

Lanzhou Zhuangyuan Pasture Co., Ltd.*

Articles of Association

Approved by 45th meeting of the 3rd session of the Board of Directors'
of the Company

* *For identification purpose only*

Note: In case of any discrepancies between the English version and the Chinese version, the Chinese version shall prevail.

TABLE OF CONTENTS

CHAPTER 1	GENERAL	1
CHAPTER 2	OBJECTIVES AND SCOPE OF BUSINESS	3
CHAPTER 3	SHARES	3
CHAPTER 4	SHAREHOLDERS AND THE GENERAL MEETING	14
CHAPTER 5	BOARD OF DIRECTORS	38
CHAPTER 6	GENERAL MANAGER AND OTHER SENIOR MANAGEMENT	53
CHAPTER 7	SUPERVISORY COMMITTEE	54
CHAPTER 8	PARTY COMMITTEE	58
CHAPTER 9	QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY	59
CHAPTER 10	FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT	66
CHAPTER 11	NOTICE AND ANNOUNCEMENT	74
CHAPTER 12	MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION	77
CHAPTER 13	AMENDMENTS TO THESE ARTICLES OF ASSOCIATION	81
CHAPTER 14	SETTLEMENT OF DISPUTES	82
CHAPTER 15	MISCELLANEOUS	83

Lanzhou Zhuangyuan Pasture Co., Ltd.*

CHAPTER 1 GENERAL

Article 1 In order to establish the legal status of LANZHOU ZHUANGYUAN PASTURE CO., LTD. (hereinafter referred to as the “Company”), regulate the organization and acts of the Company, safeguard the legal rights and interests of the Company, its shareholders and creditors thereof, and establish a good self-developing and self-disciplinary operating system, these Articles of Association are formulated in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Constitution of the Communist Party of China (hereinafter referred to as the “Party Constitution”), the Special Regulations of the State Council on the Overseas Share. Offering and Listing by Joint-stock Limited Liability Companies (國務院關於股份有限公司境外募集股份及上市的特別規定) (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions of Articles of Association of Companies Listing Overseas (到境外上市公司章程必備條款), the Letter of Opinions on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函), the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), and other relevant provisions.

Article 2 The Company is a joint stock company with limited liability established in accordance with the Company Law, the Securities Law and other relevant provisions.

The Company is a joint stock limited company wholly converted from Lanzhou Zhuangyuan Dairy Co., Ltd. in accordance with the Company Law and other relevant laws and administrative regulations of China. It is registered with **Lanzhou Administration for Market Regulation** and obtained business license (credibility code: 916201007127751385).

The Company completed the initial public offering of 35,130,000 overseas listed foreign shares (H Shares) on 15 October 2015 and listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) on the same date.

As approved by the Approval Document Zheng Jian Xu Ke [2017] No.1779 (證監許可[2017] 1779號文) promulgated by the China Securities Regulatory Commission (hereinafter referred to as the “CSRC”) on 29 September 2017, the Company carried out the initial public offering of 46,840,000 RMB ordinary shares (Domestic Shares) and listed on Shenzhen Stock Exchange on 31 October 2017.

Article 3 The registered name of the Company: 蘭州莊園牧場股份有限公司;

The English name of the Company: LANZHOU ZHUANGYUAN PASTURE CO., LTD.;

Article 4 The address of the Company: Sanjiaocheng Village Sanjiaocheng Town Yuzhong County Lanzhou, Gansu.

Postal code: 730020;
Telephone number: 0931-8406966;
Fax number: 0931-8407288.

Article 5 The registered capital of the Company is RMB233,680,600.

Article 6 The Company is a joint stock company with limited liability with a term of existence of 50 years.

Article 7 The chairman of the board of directors (“Board”) of the Company shall be the legal representative of the Company. The legal representative shall exercise the following functions and powers:

- (1) to sign share certificates, bond certificates and other marketable securities of the Company;
- (2) to sign contractual documents with external parties and to issue other various material documents on behalf of the Company, and to authorize other staff member of the Company to sign relevant contractual documents and to issue other relevant documents;
- (3) to exercise other powers and functions as the legal representative as required by laws and administrative regulations.

Article 8 All of the assets of the Company shall be divided into shares of equal values. Each shareholder shall be liable to the extent of the shares subscribed by him. The Company is liable for its debts to the extent of all of its available assets.

Article 9 As of the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates the Company’s organization and acts, governs the rights and obligations between the Company and the shareholders, and amongst the shareholders themselves, and shall constitute a legally binding document governing on the Company, its shareholders, directors, supervisors, senior management members, with such personnel being entitled to claim for right on matters relating to the Company in accordance with these Articles of Association. Pursuant to these Articles of Association, a shareholder may take action against the other shareholders, and the shareholders may take action against the Company’s directors, supervisors, general manager and other senior management members. The shareholders may take action against the Company. The Company may take action against its shareholders, directors, supervisors and other senior management members.

For the purposes of the preceding paragraph, the term “take action” shall include the initiation of proceedings in a court or application to an arbitration institution for arbitration.

Article 10 Other senior management members referred to in these Article of Association include the deputy general manager, the chief financial officer, the secretary to the Board and such other personnel expressly resolved and confirmed by the Board to hold important positions.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 11 The Company's business objectives are: to introduce advanced technology and facilities, craftsmanship as well as quality dairy cows from overseas; to produce various kinds of premium dairy products; to allow our business operations to develop to its fullest potential; to motivate employees' initiatives at their maximum; to steadily enhance the competitiveness of our products; to obtain satisfactory economic benefits; to strive for better financial return for the Company's shareholders; to increase revenue for the employees and to enable the Company to develop and grow steadily; to conscientiously implement the development concepts of innovation, coordination, green, openness and sharing; and to proactively fulfill its social responsibility.

Article 12 As registered in accordance with the laws, the Company's scope of business includes: production, processing and sale of dairy products, lactic acid drinks and cold beverages; dairy cows farming, research and development of biotechnology and acquisition of feeds; sale, lease, installation, maintenance, operation and management, and after-sales service of vending machines, and relevant technology consultation and technology promotion.

Article 13 To the extent permitted by laws and regulations, the Company may invest in other bodies including companies with limited liability and joint stock companies, with the liability of the Company limited to the extent of the capital contribution thus made.

CHAPTER 3 SHARES

Section 1 Issuance of Shares

Article 14 The stock of the Company shall take the form of shares.

The Company shall have ordinary shares at all times; with the approval of the department authorized by the State Council, the Company may have other forms of shares when needed.

Article 15 The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; the same price shall be paid for each share subscribed for by any entities or individuals.

Article 16 All the shares issued by the Company shall have a par value, with each share having a par value of RMB1.

