ISSUE OF SHARES

Shares of the Company shall take the form of registered share certificates.

The Company shall issue shares in accordance with the principles of openness, fairness, and equality, and each share of the same class shall have the same right. The issue terms and price per share of the same class in the same issue shall be the same; and the same price shall be paid for each share subscribed for by any subscriber.

INCREASE, DECREASE AND REPURCHASE OF SHARES

Subject to the provisions of laws and regulations, upon special resolutions by the general meeting, the Company may increase its capital on the basis of its business and development needs by any of the following means:

(1) public offering of shares;

(2) non-public offering of shares;

(3) distributing bonus shares to existing shareholders;

(4) transferring reserve funds to increase share capital;

(5) any other ways stipulated by laws, administrative regulations and requirements of the CSRC and the Hong Kong Stock Exchange.

The Company's increase of share capital by means of issuance of new shares shall, after being approved pursuant to the provisions of the Articles of Association and the Hong Kong Listing Rules, be conducted in accordance with the procedures stipulated by relevant PRC laws, administrative regulations, the Articles of Association and the Hong Kong Listing Rules.

The Company shall not repurchase its shares, however, under the following circumstances, the Company may repurchase its own shares in accordance with the provisions of laws, administrative regulations, departmental rules and the Articles of Association:

(1) reducing the registered capital of the Company;

(2) merging with another company that holds the shares of the Company;

(3) granting the shares for the employee shareholding scheme or as share incentives;

(4) requesting the Company to repurchase its shares from shareholders who object to resolutions made at the general meeting concerning merger or division of the Company;

(5) using the shares to satisfy the conversion of corporate bonds convertible into the shares issued by the Company;

(6) it is necessary for the Company to maintain its value and shareholders' equity;

(7) other circumstances as permitted by laws, administrative regulations, departmental rules and the regulatory rules of the place(s) where the Company's shares are listed.

Save as aforementioned, the Company shall not trade in its shares. For any repurchase of its shares by the Company, the obligation of information disclosure shall be fulfilled in accordance with relevant laws, regulations, the Hong Kong Listing Rules, and relevant provisions of the CSRC and the Hong Kong Stock Exchange.

The Company may repurchase its shares through open and centralized trading or other methods permitted by laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the CSRC (if necessary).

Where the Company repurchases its shares under the circumstances described in items (3), (5) and (6) set out above, it shall be carried out by open and centralized trade.

Where the Company repurchases its shares under the circumstances described in items (1) and (2) set out above, it shall be subject to a resolution of the general meeting; where the Company repurchases its shares under the circumstances described in items (3), (5) and (6) set out above, it can be, in accordance with the provisions of the Articles of Association or authorization by the general meeting, resolved by a Board meeting with the attendance of more than two-thirds of the Directors.

Shares repurchased by the Company under item (1) set out above shall be canceled within 10 days from the date of repurchase; shares repurchased under items (2) and (4) set out above shall be transferred or canceled within 6 months thereafter; and all of the shares repurchased under items (3), (5) and (6) set out above shall not exceed 10% of the total issued shares of the Company, and shall be transferred or canceled within 3 years.

If it is otherwise specified in laws, regulations, normative documents, and the relevant regulatory rules in the place(s) where the Company's shares are listed on the matters involving the repurchase of shares of the Company, such provisions shall prevail.

TRANSFER OF SHARES

Unless otherwise stipulated by laws, administrative regulations and securities regulatory authorities at the place(s) where the Company's shares are listed, paid-up shares of the Company shall be freely transferable and are not subject to any lien. Shares of the Company may be presented, inherited and pledged pursuant to relevant laws, administrative regulations and the Articles of Association. The transfer of the Company's shares shall be registered with the local stock registration institution entrusted by the Company.

Instrument of transfer and other documents relating to or affecting the ownership of any H Share shall be registered with the local stock registration institution in Hong Kong entrusted by the Company.

The listing and trading of the Company's H Shares on the Main Board of the Hong Kong Stock Exchange, and the termination of listing of the Company's H Shares shall be handled in accordance with the Hong Kong Listing Rules and other relevant requirements. The Company shall not accept its own shares as the subject of mortgage.

Shares issued prior to the public offering of any shares of the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded on the stock exchange(s). If any law or administrative regulation, or any provision by the securities regulatory authorities of the State Council specifies otherwise for the transfer of Company's shares held any shareholder or de facto controller of a listed company, such provisions should prevail.

Directors and senior management members of the Company shall declare to the Company their shareholdings in the Company and any changes thereof, and shall not transfer more than 25% of the total number of shares of the Company held by them each year during their terms of office. The shares of the Company held by them shall not be transferred within one year from the date on which the shares of the Company are listed and traded. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 18 months after they apply for resignation from the Company within 6 months from the date of the [**REDACTED**] of shares. The aforementioned personnel shall not transfer the shares of the Company directly held by them within 12 months after they apply for resignation from the Company within 7 to 12 months from the date of the [**REDACTED**] of shares. If there are other requirements for restrictions on the transfer of shares imposed by the Hong Kong securities regulatory institutions, such requirements shall prevail.

