shareholders' Meeting convened by the Audit Committee or by shareholders independently.

Chapter 4 Proposals and Notices of the Shareholders' Meeting

Article 17 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 18 When the Shareholders' Meeting is held, the Board of Directors, the Audit Committee and the shareholders who separately or aggregately hold over 1% of the shares are entitled to put forward the proposals to the Company.

The shareholders who separately or aggregately hold over 1% of the shares of the Company may issue the temporary proposal and submit to the convener in writing 10 days ahead of the Special 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 where the interim proposal violates the provisions of laws, administrative regulations, or the *Articles of Association*, or is

not within the scope of authority of the Board of Shareholders. The Company shall not increase the shareholding ratio of shareholders proposing interim proposals.

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 17 of the Rules shall not be voted or resolved.

Article 19 The convener will notify all shareholders by announcement 20 days before the annual shareholders' meeting, and the extraordinary shareholders' meeting will notify all shareholders by announcement 15 days before the meeting.

Where there are other provisions in laws, regulations, securities regulatory agencies or stock exchanges where the company's shares are listed, those provisions shall prevail.

Shareholders' Meeting may not decide the matters not specified in the notice or announcement.

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

Article 20 The notice of a general meeting of shareholders shall include the following:

- (1)The date, location and duration of the meeting;
- (2)The subjects and proposals submitted for review at the meeting;
- (3)Explain in obvious words: All the common shareholders (including the preferred shareholders with restored voting right) are entitled to attend the Shareholders' Meeting and are able to entrust agents in written to attend the meeting and vote, and the shareholder's agent does not have to be a Company's shareholders;
- (4)Equity registration date of shareholders who have rights to attend the General Meeting;
- (5)Names and telephone numbers of standing contacts of the meeting;
- (6)Voting time and procedures on the Internet or by other means.

The voting time and procedure of network or other means shall be specially indicated in the notice of the shareholders' meeting if the shareholders' meeting is held through the network or other means. The start time of online or other voting at the shareholders' meeting shall not be earlier than 3:00 pm on the day before the on-site shareholders' meeting. It shall not be later than 9:30 am on the day of the on-site shareholders' meeting, and its end time shall not be earlier than 3:00 pm on the day of the on-site shareholders' meeting.

Article 21 With regard to the way in which the company provides and/or distributes corporate communications to shareholders in accordance with the requirements of the Listing Rules of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the Listing Rules of the Stock Exchange), the company can send or provide corporate communications to shareholders of the company electronically, by publishing information on the company's website or by mail in accordance with relevant laws and regulations and the relevant provisions of the Listing Rules of the Stock Exchange as amended from time to time. The company communication includes but is not limited to: notice of shareholders' meeting, circular, annual report, interim report, quarterly report and other company newsletters listed in the Listing Rules of the Stock Exchange.

Shareholders of the company's overseas listed foreign shares may also choose to obtain printed copies of the above-mentioned company newsletter by mail in writing.

Article 22 When the Shareholders' Meeting plans to discuss matters on election of directors, the notice of meeting will fully disclose the sufficient details of candidates of directors, 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 candidate shall be proposed via single proposal except for election of directors via cumulative voting system.

Article 23 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.

Where there are other provisions in the regulatory rules of the place where the company's shares are listed, those provisions shall prevail.

Chapter 5 Convocation of the Shareholders' Meeting

Article 24 The Board of Directors and other conveners should take necessary measures to ensure the normal order of the Shareholders' Meeting. As to the behavior 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 25 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 may also, in accordance with the provisions of laws, administrative regulations, China Securities Regulatory Commission, or the *Articles of Association*, provide safe, economical, and 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 26 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 27 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 28 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.

The power of attorney shall note that whether the agent has the right to vote in accordance with its own will in case there is no specific indication from the Shareholder.

Article 29 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 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 31 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 32 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 33 All the directors 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 34 The Shareholders' Meeting shall be convened by the Board of Directors, the chairman of the Board of Directors shall act as 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 Audit Committee independently is chaired by the convener of the Audit Committee. When the convener of the Audit Committee is unable to or fails to perform duty, the meeting will be chaired by a committee member who is jointly elected by over half of members of the Audit Committee.

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 35 In Annual General Meeting, the Board of Directors 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 36 The directors and the senior management personnel shall make explanation and statement on the inquiries of the shareholders at the Shareholders' Meeting.

Article 37 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 38 The convener shall ensure that the Shareholders' 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 39 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 Company's Board of Directors, independent directors, shareholders holding 1% or more of the voting shares, or investor protection institutions established in accordance with laws, administrative regulations, or the provisions of China Securities Regulatory Commission may publicly solicit shareholders' voting rights. When soliciting shareholders' voting rights, information such as specific voting intentions shall be fully disclosed to the solicited parties. It is prohibited to solicit shareholders' voting rights for consideration or in a disguised form of consideration. Except as otherwise provided by law, the Company shall not impose a minimum shareholding ratio restriction on the solicitation of voting rights.

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 40 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 41 The following issues shall be approved through ordinary resolution by the Shareholders' Meeting:

- (1) The working reports of the Board of Directors.
- (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, 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 42 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) Demerger, division, merger, 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 43 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 44 In case the votes are checked at the Shareholders' Meeting, its result shall be recorded into the meeting minutes.

Article 45 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 46 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 47 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 48 The slate of directors 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 to the shareholders.

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

For election of directors, 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 at a shareholders' general meeting, each share held by a shareholder shall carry the same number of votes as the number of directors 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. 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 to be elected, those candidates who receive the largest number of approval votes shall be elected as directors; if the number of directors elected at a shareholders' general meeting is less than the number of directors 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 49 In case the number of directors 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 needed have been appointed.

Article 50 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 51 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 52 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 53 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 54 Before voting, the Shareholders' Meeting shall choose 2 shareholder representatives to calculate. 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 55 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 56 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 57 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 58 In case the Shareholders' Meeting approves the proposal related to election of directors, new directors shall take office immediately upon completion of the Shareholders' Meeting.

Article 59 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 60 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 PRC's court to revoke it.

Chapter 7 Minutes of the Shareholders' Meeting

Article 61 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 and the 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 62 The convener should ensure that the contents of the meeting minutes are true, accurate and complete. The directors, , 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 63 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 64 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 Supplementary Provisions

Article 65 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 66 The Rules shall come into effect on the date of approval at the Shareholders' Meeting.

Article 67 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 68 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 69 The interpretation right of the Rules belongs to the Board of Directors of the Company.

The original version of the Rules for Shareholders' Meeting ("Rules") is in Chinese, and the English version of the Rules is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English version of the Rules, the Chinese version shall prevail.

*For identification purpose only