Article 17 Upon the approval by the securities regulatory authorities under the State Council or other relevant regulatory authorities, the Company may issue its shares to the domestic and foreign investors.

The term "foreign investors" mentioned in the preceding paragraph refers to the investors who are from foreign countries or Hong Kong Special Administrative Region, Macao Special Administrative Region or Taiwan that subscribe for shares issued by the Company. The term "domestic investors" refers to the investors who are in the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 18 The Company (formerly known as Lanzhou Zhuangyuan Dairy Co., Ltd.) was established by the whole conversion of a certain proportion of the audited net assets as at 31 December 2010. The Company issued 93,980,000 ordinary shares to its promoters at its establishment.

The promoters of the Company are: Ma Hongfu, Lanzhou Zhuangyuan Investment Co., Ltd. (“Zhuangyuan Investment”), Gansu Lucky Cow Investment Co., Ltd. (“Lucky Cow Investment”), Chongqing Fukun Venture Investment Centre (a limited liability partnership) (“Chongqing Fukun”), Gansu Caiding Investment Co., Ltd. (“Caiding Investment”), Hu Kaisheng, Zheng Jiaming, Gansu Caicheng Investment Co., Ltd. (“Caicheng Investment”) and Shanghai Rongyin Investment Co., Ltd. (“Shanghai Rongyin”), all the shares of the promoters were paid-in in cash. All the capital contributions were paid up on 25 August 2010.

Article 19 The total number of shares of the Company is 233,680,600 shares, among which 198,550,600 shares are A shares, represented 84.97% of the Company’s total issued share capital; and 35,130,000 shares are H shares, represented 15.03% of the Company’s total issued share capital.

Article 20 The shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. The shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as “foreign shares”. The foreign shares that are listed overseas shall be referred to as “overseas listed foreign shares”.

The foreign shares issued by the Company that are listed on the Hong Kong Stock Exchange shall be referred to as “H Shares”.

Article 21 For any issuance plans for the offering of overseas listed foreign shares and domestic shares by the Company as approved by the securities regulatory authorities under the State Council, the Board may implement arrangements for separate issuance.

The fore-mentioned Company’s plan for issuance of overseas listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months and within six months, respectively, upon the approval by the securities regulatory authorities under the State Council.

Article 22 If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the issuance plans, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued by several times upon approval by the securities regulatory authorities under the State Council.

Article 23 The Company or its subsidiaries (including its affiliates) shall not give any financial assistance, in the form of gift, advance, guarantee, compensation or loan, to any person who purchases or proposes to purchase shares of the Company.

Section 2 Increase, Decrease and Buyback of Shares

Article 24 Subject to approval of the shareholders at general meeting, the Company may, based on its requirements for operation and development and in accordance with the applicable laws and regulations, increase its capital by way of:

- (1) Public offering of shares;
- (2) Non-public offering of shares;
- (3) Rights issue of shares to existing shareholders;
- (4) Offer of bonus shares to existing shareholders;
- (5) Capitalization of surplus reserve into share capital;
- (6) By other means stipulated by laws, administrative regulations or approved by the regulatory authorities. The Company's increase of capital by issuing new shares shall be subject to approval as specified in the Articles of Association and follow the procedures specified by the relevant PRC laws and administrative regulations.

Article 25 The Company may reduce its registered capital. The reduction of registered capital shall be made in accordance with the Company Law and other relevant regulations as well as procedures stipulated in these Articles of Association.

Article 26 The Company shall prepare a balance sheet and a list of property inventory when decreasing its registered capital. The Company shall notify all its creditors within 10 days following the resolution approving to decrease the registered capital and shall make announcements in newspapers within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees in favour of such creditors for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, fall below the statutory minimum limit.

Article 27 The Company may, in the following circumstances, buy back its shares pursuant to laws, administrative regulations, departmental rules and these Articles of Association:

- (1) Decreasing the registered capital of the Company;
- (2) Merging with other companies holding shares of the Company;
- (3) Offering shares for the employee's share scheme or as equity incentives;
- (4) As required by Shareholders objecting to resolutions of the general meeting concerning merger or division of the Company to buy their shares;

- (5) As the shares of the company being issued pursuant to the conversion of the convertible bonds of the company;
- (6) As a necessary measure to safeguard the value of the Company and interests of the shareholders.

The Company shall not buy back its shares unless in the aforesaid circumstances

Article 28 The Company may repurchase its Shares through public and centralized trading or other methods as permitted by laws and regulations and the CSRC.

The shares of the Company purchased under the circumstances prescribed in Articles 27(3), (5) and (6) shall be made via public centralized transaction approach.

Article 29 Where the Company should repurchase the shares of the Company under the circumstances as stipulated in Articles 27(1) and (2) of these Articles of Association, the Company shall be approved on general meetings. The shares of the Company purchased according to the Articles 27(3), (5) and (6) shall be authorized by the general meeting and approved by two-third or above of the Directors attended the Board meeting. The Company shall comply with the disclosure obligation according to the Securities Law of the People's Republic of China when the Company purchases its shares.

After the Company buys back the shares pursuant to the provisions of Article 27, such shares shall be cancelled within 10 days from the date of buyback under the circumstance as described in (1); such shares shall be either transferred or cancelled within six months if it is under the circumstance as described in (2) and (4). Under the circumstances prescribed in (3), (5) and (6), the total shares held by the Company shall not exceed 10% of the total issued share capital and shall be transferred or cancelled within three years.

Article 30 In buying back shares through agreement outside the stock exchange, the Company shall obtain prior approval at a general meeting in accordance with these Articles of Association. Upon obtaining prior approval of the shareholders at the general meeting in the same manner, the Company may terminate or amend contracts concluded in the manner set forth above or waive any of its rights thereof under such contracts.

The contracts for the buyback of shares referred to in the above paragraph include (but not limited to) contracts whereby buyback obligations are undertaken and buyback rights are acquired.

The Company shall not assign a contract for the buyback of its own shares or any of its rights contained thereunder. In respect of the redeemable shares that the Company has the right to buy back, if they are not bought back on the market or by bidding, the price shall not exceed a maximum price; if they are bought back by bidding, such offer shall be made available to all shareholders equally on the same terms.

Article 31 After buying back its shares according to the laws, the Company shall cancel the said shares before the deadline specified by laws and administrative regulations, and register the change of the registered capital with the original company registration authority.

The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.