REGISTER OF SHAREHOLDERS

The Company shall keep the register of shareholders in accordance with the law. The register of shareholders shall be the sufficient evidence to prove the shareholders' holding of the Company's shares. A shareholder shall enjoy the rights and assume the obligations attached to the class of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume equal obligations.

The Company shall keep the original register of shareholders for overseas listed shares in Hong Kong and a duplicate register of shareholders for overseas listed shares at the domicile of the Company. The entrusted overseas agent shall ensure the consistency between the original and duplicate register of shareholders at all times. The branch register of shareholders of the Company in Hong Kong must be available for inspection by shareholders, provided that the Company may handle the registration of shareholders in accordance with applicable laws and regulations and the securities regulatory rules of the place(s) where the Company's shares are listed.

If any person who has his/her name registered or requests to have his/her name registered on the register of shareholders loses his/her share certificate(s), he/she may apply to the Company for issuing replacement share certificate(s) representing the same shares. In the event that a holder of domestic shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), the matter shall be handled in accordance with the relevant provisions of the Company Law. In the event that a holder of overseas listed foreign shares loses his/her share certificate(s) and applies for issuing replacement share certificate(s), he/she should follow the procedures as required by the laws, regulations of the stock exchange or other related rules in the place where the register of shareholders for such overseas listed foreign shares is kept.

SHAREHOLDERS AND GENERAL MEETINGS

Rights and Obligations of Shareholders

Shareholders of the Company shall enjoy the following rights:

(1) to receive dividends and other forms of benefit distribution in proportion to the number of shares they hold;

(2) to lawfully request, convene, preside over, attend or appoint a proxy to attend the general meeting and exercise corresponding voting rights;

(3) to supervise the operation of the Company and make suggestions and inquiries;

(4) to transfer, gift or pledge their shares in accordance with laws, administrative regulations, the Articles of Association and the Hong Kong Listing Rules;

(5) to inspect and copy the Articles of Association, the register of shareholders, minutes of general meetings; resolutions of Board meetings, and the financial and accounting reports according to law;

(6) upon termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company in proportion to the number of Shares they hold;

(7) to require the Company to repurchase their shares by shareholders who disagree with the resolutions for the merger and division of the Company made at the general meeting;

(8) other rights stipulated by laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

The shareholders of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations and the Articles of Association;

(2) to pay subscription monies according to the shares subscribed and the method of subscription;

(3) not to withdraw their shares unless required by laws and regulations;

(4) not to abuse their shareholders' rights to jeopardize the interests of the Company or other shareholders; and not to abuse the status of the Company as an independent legal person and the limited liability of shareholders to evade repayment of debts and jeopardize the interests of any creditors of the Company;

(5) other obligations imposed by laws, administrative regulations, the regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Proxies of Shareholders

An individual shareholder who attends the general meeting in person shall produce his/her own identity card or other valid documents or proof evidencing his/her identity. Where a shareholder intends to appoint a proxy to attend the general meeting on his/her behalf, the proxy shall produce his/her own valid identity documents and the power of attorney issued by the shareholder.

A corporate shareholder shall designate its legal representative or a proxy appointed by the legal representative to attend the meeting. If the legal representative attends the meeting, he or she shall produce his or her own identity card and valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his/her own identity card and the written power of attorney issued by the legal representative of the corporate shareholder according to law.

The power of attorney issued by a shareholder authorizing others to attend the general meeting shall state the following:

(1) the name of the appointer and the number and class of the Company's shares held by him/her;

(2) the name of the proxy;

(3) the specific instructions of the shareholder, including instructions to vote for, against or abstain from voting on each matter to be deliberated on the agenda of the general meeting;

(4) date of issuance and validity period of the power of attorney;

(5) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the legal entity shall be affixed.

The power of attorney shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote according to his/her own discretion. Without such a statement, such proxy shall be deemed to have the right to vote at its own discretion.

Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting. The power of attorney shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy of the shareholder may vote according to his/her own discretion.

In the event that the power of attorney is signed by another person authorized by the appointer, the signed authorization or other authorization instrument shall be notarized, and such notarized authorization, other authorization instrument and the power of attorney shall be maintained at the domicile of the Company or at such other location as specified in the notice regarding the convening of the meeting.

Where the appointer is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall be entitled to attend the general meeting of the Company as the representative of such legal person.

Where the shareholder is a recognized clearing house (or its agent) as defined in the Hong Kong Securities and Futures Ordinance or the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more person(s) as it thinks fit to act as its representative(s) at any general meeting provided that, if one or more person(s) is/are so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized. The person so authorized may represent the recognized clearing house (or its agent) to exercise the rights (without being required to present a share certificate, notarized authorization and/or further evidence of due authorization), as if such person was an individual shareholder of the Company, who shall have the same statutory rights as other shareholders, including the right to speak and vote.

Power of the General Meeting and Matters Determined by It

The general meeting shall comprise all shareholders. The general meeting is the organ of authority of the Company, and shall exercise the following functions and powers according to law:

(1) to elect and replace Directors and decide on matters relating to the remuneration of Directors;

(2) to consider and approve reports of the Board of Directors;

(3) to consider and approve the Company's profit distribution plans and plans for making up losses;

(4) to resolve on increases or reductions in the Company's registered capital;

(5) to resolve on issuance of corporate bonds of the Company;

(6) to resolve on the Company's merger, division, dissolution, liquidation or change of its corporate form;

(7) to amend the Articles of Association;

(8) to resolve on the engagement or dismissal of the accounting firm that undertakes the Company's audit;

(9) to consider and approve the guarantees as stipulated in the Articles of Association;

(10) to consider matters relating to the acquisition or disposal of material assets by the Company within one year in an amount exceeding 30% of the latest audited total assets of the Company;

(11) to consider and approve matters relating to the changes in the use of proceeds;

(12) to consider share incentive plans and employee stock ownership plans;

(13) to consider other matters to be resolved by the general meeting as required by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

The general meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

The following acts of external guarantees of the Company shall be considered and passed by the general meeting:

(1) any guarantee to be provided once the total amount of external guarantees provided by the Company or its controlled subsidiary has exceeded 50% of the Company's latest audited net assets;

(2) any guarantee to be provided once the total amount of external guarantees provided by the Company has exceeded 30% of the Company's latest audited total assets;

(3) any guarantee provided by the Company to others, where the amount of guarantees within one year exceeds 30% of the Company's latest audited net assets;

(4) any guarantee provided to any party with a gearing ratio in excess of 70%;

(5) any single guarantee with an amount more than 10% of the Company's latest audited net assets;

(6) any guarantee to be provided to a shareholder or a de facto controller or a related party thereof;

(7) other circumstances stipulated by laws, regulations, normative documents, the Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

When the guarantee mentioned in item (3) in the preceding paragraph is reviewed at the general meeting, it shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

When a proposal on providing any guarantees for a shareholder or a de facto controller or a related party thereof is being reviewed at the general meeting, the shareholder or the shareholder controlled by the de facto controller shall abstain from voting on the proposal. Except for the provisions in the preceding paragraph, the proposal shall be subject to approval by more than half of the voting rights of other shareholders attending the general meeting.

Where a guarantee is provided by the Company to a wholly-owned subsidiary or a guarantee is provided to its controlled subsidiary and other shareholders of such controlled subsidiary provided guarantees in proportion to their rights and interests, and such guarantees fall within the items (1) to (4) of the first paragraph on the powers and functions of the general meeting, they may be exempted from being submitted to the general meeting for consideration.

Transactions of the Company meeting the standards for submission to the general meeting for approval based on the definition of transactions and relevant calculations as stipulated in the Hong Kong Listing Rules, shall be submitted to the general meeting for consideration in accordance with the Hong Kong Listing Rules, in addition to consideration and approval by the Board.

The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions at a general meeting shall be passed by more than half of the voting shares held by shareholders (including their proxies) attending the meeting.

Special resolution at a general meeting shall be passed by more than two-thirds of the voting rights held by shareholders (including their proxies) attending the general meeting.

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

(1) work reports of the Board of Directors;

(2) profit distribution plans and loss recovery plans formulated by the Board of Directors;

(3) removal and appointment of members of the Board of Directors, and their remuneration and method of payment of their remuneration;

(4) the engagement or dismissal of the accounting firm or not to renew the appointment thereof, and its remuneration;

(5) other significant matters exceeding the investment and decision-making authority of the Board of Directors as stipulated in the Articles of Association;

(6) matters other than those required to be approved by special resolutions under laws, administrative regulations, the Hong Kong Listing Rules, the securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association.

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

(1) any increase or reduction in the Company's registered capital;

(2) division, spin-off, merger, dissolution, liquidation or changes in the form of the Company;

(3) amendments to the Articles of Association and its annexes (including the rules of procedure for the general meetings, the rules of procedure for the Board meetings);

(4) acquisition or disposal of material assets or provision of guarantees by the Company within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(5) any share incentive plan;

(6) any adjustment or change of the Company's profit distribution policy;

(7) repurchasing shares to reduce the registered capital;

(8) any material asset restructuring;

(9) voluntary winding up of the Company;

(10) any other matter specified in laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, and confirmed by an ordinary resolution at a general meeting that it may have a material impact on the Company and accordingly shall be approved by special resolutions.

The shareholders (including their proxies) shall exercise their voting rights according to the number of voting shares that they represent and each share shall have one vote, except for class shareholders.

Where any material matter that has an impact on the interests of minority investors is considered at a general meeting, the votes cast by minority investors shall be disclosed to the public in a timely manner in accordance with the relevant laws and regulations, and the Hong Kong Listing Rules.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a general meeting.

If a shareholder's purchase of the Company's voting shares violates the paragraphs of (1) and (2) of Article 63 of the Securities Law, the portion of the shares over the prescribed ratio shall not be allowed to exercise voting rights for a period of thirty-six months after the purchase and shall not be counted towards the total number of voting shares held by shareholders present at the general meeting.