Article 32 Except where the Company is in course of liquidation, it must comply with the following provisions in buying back its issued and outstanding shares:

- (1) Where the Company buys back shares at their par value, the amount of total par value shall be deducted from the book balance of distributable profits or out of the proceeds of a new issue of shares made to buy back the old shares;
- (2) Where the Company buys back shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profits of the Company or out of the proceeds of a new issue of shares made to buy back the old shares; and the portion in excess of the par value shall be handled according to the following methods:
 1. Where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of distributable profits of the Company;
 2. Where the shares bought back were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profits of the Company or from the proceeds of a new issue of shares made to buy back the old shares; provided that the amount deducted from the proceeds of the new issue of shares shall not exceed the total premium obtained at the time of issuance of the old shares so brought back nor exceed the amount in the Company's capital common reserve account (including the premium from the new issue of shares) at the time of buyback;
- (3) payments by the Company in consideration for the following purposes shall be made out of the Company's distributable profits:
 1. Acquisition of the right to buy back its own shares;
 2. Amendments to any contract for the buyback of its own shares;
 3. Release from any of its obligations under any buyback contract;
- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profits and used to buy back shares at the par value of the bought back shares shall be included in the Company's capital common reserve account.

Where the laws, regulations, rules, normative documents and relevant provisions of the securities regulatory authority at the location where the Company's shares are listed have any other provisions in respect of the financial arrangement relating to the aforesaid share buyback, such provisions shall prevail.

Section 3 Transfer of Shares

Article 33 Save as otherwise specified by laws, regulations, rules, normative documents and relevant provisions of the securities regulatory authority at the location where the Company's shares are listed, shares of the Company may be transferred freely and without any liens. Transfer of overseas listed foreign shares listed in Hong Kong shall be registered with the Hong Kong-based share registry designated by the Company.

Article 34 All fully paid overseas listed foreign shares listed on the Hong Kong Stock Exchange may be transferred freely in accordance with these Articles of Association. However, the Board may refuse to recognise any instrument of transfer without stating any reasons unless the following conditions are satisfied:

- (1) instrument of transfer and any other documents related to the ownership of any Shares or likely to affect the ownership of any Shares shall be registered, and made payment to the Company for such registration according to the standard expenses stipulated by the Hong Kong Listing Rules;
- (2) the instrument of transfer only involves the overseas listed foreign shares listed on the Hong Kong Stock Exchange;
- (3) the stamp duty required by the laws of Hong Kong for the instrument of transfer has been paid;
- (4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (5) if the shares are to be transferred to joint holders, the number of joint shareholders registered shall not exceed four;
- (6) the relevant shares are free from all liens of the Company.

Article 35 All transfers of overseas listed foreign shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board (including the standard transfer format or form of transfer specified by Hong Kong Stock Exchange from time to time); The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognised clearing house ("Recognised Clearing House") as defined by relevant regulations in Hong Kong laws from time to time, or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format. All instruments of transfer shall be maintained at the statutory address of the Company or such places as the Board may specify from time to time.

Article 36 The Company shall not accept its own shares as the pledge object.

Article 37 The shares of the Company held by the promoters shall not be transferred within one year after incorporation of the Company. Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the stock exchange.

The directors, supervisors and senior management of the Company shall report to the Company their shareholdings and changes thereof and shall not transfer more than 25% of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. For any director, supervisor and senior management member who leaves before the expiration of his/their term(s) of service shall continue to comply with the requirements on sell-down under the Company Law and other relevant legal requirements within his/their defined term(s) of service and within six months after the expiration of his/their term(s) of service.

Article 38 If the Company's directors, supervisors, senior management, and shareholders holding 5% or above shares of the Company sell shares or other securities with equity nature within six months after buying the same or buy shares within six months after selling the same, the earnings arising therefrom shall belong to the Company and the Board shall forfeit the said earnings. However, the six-month restriction shall not be applicable to any sale of shares by a securities company holding over 5% of the Company's shares as a result of its underwriting of the untaken shares and other circumstances required by the securities regulatory authority under the State Council.

Shares or other securities with equity nature held by directors, supervisors, senior management of the preceding paragraph and individual shareholders include shares or other securities with equity nature held or held in someone else's account by their spouse, parents or children.

If the Company's Board does not comply with the provision of the first paragraph, the shareholders can request the Board to do so within 30 days. If the Board does not enforce such right within the said period, the shareholders are entitled to commence litigations in the people's court in their own names for the interests of the Company.

If the Company's Board does not enforce the provision of the first paragraph of this Article, the accountable directors shall be assumed joint and several responsibilities in accordance with the laws.

Section 4 Financial Assistance for Purchase of Company Shares

Article 39 The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to purchasers or potential purchasers of the Company's shares for the purpose of purchase or intending to purchase our Shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations because of the purchase of the Company's shares.

The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations in connection with the purchase or proposed purchase of the Company's shares.

The provisions of this Article shall not apply to the circumstances described in Article 41 of these Articles of Association.

Article 40 The term “financial assistance” mentioned in these Articles of Association shall include (but not limited to) the financial assistance in the forms set out below:

- (1) Gift;
- (2) Guarantee (including the undertaking of liability or provisions of property by the guarantor in order to secure the performance of the obligation by the obligator), indemnity (not including, however, indemnity arising from the Company’s own fault) and release or waiver of rights;
- (3) Provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;
- (4) Financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a significant reduction in the Company’s net assets.

For the purposes of this Article, the term “undertake obligations” shall include the undertaking of an obligation by the obligator by concluding a contract or making an arrangement or by changing its financial position in any other way, whether or not such contract or arrangement is enforceable and whether or not such obligation is assumed by the obligator individually or jointly with any other person.

Article 41 The acts listed below shall not be regarded as the acts prohibited under Article 39 of these Articles of Association:

- (1) The Company provides the relevant financial assistance in the interests of the Company in good faith, and the main purpose of the said financial assistance is not to purchase the Company’s shares, or the said financial assistance is a part of a master plan of the Company;
- (2) The Company distributes its assets as dividends in accordance with the law;
- (3) The Company distributes dividends in the form of shares;
- (4) The Company decreases its registered capital, repurchases its shares and adjusts the equity structure in accordance with the Articles of Association;
- (5) The Company provides a loan for its normal business operations within its business scope (but such financial assistance shall not give rise to a decrease in the net assets of the Company, except for in the event of a decrease, such financial assistance is provided out of the distributable profit of the Company);
- (6) The Company provides the funding for employee stock ownership plan (but such financial assistance shall not give rise to a decrease in the net assets of the Company, except for in the event of a decrease, such financial assistance is provided out of the distributable profit of the Company).

Section 5 Share Certificates and Register of Shareholders

Article 42 The share certificates of the Company shall be in registered form. The following shall be specified in the share certificates of the Company:

- (1) the name of the Company;
- (2) the date on which the Company was established;
- (3) the class and par value of the shares and the number of shares represented;
- (4) the serial numbers of the shares certificate;
- (5) any other matters needed to be specified as required by the Company Law, the Special Regulations and the securities regulatory authorities in the place where the Company's Shares are listed;
- (6) Where the share capital of the Company includes shares which do not carry voting rights, the words "non-voting shares" must appear in the designation of such shares;
- (7) Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

The Company may take the form of overseas depository receipt or other derivative form of share certificate to issue overseas listed foreign shares in accordance with laws and securities registration and depository practice of the listing venue.

Article 43 The share certificates shall be signed by the chairman of the Board. Where the signatures of other senior management of the Company are required by the securities regulatory authorities or the stock exchange(s) in the place where the Company's shares are listed, the share certificates shall also be signed by such other senior management. The share certificates shall become valid after the Company seal is affixed thereto or imprinted thereon. The affixing of seal shall be authorized by the Board. The signature of the chairman of the Board or of such other senior management on the share certificates may also be in printed form.

In the circumstance of paperless issuance and trading of the shares of the Company, provisions otherwise provided by the securities regulatory authorities or the stock exchange(s) in the place where the Company's shares are listed shall apply.

Article 44 The Company shall maintain a shareholders' register recording the following matters:

- (1) Names (titles), addresses (premises), occupations or nature of each shareholder;
- (2) Type and number of shares held by the shareholders;
- (3) Amount paid or payable for the shares held by the shareholders;

- (4) Serial numbers of the shares certificate held by each shareholder;
- (5) Date on which each shareholder is registered as a shareholder;
- (6) Date on which each shareholder ceases to be a shareholder. The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.

Article 45 The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority. The original of the register of holders of overseas listed foreign shares listed in the Hong Kong Stock Exchange shall be kept in Hong Kong.

The Company shall keep at its premises a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 46 The Company shall keep a complete shareholders' register. The shareholders' register shall include the following parts:

- (1) A register kept at the Company's premises other than those specified in items (2) and (3) of this Article;
- (2) The register(s) of holders of overseas listed foreign shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed;
- (3) Registers of shareholders kept in other places as the Board may decide and consider necessary for listing purposes.

Article 47 The various parts of the register of shareholders shall not overlap with each another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the law of the places where each part is kept.

Article 48 Change of the shareholders' register arising from share transfer shall not be registered within 30 days before convening of a general meeting or within five days prior to the benchmark date on which the Company decides to distribute dividends.

Provisions otherwise provided by the securities regulatory authorities in the place(s) in which the shares of the Company are listed shall prevail.

Article 49 If any person objects to the register of shareholders and asks to have his name (title) recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.

Article 50 If any shareholder in the register of shareholders or any person requesting to have his name (title) recorded in the register of shareholders has his shares stolen, lost or destroyed (i.e. “the Original Shares”), the said shareholder or person may apply to the Company to reissue new share certificates for the said shares (i.e. “the Relevant Shares”).

If a shareholder whose share certificate of domestic shares has been stolen, lost or destroyed applies to the Company for a replacement new share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder whose share certificate of overseas listed foreign shares has been stolen, lost or destroyed applies to the Company for a replacement new share certificate, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed foreign shares is maintained.

If a shareholder whose share certificate of overseas listed foreign shares has been stolen, lost or destroyed, the issue of a replacement new share certificate shall comply with following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration stating the grounds upon which the application is made and the circumstances and the evidence of the pilferage, loss or destruction, and declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his name shall be entered in the register of shareholders in respect of such shares has been received.
- (3) The Company shall, if it decides to issue a replacement new share certificate, publish an announcement in respect of the issue of a replacement new share certificate in such newspapers as may be prescribed by the Board; the period of announcement shall be 90 days and the announcement shall be reissued at least once every thirty days.
- (4) The Company shall have, prior to the publication of the announcement of its proposed issue of a replacement new share certificate, submit to the stock exchange on which its shares are listed a copy of the announcement to be published, and may publish the announcement upon receiving confirmation from such stock exchange that the announcement has been exhibited in the premises of the said stock exchange. Such announcement shall be exhibited in the premises of the said stock exchange for a period of 90 days.

If the application for replacement of a share certificate is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a photocopy of the announcement to be published.

- (5) If, upon expiry of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company have not received from any person notice of any objection to such application in respect of the issue of replacement share certificate, the Company may issue a replacement new share certificate to the applicant accordingly.

- (6) Where the Company issues a replacement new share certificate under this Article, it shall forthwith cancel the original share certificate and record the cancellation and replacement issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of an original share certificate and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant.

Article 51 Where the Company issues a new replacement share certificate pursuant to the Articles of Association, the name (title) of a bona fide purchaser gaining possession of such new share certificate or the person who is subsequently entered in the register of shareholders as holder of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 52 The Company shall not have any obligation to indemnify any person for any damages suffered thereby arising from the cancellation of the Original Share Certificates or the issuance of a new replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

CHAPTER 4 SHAREHOLDERS AND THE GENERAL MEETING

Section 1 Shareholders

Article 53 The Company shall make a register of shareholders based on the vouchers provided by securities registries. The register of shareholders shall be the sufficient evidence proving the shareholders' holding of the Company's shares. The shareholders enjoy rights and assume obligations as per the shares they hold; the same class of shares represents the same rights and the same obligations.

Where two or above persons are registered as joint holders of any shares, they shall be deemed as the common owners of the said shares subject to the following restrictions:

- (1) The Company shall not register more than four persons as joint holders of any shares;
- (2) The joint holders of any shares shall assume joint and several liabilities for all amounts payable for relevant shares;
- (3) If any of the joint shareholders deceases, only the surviving joint shareholders shall be deemed by the Company as owners of the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the provision of a death certificate as it deems appropriate;
- (4) For joint shareholders of any share, the person whose name stands first in the register shall be entitled to receive share certificate of the relevant shares, receive notice from the Company, and the service of notice to the aforesaid person shall be deemed as service of notice to all joint shareholders. Any of the joint shareholders may sign a proxy form; provided, however, where the number of the joint shareholders presenting in person or by proxy at a meeting is more than one, the vote cast, in person or by proxy, by the shareholder

whose name appears in prior sequence shall be regarded as the sole and exclusive vote on behalf of all the rest joint shareholders. For the purpose of such voting, the shareholder's priority shall be determined in accordance with the sequence of the joint shareholders holding Relevant Shares as prescribed in the Company's register of shareholders.

Article 54 When the Company convenes a general meeting, distributes dividends, commences liquidation or participates in other activities requiring the identification of shareholders, the other convener of the Board or general meeting shall decide the record date. The shareholders whose names appear on the register of shareholders at the close of trading on the record date are entitled to the relevant rights.