The Board of Directors, independent non-executive Directors and shareholders holding more than 1% of the voting shares may solicit rights from shareholders. The solicitor shall not publicly solicit voting rights from shareholders in a paid or disguised pay way. Except for statutory conditions, the Company may not pose obstacles, such as minimum shareholding ratio restrictions on the solicitation of voting rights.

Where any shareholder is, under the applicable laws and regulations and the Hong Kong Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirements or restrictions shall not be counted.

Convening, Proposals and Notices of Meetings

The Board of Directors shall convene the general meeting on time within the specified period.

With the approval of a majority of all independent non-executive Directors, the independent non-executive Directors shall have the right to propose to the Board of Directors to convene an extraordinary general meeting. Where an independent Director proposes that an extraordinary general meeting be held, the Board of Directors shall, in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall explain the reasons and make an announcement.

The Audit Committee shall have the right to propose to the Board of Directors to convene an extraordinary general meeting, and such proposal shall be made to the Board of Directors in writing. The Board of Directors shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original proposal made in the notice shall be approved by the Audit Committee.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such proposal, the Board of Directors shall be deemed to be unable or fail to perform the duty of convening the general meeting, and the Audit Committee may convene and preside over the meeting on its own.

Any shareholder(s) individually or jointly holding over 10% of the Company's shares shall have the right to request the Board of Directors to convene an extraordinary general meeting, and such request shall be made in writing to the Board of Directors. The Board of

Directors shall, in accordance with laws, administrative regulations and the Articles of Association, furnish a written reply on whether to convene the extraordinary general meeting within 10 days upon receipt of the proposal.

If the Board of Directors agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon the passing of the Board resolution. Any changes to the original request made in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to convene the extraordinary general meeting or fails to furnish a reply within 10 days upon receipt of such request, the shareholder(s) individually or jointly holding over 10% of the shares of the Company shall have the right to request the Audit Committee to convene an extraordinary general meeting, and such request shall be made in writing.

If the Audit Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within five days upon receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Audit Committee fails to issue the notice of the general meeting within the prescribed period, it shall be deemed that the Audit Committee does not convene and preside over the general meeting, and the shareholder(s) individually or jointly holding over 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on its/their own.

The contents of the proposals shall fall within the terms of reference of the general meeting, have clear topics and specific resolutions, and comply with the relevant provisions of laws, administrative regulations and the Articles of Association.

The Board of Directors, the Audit Committee and the shareholder(s) individually or jointly holding more than 1% of the Company's shares shall have the right to make proposals to the Company.

The shareholder(s) individually or jointly holding more than 1% of the Company's shares may put forward interim proposals and submit such proposals in writing to the convener ten days before the general meeting is held. The convener shall issue a supplemental notice of the general meeting within 2 days upon the receipt of such proposals, announce the contents of the interim proposals and submit the same to the general meeting for consideration, provided that such proposals shall not violate laws, administrative regulations or the Articles of Association, and shall fall within the terms of reference of the general meeting.

Except for the circumstances set out above, the convener shall not modify the proposals listed or add any new proposal in the notice of the general meeting after sending it out.

Proposals not set out in the notice of the general meeting or not in compliance with laws, administrative regulations, departmental rules, normative documents, the Hong Kong Listing Rules and the Articles of Association shall not be voted on or resolved on at the general meeting.

The Company shall not increase the shareholding of shareholders who put forward interim proposals.

Proposals not set out in the notice of the general meeting or in the notice of interim proposals or not in compliance with the provisions shall not be voted on or resolved on at the general meeting.

The notice of a general meeting shall include the following:

(1) the time, venue and duration of the meeting;

(2) matters and proposals to be considered at the meeting;

(3) a prominent written statement that all shareholders have the right to attend the general meeting, and may appoint a proxy in writing, who need not be a shareholder, to attend and vote on his/her behalf;

(4) the shareholding registration date for shareholders entitled to attend the general meeting;

(5) the name and telephone number of permanent contact persons for the affairs of the meeting;

(6) the voting time and procedure via the Internet or through other means;

(7) other requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The specific details of all proposals shall be adequately and fully disclosed in all general meeting notices and supplementary notices. Where matters to be discussed require independent non-executive Directors' opinions, the opinions and reasons given by the independent non-executive Directors shall be disclosed when the general meeting notice or supplementary notice is issued.

Where other voting methods are to be adopted at the general meeting, the notice shall also specify the voting time and the matters to be voted on. Where the general meeting is to be convened via the internet or in any other manner, the notice of the general meeting shall clearly state the time and procedure of voting via the internet or any other manner. The time to start voting at a general meeting held via the internet or any other mean shall not be earlier than

3:00 p.m. of the day immediately preceding the date of the physical general meeting but not later than 9: 30 a.m. of the date of the physical general meeting, and shall not conclude earlier than 3: 00 p.m. of the date on which the physical general meeting is concluded.

The interval between the record date and the date of the meeting shall conform to the requirements of the relevant regulatory authorities at the place(s) where the shares of the Company are listed. Once the record date is confirmed, no change may be made thereto.