Article 55 The ordinary shareholders of the Company shall be entitled to the following rights:

- (1) To receive dividends and other distributions in proportion to the shares they hold;
- (2) To lawfully request, convene, preside over, and attend general meetings either in person or by proxy and exercise the corresponding voting right;
- (3) To supervise, raise suggestions on or make inquiries about the operations of the Company;
- (4) To transfer, gift or pledge their shares in accordance with laws, regulations, rules, normative documents, relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed and these Articles of Association;
- (5) To gain relevant information in accordance with these Articles of Association, including:
 1. Receiving a copy of these Articles of Association after payment of cost;
 2. Being entitled to consult and copy, after payment of reasonable charges, of:
 - (i) All the parts of shareholders' register;
 - (ii) Personal data of directors, supervisors, general manager and other senior management of the Company;
 - (iii) Share capital of the Company;
 - (iv) Report of the total par value, quantity, the highest and lowest price of each class of shares bought back by the Company from the last financial year, and the total amount paid by the Company for this purpose;
 - (v) Minutes of general meetings (for review by shareholders only);
 - (vi) The latest audited financial statements, and reports from the Board, auditor and the Supervisory Committee;
 - (vii) The special resolutions;

- (viii) The copy of the latest annual report submitted to the State Administration for Industry & Commerce or other competent authorities for filing;
 - (ix) Counter foils of corporate bonds, resolutions of Board meetings, resolutions of s meetings of the Supervisory Committee and financial and accounting reports. Documents of Item (1) to (8) (except Item (2)) mentioned above shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and overseas-listed foreign invested shareholders to inspect free of charge;
- (6) To participate in the distribution of the remaining properties of the Company as per their shares in the event of the termination or liquidation of the Company;
 - (7) To require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company; and
 - (8) To enjoy other rights stipulated by laws, regulations, rules, normative documents, the Hong Kong Listing Rules and these Articles of Association. Where any person directly or indirectly having rights and interests fail to disclose such rights and interests, the Company shall not exercise its rights to freeze or otherwise harm any right of such person attached to the shares solely for this reason.

Article 56 When a shareholder requests to inspect the relevant information mentioned in the preceding Article or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder identity.

Article 57 If any resolution of the general meeting or the Board meeting is in violation of the laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution.

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or these Articles of Association, or if the content of any resolution is in violation of these Articles of Association, the shareholders shall be entitled to request the people's court for revocation within 60 days after the resolution being passed.

Article 58 If any director or senior management violates laws, administrative regulations or these Articles of Association in fulfilling their duties, thereby incurring any loss of the Company, the shareholder(s) severally or jointly holding 1% or above shares of the Company for 180 consecutive days or above shall be entitled to request the Supervisory Committee in writing to institute legal proceedings to the people's court; if the Supervisory Committee violates laws, administrative regulations or these Articles of Association in fulfilling its duties, thereby incurring any loss of the Company, the shareholders shall be entitled to request the Board in writing to institute legal proceedings to the people's court.

If the Supervisory Committee or the Board refuses to institute legal proceedings after receipt of the aforesaid written request or does not institute legal proceedings within 30 days after receipt of the

said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, the shareholders as specified in the preceding paragraph shall be entitled to directly institute legal proceedings to the people's court in their own names for the interests of the Company.

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss of the Company, the shareholder(s) as mentioned in the first paragraph of this Article may institute legal proceedings to the people's court according to the provisions of the two preceding paragraphs.

Article 59 If any director or senior management violates laws, administrative regulations or these Articles of Association, thereby incurring any loss of the shareholders, the shareholders may institute legal proceedings to the people's court.

Article 60 The ordinary shareholders of the Company shall have the following obligations:

- (1) To abide by laws, administrative regulations and these Articles of Association;
- (2) To pay capital contribution as per the shares subscribed for and the method of subscription;
- (3) Not to exit shares unless in the circumstances stipulated by laws and regulations;
- (4) Not to abuse shareholder's right to damage the interests of the Company or other shareholders; not to abuse the independent status of legal person or shareholder's limited liability to damage the interests of the creditors of the Company. Shareholders of the Company who abuse their shareholder's rights and thereby causing loss on the Company or other shareholders shall be liable for loss compensation according to the law. Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;
- (5) To fulfill other obligations as stipulated by laws, administrative regulations and these Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than the conditions agreed to as a subscriber of the relevant shares on subscription.

Article 61 Shareholders holding or controlling 5% or above voting shares of the Company shall notify the Company within three working days after occurrence of any of the following circumstances:

- (1) Equity of the Company they hold or control is under property preservation measures or mandatory enforcement measures;
- (2) Shares of the Company they hold is pledged;
- (3) the shareholding represented by the Shares they hold as a percentage of the Company's shares in issue increase or decrease by every 5%;

- (4) Change of the de facto controller;
- (5) Their names are changed;
- (6) A merger or division is effected;
- (7) They are subject to regulatory measures including suspension of operation for rectification, designated custody, takeover or revocation or other regulatory measures, or proceeding with dissolution, bankruptcy or liquidation procedures;
- (8) They receive administrative penalty or are investigated for criminal responsibility due to serious violations of laws and regulations; and
- (9) They are involved in other circumstances that may lead to transfer of the shares of the Company they hold or control or affect operation of the Company. The Board of the Company shall report to relevant regulatory authorities, such as the local office of CSRC of its place of domicile, within five working days after acknowledging the occurrence of the events as stated above.

Article 62 Where a shareholder holding 5% or above of voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 63 The controlling shareholders and the de facto controllers of the Company shall not use the connected relations to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred by the Company. The controlling shareholders and the de facto controllers of the Company have fiduciary duties towards the Company and public shareholders of the Company. The controlling shareholders and de facto controllers of the Company shall strictly exercise his rights as a capital contributor. The controlling shareholders and de facto controllers of the Company cannot make use of methods such as the distribution of profits, restructuring of assets, external investment, misappropriation of assets, borrowing or loan guarantee to damage the lawful interests of the Company and public shareholders.

He shall not make use of his controlling position to damage the lawful interests of the Company and public shareholders. The controlling shareholders and the de facto controllers of the Company shall not exploit their special position to obtain additional benefits or execute any approval procedure with respect resolutions on election of personnel at general meetings and any resolutions on the appointment of any personnel by the Board or appoint or remove any senior management members of the Company without the approval at the general meeting and the Board or intervene directly or indirectly any decisions on production and operation of the Company or misappropriate or control any assets or other interests of the Company or intervene the finance and accounting related activities of the Company or impose any operation plans or give any orders to the Company or carry out any business activities which are the same or similar to those of the Company or influence the independence of the Company's operation and management or damage the legal interests of the Company by any other means.

Save for the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange where the shares of the Company are listed, the controlling shareholders of the Company shall not make decision to exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all shareholders or some of the shareholders of the Company:

- (1) Relieving a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) Approving the expropriation by a director or supervisor for his own benefit or for the benefit of another person, in any guise, of the Company's assets, including but not limited to opportunities beneficial to the Company;
- (3) The expropriation by a director or supervisor for his own benefit or for the benefit of another person of the individual rights of other shareholders, including but not limited to rights to distributions and voting rights save pursuant to a restructuring submitted to general meeting for approval in accordance with these Articles of Association.

Section 2 General Provisions for General Meetings

Article 64 The general meeting shall be the authority of power of the Company and shall exercise the following functions and powers according to law:

- (1) To decide the business operation guideline and investment plan for the Company;
- (2) To elect and change directors and supervisors who are not employees' representatives, and resolve on the remunerations of directors and supervisors;
- (3) To examine and approve reports of the Board;
- (4) To examine and approve reports of the Supervisory Committee;
- (5) To examine and approve the annual financial budgets and final accounting plans of the Company;
- (6) To examine and approve the Company's profit distribution plan and loss recovery plan;
- (7) To resolve on increase or decrease of the registered capital of the Company;
- (8) To resolve on issuance of bonds of the Company;
- (9) To resolve on the merger, division, dissolution, liquidation or transformation of the Company;
- (10) To amend these Articles of Association;
- (11) To resolve on the appointment or dismissal of the accounting firms by the Company;
- (12) To examine and approve the external guarantees specified in Article 65;

- (13) To consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company (after deducting clients' margins);
- (14) To examine and approve matters relating to the changes in the use of proceeds;
- (15) To consider equity incentive scheme;
- (16) To consider and approve proposals submitted by shareholders individually or jointly holding 3% or above of the voting shares of the Company; and
- (17) To consider other matters which are required by laws, administrative regulations, departmental rules or these Articles of Association to be approved at a general meeting.

The functions and powers of the general meeting mentioned above shall not be delegated to the Board or any other body or individual.

Article 65 The following external guarantees to be given by the Company shall be examined and approved by the general meeting:

- (1) Provision of any external guarantee by the Company and its subsidiaries, the total amount of which exceeds 50% of the latest audited net assets of the Company;
- (2) Provision of any external guarantee by the Company, the total amount of which reaches or exceeds 30% of the latest audited total assets of the Company (after deducting clients' margins);
- (3) Provision of guarantee to anyone whose liability-asset ratio exceeds 70%;
- (4) Provision of a single guarantee whose amount exceeds 10% of the latest audited net assets of the Company; and
- (5) Provision of guarantees to the shareholders, de facto controllers and their related parties.

Where the general meeting is reviewing a resolution on guarantees to be provided to shareholders, de facto controllers and its related parties, such shareholders, or shareholders under the control of such de facto controllers, shall abstain from voting. Such resolution is subject to the approval of not less than half of the voting rights held by the other shareholders present at the meeting. The abovementioned item (2) is subject to the approval of not less than two-thirds of the voting rights held by the other shareholders present at the meeting (including proxies). Guarantee to third parties shall be approved and resolved by not less than two-thirds of the Directors present at the Board meeting and be passed by not less than two-thirds of the Independent Directors.

A director, general manager and any other senior management members of the Company shall be liable for compensation when they have caused losses to the Company by violating the external guarantee approval authority and review procedure requirements set forth in laws, administrative regulations or the Articles of Association of the Company, and the Company may bring a legal action against him or her according to laws.

In the event of other requirements on external guarantees of the Company by China Securities Regulatory Commission and the stock exchange where the shares of the Company are listed, the above clause of the Articles of Association shall not apply, while the stricter requirement by China Securities Regulatory Commission and the stock exchange where the shares of the Company are listed shall apply.

Article 66 General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

Article 67 In any of the following circumstances, the Company shall convene an extraordinary general meeting within two months from the date upon which the circumstance occurs:

- (1) The number of Directors falls short of the quorum stipulated in the Company Law or is less than two thirds of the number specified in these Articles of Association;
- (2) The unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (3) If shareholder(s) severally or jointly holding 10% or above of the Company's shares request(s) in writing the convening of an extraordinary general meeting, the number of shares held by shareholder(s) shall be calculated as at the date on which the relevant shareholders submit the written requisition;
- (4) The Board considers it necessary;
- (5) The Supervisory Committee proposes to convene such meeting;
- (6) Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Article 68 The venue to hold a general meeting of the Company shall be the domicile of the Company or other location specified in the notice of the general meeting. A general meeting shall usually be in the form of physical meeting to be held on-site. However, so far as permitted by the securities regulatory authority, such meeting may also be held in such other manners as shall be recognized or required by the securities regulatory authority. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

Article 69 The Company shall engage lawyers to attend the general meetings and advise on the following issues with announcements made thereon:

- (1) Whether the convening of the general meeting and its procedures are in compliance with laws, administrative regulations and these Articles of Association;
- (2) Whether the attendees are eligible and whether the eligibility of the convener is lawful and valid;
- (3) Whether the procedures of voting and the voting outcome of the meeting are lawful and valid;

- (4) Legal opinions on other related matters at the request of the Company.

Section 3 Convening of General Meetings

Article 70 Independent Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal of the independent Directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal. If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons and publish an announcement.

Article 71 The Supervisory Committee shall be entitled to propose to the Board to convene an extraordinary general meeting, and shall put forward its proposal to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within 5 days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of the Supervisory Committee shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed to be unable to perform or fail to perform the duty of convening the extraordinary general meeting, and the Supervisory Committee may convene and preside over the meeting by itself.

Article 72 Shareholder(s) severally or jointly holding 10% or above shares of the Company shall be entitled to request the Board to convene an extraordinary general meeting, and shall put forward such request to the Board in writing. The Board shall, pursuant to laws, administrative regulations and these Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained. If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding 10%

or above shares of the Company shall be entitled to propose to the Supervisory Committee to convene an extraordinary general meeting, and shall put forward such request to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal set forth in the notice, the consent of relevant shareholder(s) shall be obtained.

In the case of failure to issue the notice for the general meeting within the term stipulated, the Supervisory Committee shall be deemed as failing to convene and preside over the general meeting. The shareholder(s) severally or jointly holding 10% or above shares of the Company for 90 consecutive days or above may convene and preside over such meeting by itself/themselves.

Article 73 Where the Supervisory Committee or shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the Board in writing and file with the local office of the CSRC and the stock exchange in the place where the Company is located according to relevant requirements. The shareholding of shareholders who convene the general meeting shall be no less than 10% before a resolution passed at the general meeting is announced.