DIRECTORS AND BOARD OF DIRECTORS

Directors

Directors of the Company are natural persons. A person shall not serve as a Director if:

(1) a person without capacity or with restricted capacity for civil conduct;

(2) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period;

(3) a person who was a director, factory director or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise;

(4) a person who was a legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who was personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure;

(5) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts;

(6) a person who has been banned from entering the securities market by the CSRC and whose term has not yet expired;

(7) a person who is publicly deemed to be disqualified to act as a director or senior management of listed companies by the stock exchange, where the disqualification period remains effective;

(8) other requirements stipulated by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed.

Any election or appointment of a Director in violation of this Article shall be invalid. If a Director falls under the circumstances stipulated in this Article during his/her term of office, the Company will remove him/her from his/her position and suspend his/her duties.

The Directors shall be elected or replaced by the general meeting, and each term of office of a Director is three years. A Director shall be eligible for re-election upon the expiration of the term of office. However, an independent non-executive Director shall be re-elected upon corresponding consideration procedures in accordance with the Hong Kong Listing Rules if such Director has served in his/her position for more than six years.

Provided that there is no violation of relevant laws, regulations and regulatory rules, shareholders are entitled to remove any Director (including the managing director or other executive Directors) prior to the expiration of his/her term of office by passing an ordinary resolution at a general meeting; however, such removal shall not prejudice such Director from making claims for damages under any contract.

The term of office a Director shall start from the date on which the said Director takes office until the expiry of the term of the prevailing session of the Board. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, the securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association before a newly elected Director takes office.

A Director may serve concurrently as a member of the senior management, but the Directors serving concurrently as such and the Directors being employee representatives shall not be more than half of all Directors of the Company.

Board of Directors

The Board of Directors shall exercise the following functions and powers:

(1) to convene the general meeting and report to the general meeting;

(2) to implement the resolutions passed at the general meeting;

(3) to determine the business plans and investment plans of the Company;

(4) to prepare the plans for profit distribution and plans for making up losses of the Company;

(5) to formulate plans in respect of any increase or reduction of the registered capital, the issuance of bonds or other securities, and the listing of the Company;

(6) to formulate plans for material acquisition, repurchase of the Company's shares, or merger, division, dissolution, and change of the corporate form of the Company;

(7) to determine, within the authority granted by the general meeting, matters such as external investment, the acquisition and disposal of assets, asset mortgages, external guarantees, consigned financial management, related (connected) transactions, and external donations and gifts;

(8) to determine the establishment of the internal management structure of the Company;

(9) to determine the appointment or dismissal of the General Manager, the secretary to the Board of Directors and other senior management members of the Company, and determine their remunerations, rewards and punishments; and according to the nomination by the General Manager, to determine the appointment or dismissal of other senior management members, such as deputy general managers and the person-in-charge of finance of the Company, and determine their remunerations, rewards and punishments;

(10) to formulate the Company's basic management system;

(11) to draw up proposals for any amendment to the Articles of Association;

(12) to manage the matters of information disclosure of the Company;

(13) to propose at the general meeting the appointment or change of any accounting firm which provides auditing services for the Company;

(14) to receive work reports of the General Manager and review his/her work;

(15) to consider and handle the transfer of the Company's domestic shares held by shareholders to overseas investors, or the approval for the conversion of the Company's domestic shares held by shareholders into overseas listed shares which can be listed on an overseas stock exchange;

(16) to decide to apply to relevant domestic and foreign government authorities and regulatory bodies regarding matters related to the "full circulation" of H-shares, and separately or jointly handle all matters related to the "full circulation" of H-shares in its sole discretion;

(17) to separately or jointly deal with matters relating to the additional issuance of the Company's H Shares under the authorization of the annual general meeting, i.e. to determine separately or jointly allot, issue and deal with H Shares of the Company (not exceeding 20% of the H Shares in issue (excluding Treasury Shares) as at the date on which the authorization resolution was passed at the general meeting and to determine the terms and conditions for the allotment, issuance and dealing with new Shares; meanwhile, the Board of Directors has rights to obtain approvals from or complete filings with the CSRC, Hong Kong Stock Exchange and other relevant regulatory authorities in connection with the aforementioned additional issuance under the provisions of relevant laws and regulations; provided that the capital contribution in the form of non-monetary property shall be resolved at the general meeting; and

(18) to exercise other functions and powers conferred by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed, the Articles of Association, or the general meeting.

Matters beyond the authorization of the general meeting shall be submitted to the general meeting for consideration.

Special Committees under the Board

The Company's Board of Directors shall establish an audit committee, which shall exercise the powers and functions of the supervisory committee as stipulated in the Company Law.

The members of the Audit Committee shall be non-executive Directors, and the convener shall be an independent non-executive Director with professional accounting qualifications.

The Audit Committee shall be responsible for reviewing the Company's financial information and its disclosure, supervising and evaluating internal and external audit work and internal control, and the following matters shall be submitted to the Board of Directors for deliberation after being approved by more than half of all members of the Audit Committee:

(1) disclosing financial information in financial and accounting reports and periodic reports, and internal control evaluation reports;

(2) appointing or dismissing the accounting firm engaged to undertake the audit of the Company;

(3) appointing or dismissing the Company's chief financial officer;

(4) making changes to accounting policies or accounting estimates, or correcting material accounting errors, for reasons other than changes in accounting standards;

(5) other matters stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

The Audit Committee shall convene at least one meeting every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary. A meeting of the Audit Committee requires the attendance of more than two-thirds of its members to be held.