The convening shareholders shall, when the notice of general meeting is issued and a resolution made at the general meeting is announced, submit relevant evidential documents to the local office of the CSRC and the stock exchange in the place where the Company is located.

Article 74 For the general meeting convened by the supervisory committee or shareholders on its/their own, the Board and the secretary to the Board shall cooperate. The Board shall provide the register of shareholders on the record date of the equity interests. If the Board does not provide the register of shareholders, the convener shall apply and obtain the register from the related securities registration and settlement authorities by such announcement relating to the convening of general meeting. The registry of shareholders obtained by the convener shall not be used for purposes other than convening of general meeting.

Article 75 The procedure for convening of the general meeting convened by the supervisory committee or shareholders on its/their own shall be identical with that of the Board. Expenses incurred by the meeting shall be borne by the Company, and deducted from the amount payable by the Company to the defaulting Directors.

Section 4 Proposals and Notices of General Meetings

Article 76 A motion proposed at the general meetings shall satisfy the following criteria:

- (1) The substance of the motion proposed shall not conflict with laws, administrative regulations and the requirements set forth in these Articles of Association, and shall fall within the scope of business of the Company and the functions of the general meeting;
- (2) There is a clear subject of discussion and a specific resolution;
- (3) The motion shall be submitted or delivered to the Board in writing.

Article 77 Where the Company convenes a general meeting or meetings of the Board and the Supervisory Committee, shareholder(s) severally or jointly holding 3% or above shares of the Company may make proposals to the Company.

Shareholder(s) severally or jointly holding 3% or above shares of the Company may nominate candidates for directors and supervisors to a general meeting. If the number of directors nominated by any single shareholder exceeds 1/2 or above of the number of directors, the number of supervisors nominated by such shareholder shall not exceed 1/3 of the number of supervisors.

Where a candidate for director or supervisor is nominated by shareholders, the Company shall disclose detailed information of the candidate before convening the general meeting to ensure that shareholders have full understanding about the candidate.

The candidate shall undertake in writing prior to the issuance of the notice of the general meeting that he accepts the nomination and undertakes the truthfulness, accuracy and completeness of the information disclosed about him and warrants that he will duly perform his duties as a director or a supervisor upon his appointment.

Shareholder(s) severally or jointly holding 3% or above shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting within 2 days after receipt of a proposal, and announce the contents of the proposal on the agenda.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of general meeting or add any new proposal after the said notice announcement is served.

Proposals which are not specified in the notice of the general meeting or which do not comply with Article 76 of these Articles of Association shall not be voted and resolved at the general meeting and become resolutions.

Article 78 Where the Company convenes an annual general meeting, a notice of the meeting shall be given by announcement at least 20 days before the date of the meeting to notify all shareholders. Where the Company convenes an extraordinary general meeting, a notice of the meeting shall be given by announcement at least 15 days before the date of the meeting to notify all shareholders. Where the Company convenes a class meeting of shareholders, the notice period and method of notice shall be subject to the provisions of the Article 131 of this Articles of Association.

In determining the commencement date and the period, the Company shall not include the date on which the meeting is held.

Article 79 A notice of general meeting shall be made in writing and include the following contents:

- (1) specify the time and date, place and duration of the meeting;
- (2) state the businesses and motions to be considered at the meeting;
- (3) provide such information and explanation as are necessary for the shareholders to make an informed decision on the matters to be discussed. Without limiting the generality of the foregoing, where a proposal is made to consolidate and repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the specific terms and the contract, if any, of the proposed transaction must be provided and the reason and effect of such proposal must be properly explained;

- (4) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager and other senior management in the matters to be discussed, and difference in the effect which the matters to be discussed will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;
- (5) contain the full text of any special resolution to be proposed at the meeting;
- (6) specify the date and place for the delivery of proxy form for use at the meeting;
- (7) contain a conspicuous statement that all shareholders are entitled to attend the general meeting and vote, and the shareholder may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that a proxy need not be a shareholder of the Company;
- (8) specify the record date for determining the shareholders who are entitled to attend the general meeting;
- (9) state the names and telephone numbers of the standing contact persons for the meeting;
- (10) if a general meeting is held online or otherwise, the designated time and procedure for voting online or through other means shall be expressly stated in the notice of such meeting. The interval between the shareholding record date of a general meeting and the date of the meeting shall not be more than 7 working days. The shareholding record date shall not be changed once confirmed. Any notice and supplementary notice of general meetings shall sufficiently and completely disclose all contents of all motions and all such information or explanation as are necessary for the shareholders to make an informed judgment on the matters to be discussed in full. If any matter to be discussed requires opinions of the independent directors, the opinions and reasons of the independent directors shall be disclosed together with the issuance of such notice.

Article 80 Unless the Articles of Association otherwise requires, the notice of a general meeting shall be sent to shareholders (regardless of whether they are entitled to vote at the general meeting) by personal delivery or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of members. For holders of domestic shares, such notice of the general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council within 20 days to 25 days prior to the convening of the annual general meeting and 15 days to 20 days prior to the convening of the extraordinary general meeting. Once such an announcement is made, all holders of the domestic shares shall be deemed to have received the relevant notice of the general meeting.

The notification, materials or written announcement of the shareholders' assembly meeting should be delivered to the shareholders of overseas-listed foreign shares 20 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting in any of the following manners:

- (1) such notification or announcement should be delivered to every shareholders of overseas-listed foreign shares by person or by mail in accordance with the addresses of every shareholders. The notification for shareholders of H Shares should be sent at Hong Kong;
- (2) announced at the website of the Company or websites designated by the local stock exchange where shares of the Company are listed in accordance with relevant laws, regulations and listing rules;
- (3) other manners required by the local stock exchange where shares of the Company are listed and listing rules.

Article 81 The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Article 82 Where the election of directors and supervisors are scheduled to be discussed at a general meeting, the notice of the general meeting shall sufficiently disclose the detailed information about the director and supervisor candidate(s), including at least the following contents:

- (1) personal information including education background, working experience and part-time job;
- (2) whether he is connected with the Company or its controlling shareholders and actual controller;
- (3) his shareholding in the Company;
- (4) whether he has received any punishment from the CSRC and other relevant authorities and any penalty and warning from the stock exchange;
- (5) disclosable information in relation to the new appointment or re-designation of directors or supervisors as required by the Hong Kong Listing Rules.

Except the election of directors and supervisors by means of cumulative voting, election of every director and supervisor candidate shall be conducted by separate resolution.

Article 83 After the notice of the general meeting is issued, the general meeting shall not be postponed or cancelled, and the motions set out in such notice shall not be cancelled without valid reasons. Where a general meeting has to be postponed or cancelled, the convener shall publish a public announcement at least 2 working days before the original date of the general meeting and state the relevant reasons.