Resolutions made by the Audit Committee shall be passed by more than half of its members.

Voting on resolutions of the Audit Committee shall be on a one-person, one-vote basis.

Resolutions of the Audit Committee shall be recorded in minutes of meetings prepared in accordance with regulations, and members of the Audit Committee present at the meeting shall sign the minutes.

In addition to the Audit Committee, the Board of Directors shall establish a nomination committee, a remuneration and appraisal committee and other special committees. These committees shall perform their duties in accordance with these Articles and the authorization of the Board of Directors, and the proposals of special committees shall be submitted to the Board of Directors for deliberation and decision. The working regulations of the special committees shall be formulated by the Board.

The Nomination Committee shall be responsible for formulating the standards and procedures for the selection of Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

(1) nominating or appointing and removing of Directors;

(2) appointing or dismissing senior management members;

(3) other matters as provided by laws, administrative regulations, the requirements of the CSRC and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, the opinions of the Nomination Committee and the specific reasons for not adopting such recommendations shall be recorded in the resolution of the Board of Directors and shall be disclosed in accordance with laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association.

The Remuneration and Appraisal Committee shall be responsible for formulating the evaluation criteria for Directors and senior management members; conducting the evaluation; preparing and reviewing the remuneration policies and programs for Directors and senior management members such as the mechanism for determining the remuneration of directors and senior management, the decision-making process, and the arrangements for the payment and stop-payment recourse; and making recommendations to the Board of Directors on the following matters:

(1) the remuneration of Directors and senior management members;

(2) formulating or changing share incentive plans and employee stock ownership plans, the granting of entitlements to participants in such plans, and the satisfaction of conditions for the exercise of such entitlements;

(3) arranging share ownership plans for Directors and senior management in the subsidiaries proposed to be spun off;

(4) other matters as prescribed by laws, administrative regulations, the requirements of the CSRC and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, the opinions of the Remuneration and Appraisal Committee and the specific reasons for not adopting such recommendations shall be recorded in the resolution of the Board of Directors and shall be disclosed in accordance with laws and regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed, and the Articles of Association.

Independent Non-executive Directors

The independent non-executive Directors shall conscientiously perform their duties in accordance with laws, administrative regulations, the regulatory rules of the CSRC and the place(s) where the Company's shares are listed, and the Articles of Association, play the roles of participating in the decision-making, supervising, checking and balancing, and professional consulting in the Board, safeguard the interests of the Company as a whole, and protect the lawful rights and interests of minority shareholders.

Independent non-executive Directors must maintain their independence. The following persons shall not be independent non-executive Directors:

(1) Persons working in the Company or its affiliated enterprises, and their spouses, parents, children and main social relations;

(2) Natural person shareholders directly or indirectly holding more than 1% of the issued shares of the Company or among the top ten shareholders of the Company, and their spouses, parents and children;

(3) Shareholders directly or indirectly holding more than 5% of the issued shares of the Company or persons among the top five shareholders of the Company, and their spouses, parents and children;

(4) Persons working in the affiliated enterprises of the controlling shareholders or de facto controllers of the Company, and their spouses, parents and children;

(5) Persons who have material business dealings with the Company and its controlling shareholders or de facto controllers or their respective affiliated enterprises, or who work in entities that have material business dealings with the Company and its controlling shareholders or de facto controllers;

(6) Persons who provide financial, legal, consulting and sponsorship services for the Company, its controlling shareholders, de facto controllers or their respective affiliated enterprises, including but not limited to, all project team members, review persons at all levels, report signing persons, partners, directors, senior management members and principal persons of the intermediary agency providing services;

(7) Persons who have experienced any of the conditions listed in items (1) to (6) within the last twelve months;

(8) Other persons who do not possess independence as stipulated by laws, administrative regulations, the requirements of the CSRC, the business rules of stock exchange(s), the Hong Kong Listing Rules and the Articles of Association.

The affiliated enterprises of the controlling shareholders and the de facto controllers of the Company mentioned in items (4) to (6) of the preceding paragraph exclude the enterprises which are controlled by the same state-owned assets management institution together with the Company and are not related (connected) with the Company according to the relevant regulations.

Independent non-executive Directors shall conduct an annual self-examination of independence and submit the self-examination to the Board. The Board of Directors shall evaluate and issue a special opinion on the independence of the incumbent independent non-executive Directors on an annual basis, which shall be disclosed at the same time as the annual report.

An independent non-executive Director of the Company shall meet the following conditions:

(1) be qualified to serve as a Director of a listed company in accordance with laws, administrative regulations and other relevant provisions, and regulatory rules of the place(s) where the Company is listed;

(2) comply with the independence requirements stipulated in the Articles of Association;

(3) possess basic knowledge of the operation of a listed company and be familiar with relevant laws, and rules;

(4) have at least five years of working experience in law, accounting or economics necessary for the fulfillment of his/her duty as an independent non-executive Director;

(5) possess good personal integrity and no major breach of trust or other adverse records;

(6) other conditions as stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

If at any time the independent non-executive Directors of the Company do not meet the quorum, qualification or independence requirements set out in the Hong Kong Listing Rules, the Company shall immediately notify the Hong Kong Stock Exchange and make an announcement stating the relevant details and reasons and appoint a sufficient number of independent non-executive Directors to meet the requirements of the Hong Kong Listing Rules within three months after the occurrence of the non-compliance condition.

Independent non-executive Directors, as members of the Board of Directors, owe loyalty duties and diligence duties to the Company and all shareholders, and shall prudently perform the following duties:

(1) to participate in the decision-making of the Board and express clear opinions on matters under discussion;

(2) to supervise any potential material conflict of interest between the Company and its controlling shareholders, de facto controllers, Directors or senior management, and protect the legitimate rights and interests of minority shareholders;

(3) to provide professional and objective advice on the Company's operations and development to promote improvement in the decision-making quality of the Board;

(4) other duties stipulated by laws, administrative regulations, departmental rules, Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

Independent non-executive Directors shall exercise the following special functions and powers:

(1) to engage an intermediary institution independently for auditing, consultation or verification on specific matters of the Company;

(2) to propose to the Board of Directors for the convening of extraordinary general meetings;

(3) to propose for the convening of Board meetings;

(4) to publicly solicit shareholders' rights from shareholders in accordance with the law;

(5) to express independent opinions on matters that may jeopardize the rights and interests of the Company or minority shareholders;

(6) other functions and powers stipulated by laws, administrative regulations, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed and the Articles of Association.

In the event that independent non-executive Directors exercise any of the functions and powers listed in items (1) to (3) of the preceding paragraph, the exercise of such functions and powers shall be subject to the approval of a majority of all the independent non-executive Directors.

When independent non-executive Directors exercise the functions and powers set forth in the first paragraph, the Company shall disclose in time. If the aforesaid functions or powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

The General Manager and Other Senior Management Members

The Company shall have one general manager who shall be appointed or dismissed by the Board of Directors. The Company shall have deputy general managers according to the needs of work, who shall be appointed or dismissed by the Board of Directors.

The provisions of the Articles of Association regarding the circumstances under which one is not allowed to serve as a Director and the management system on resignations shall also apply to the senior management. The provisions of the Articles of Association regarding the loyalty duties and diligence duties of Directors shall also apply to the senior management.

Any person working with the controlling shareholders or de facto controllers of the Company other than as a director shall not serve as a senior management member of the Company. The senior management members of the Company shall only be entitled to the salaries paid by the Company. The controlling shareholders shall not pay the salaries on behalf of the Company.

The term of office of the General Manager shall be three years, renewable upon re-appointment. The General Manager shall be accountable to the Board of Directors, attend Board meetings and exercise the following functions and powers:

(1) to be in charge of the Company's production, operation and management, to organize and implement the resolutions of the Board and to report his/her work to the Board;

(2) to organize and implement the Company's annual business plans and investment plans;

(3) to formulate the Company's plans for the establishment of its internal management structure;

(4) to formulate the Company's basic management system;

(5) to formulate specific rules and regulations of the Company;

(6) to propose to the Board to appoint or dismiss deputy general managers and the chief financial officer and other senior management members of the Company;

(7) to appoint or dismiss the management officers other than those required to be appointed or dismissed by the Board of Directors;

(8) to exercise other functions and powers as conferred by the Articles of Association or the Board.

If a senior management member, in the performance of his/her duties, causes damage to others, the Company shall be liable for compensation; and the senior management member shall also be liable for compensation if there is intentionality or gross negligence on his/her part.

Any senior management member who violates any laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, other securities regulatory rules of the place(s) where the Company's shares are listed or the Articles of Association, causing losses to the Company, shall be liable for compensation.

ACCOUNTING AND AUDIT

The Company shall establish its financial and accounting system in accordance with laws, administrative regulations and the provisions of relevant PRC authorities. Where the securities regulatory authorities of the place(s) where the Company's shares are listed provide otherwise, such provisions shall prevail.

The controlling shareholders, de facto controllers and their related parties shall respect the financial independence of the Company and shall not interfere with the financial and accounting activities of the Company.

Profits Distribution

When distributing the current year's after-tax profits, the Company shall allocate 10% of its profits to its statutory reserve fund. Further appropriations are not required, if its statutory reserve fund has accumulated to more than 50% of its registered capital.

If the statutory reserve fund of the Company is insufficient to make up for the losses of the previous years, the current year's profits shall be used to make up for the losses before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

After the Company has made an allocation to the statutory reserve fund from its after-tax profit, it may also make an allocation to the discretionary reserve fund from its after-tax profit upon a resolution of the general meeting.

The remaining profits after tax after the Company has made up its losses and allocated to its reserve fund may be distributed to its shareholders in proportion to their shareholdings unless otherwise provided by the Articles of Association.

If a general meeting has, in violation of the Company Law, distributed profits to shareholders before making up losses and allocating to the statutory reserve fund, shareholders shall return to the Company the profits distributed in violation of the provisions.

The shares of the Company held by the Company shall not participate in the distribution of profits.

The Company must appoint one or more collection agent(s) in Hong Kong for the shareholders of H shares. The collection agent shall receive and hold on behalf of the relevant shareholders of H shares any dividends distributed and other payments payable by the Company in respect of H Shares and make payment to such shareholders of H Shares. The collection agent appointed by the Company shall be in compliance with the laws, regulations and the securities regulatory rules of the place(s) where the shares of the Company are listed.

The Company's reserve fund shall be used to make up the losses of the Company or expand the production operations, or be converted to increase the registered capital of the Company.

The discretionary reserve fund and statutory reserve fund shall be used first to make up the Company's losses; if the losses cannot be covered, the capital reserve fund can be used in accordance with the regulations.

When the statutory reserve fund is converted into registered capital, the remainder of the reserve fund shall not be less than 25% of the Company's registered capital prior to such conversion.

MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and an inventory of property. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution. The creditors may require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors have not received the notice.

In the event of a merger, creditors' rights or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company.

In the event of a division of the Company, its properties shall be divided up accordingly.

In the event of a division, a balance sheet and an inventory of property shall be prepared. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 30 days from the date of such resolution.

For the debts of the Company prior to the division, the companies after the division shall bear joint and several liabilities, unless otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before the division.

The Company shall be dissolved for the following reasons:

(1) the expiration of the business period as stipulated in the Articles of Association or the occurrence of other grounds for dissolution as stipulated in the Articles of Association;

(2) dissolution resolved by the general meeting;

(3) required dissolution due to the merger or division of the Company;

(4) the business license being revoked, ordered to close, or revoked in accordance with the law;

(5) serious difficulties in its business operation management and serious damages to the interests of its shareholders for its continued existence which cannot be resolved through any other means, shareholders who hold over 10% of the voting rights of the Company may apply to the people's court to dissolve the Company.

If any reason for dissolution as mentioned in the preceding paragraph arises, the Company shall publicize the reason through the National Enterprise Credit Information Publicity System within ten days.

Where the Company falls under any of the circumstances specified in above-mentioned items (1) and (2) and has not distributed any property to its shareholders, the Company may continue to exist by amending these Articles or by resolutions of the general meeting.

Any amendment to these Articles according to the preceding paragraph shall be approved by more than two-thirds of the voting rights of the shareholders present at the meeting of the Board of Shareholders.

Where the Company is dissolved pursuant due to above-mentioned items (1), (2), (4) and (5), a liquidation shall be conducted. The Directors, who are the liquidation obligors of the Company, shall form a liquidation committee to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution.

The liquidation committee shall be composed of Directors, unless the Articles of Association stipulate otherwise or it is resolved to elect other person(s) at the general meeting.

The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the Company or the creditors.

If the liquidation committee fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation committee.

The liquidation committee shall notify the creditors within 10 days from the date of its formation, and make an announcement in the newspapers or the National Enterprise Credit Information Publicity System within 60 days from the date of its formation. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of the announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

The liquidation committee shall, after checking the Company's property and preparing a balance sheet and an inventory of property, formulate a liquidation plan and present it to the general meeting or the people's court for confirmation.

After paying the liquidation expenses, employees' salaries, social insurance fees and statutory compensation, outstanding taxes and debts of the Company, the remaining property of the Company will be distributed in proportion to the number of shares held by shareholders.

During the liquidation period, the Company continues to exist, but can not carry out any business operation that is not for purpose of carrying out liquidation. Before the settlement of payments as prescribed in the preceding paragraph, the Company's property will not be distributed to shareholders.

If the liquidation committee, having checked the company's property and having prepared a balance sheet and an inventory of property, discovers that the Company's assets are insufficient to pay off its debts, it shall apply to the people's court for insolvency liquidation.

After the people's court accepts the application for insolvency, the liquidation committee shall transfer all liquidation affairs to the insolvency administrators appointed by the people's court.

Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report, submit the report to the general meeting or the people's court for confirmation, and submit the report to the company registration authority and apply for deregistration of the company, and publish an announcement on the termination of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In any of the following circumstances, the Company shall amend the Articles of Association:

(1) upon revision of the Company Law or the relevant laws, administrative regulations, the Hong Kong Listing Rules or other securities regulatory rules of the place(s) where the Company's shares are listed, the provisions of the Articles of Association conflict with the revised laws, administrative regulations, the Hong Kong Listing Rules or other securities regulatory rules of the place(s) where the Company's shares are listed;

(2) changes in the state of the Company are inconsistent with the matters stipulated in the Articles of Association;

(3) the general meeting has resolved to amend the Articles of Association.

Amendments to the Articles of Association passed by resolutions at the general meeting, which require examination and approval by the competent authorities, shall be submitted to the competent authorities for approval. Where any amendment involves the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the law.

The Board of Directors shall amend the Company's Articles of Association in accordance with the resolution of the general meeting to amend the Articles of Association and the approval opinions of relevant competent authorities.

Any amendment to the Articles of Association which involves information to be disclosed as required by the laws or regulations, shall be announced as required.