Section 5 Convening of General Meetings

Article 84 The Board and other convener shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant authority for investigation and punishment.

Article 85 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder has to speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

Article 86 The instrument appointing a proxy shall be in writing under the hand of the appointing shareholder or his attorney duly authorized in writing; where the appointing shareholder is a legal person or any other institution, such instrument shall be under its seal or under the hand of its legal representative duly authorized or attorney duly authorized.

Individual shareholders attending a general meeting in person shall produce their identity cards or other valid proof or evidence of their identities as well as stock account cards and, in the case of attendance by proxies, the proxies shall produce valid proof of their identities and the proxy forms from shareholders.

Where a shareholder is a legal entity, its legal representative or a proxy entrusted by such legal representative shall attend a general meeting. In case of attendance by legal representatives, they shall produce their identity cards and valid proof of their capacities as legal representatives and, in the case of attendance by proxies of such legal representatives, such proxies shall produce their identity cards and the letters of authorization duly issued by such legal representatives.

If the shareholder is an authorized clearing house of the place(s) where the shares of the Company are listed or its agent, such a shareholder is entitled to appoint one or more persons it deems suitable to act as its proxy in the shareholders' general meeting or shareholders class meeting. If two or more persons are appointed as proxies, the power of attorney shall clearly state the number and the class of shares represented by each of the proxies. The proxy forms shall be signed by the respective proxies appointed by the authorized clearing house. The proxies so appointed may represent the authorized clearing house (or its agent) in exercising its rights at any meeting (without being required to present share certificate, certified statement of proxy and/or further evidence of due authorization) as if that proxy is an individual shareholder of the Company.

Article 87 The proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify not less than 24 hours prior to convening of the meeting at which the relevant matters will be voted on, or 24 hours before the time appointed for

voting. If the form of proxy is signed by the attorney on behalf of the shareholder, the power of attorney or other authority must be notarized. The notarized power attorney or other authority must be delivered to the registered address of the Company or such other place specified in the notice of the meeting together with the proxy form.

Article 88 Any instrument issued to a shareholder by the Directors for use in appointing a proxy to attend and vote at meetings of the Company shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against or abstain the motions according to his free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting.

The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as he thinks fit.

Article 89 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such death, loss of capacity, revocation or transfer as aforesaid shall have been received by the Company at its premises before the commencement of the meeting at which the proxy is used.

Article 90 The proxy form to appoint a proxy to attend any general meeting by a shareholder shall contain the following:

- (1) Name of the proxy;
- (2) Indication of whether voting power is granted;
- (3) Instruction of voting “for”, “against” or “abstain” for each resolution proposed at any general meeting;
- (4) Date of signing the proxy form and the effective period for such appointment;
- (5) Signature (or seal) of the principal. If the principal is a corporate shareholder, the seal of the corporate shall be affixed.

Article 91 A registration record for attendants at the meeting shall be compiled by the Company. The registration record shall contain items including but not limited to the names of attendants (or names of organizations), identity card numbers, residential addresses, the number of shares held or representing the voting rights and names (or name of organizations) of the proxies.

Article 92 The convener and the legal counsel appointed by the Company shall examine legality of the shareholders’ qualifications according to the register of members and other effective documents provided by the securities registrations and clearing organizations. The names of shareholders and the number of shares with voting rights shall be registered. The registration at the meeting shall terminate before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of the shares held with voting rights.

Article 93 All directors, supervisors and secretary of the Board shall attend general meetings of the Company, and the general manager and other senior management shall be present at the meetings.

Article 94 The chairman of the Board shall preside over and act as chairman of the general meeting convened by the Board. If the chairman of the Board is unable or fails to perform his/her duties, the vice chairman of the Board shall preside over and act as chairman of the meeting. Where the vice chairman of the Board is unable or fails to perform his/her duties, a Director selected by half or above of all Directors shall preside over and act as chairman of the meeting. If the Board is unable or fails to perform the duties of convening a general meeting, the Supervisory Committee shall timely convene and preside over the meeting. If the Supervisory Committee fails to convene and preside over a general meeting, shareholders severally or jointly holding 10% or above of the Company's shares for 90 consecutive days or above shall have the right to convene and preside over the meeting. Where the shareholders fail to elect a chairman of the general meeting for any reasons, the shareholder (including his/her proxy) present in person or by proxy who holds the largest number of voting shares shall be the chairman of the general meeting.

The chairman of the Supervisory Committee shall preside over the general meeting convened by the Supervisory Committee. If the chairman of the Supervisory Committee cannot or does not fulfill his/her duties, a Supervisor jointly elected by more than half of the supervisors shall preside over the meeting.

A representative elected by the convener shall preside over the general meeting convened by the Shareholders.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it impossible for the general meeting to continue, a person may be elected at the general meeting to act as chairman and continue the meeting, subject to the approval of more than half of the attending shareholders having the voting rights.

Article 95 The Company shall formulate rules of procedure for general meetings which shall specify the convening and voting procedure of general meetings meeting, including notification, registration, reviewing of proposals, voting, counting of votes, announcement of voting results, formation of meeting resolutions, minutes of meeting and their signing, public announcements as well as principles of authorization to the Board by the general meeting. The rules of procedures for general meetings shall be stipulated by the Board and approved by the general meeting.

Article 96 The Board and the Supervisory Committee shall report their work for the past year at the annual general meeting. Each independent director shall also submit his/her work report.

Article 97 The directors, supervisors and senior management of the Company shall answer and explain inquiries and proposals made by shareholders at the general meeting except that the business secrets of the Company are involved and cannot be disclosed at the general meeting.

Article 98 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting in person as well as the total number of voting shares, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their voting shares as indicated in the meeting's registration record.

Article 99 Minutes of a general meeting shall be kept by the secretary of the Board. The minutes shall state the following contents:

- (1) Time, venue and agenda of the meeting and names of the convener;
- (2) The name of the meeting chairman and the names of the directors, supervisors and senior management attending or present at the meeting;
- (3) The numbers of shareholders and proxies attending the meeting, number of voting shares they represent and the percentages of their voting shares to the total share capital of the Company for each shareholder;
- (4) The process of review and discussion, summary of any speech and voting results of each proposal;
- (5) Shareholders' questions, opinions or suggestions and corresponding answers or explanations;
- (6) Names of lawyers, vote counters and scrutinizers of the voting;
- (7) Other contents to be included as specified in these Articles of Association.

Article 100 The convener shall ensure that the contents of the minutes are true, accurate and complete.

The directors, the supervisors, the secretary of the Board, the convener or representative thereof, and the chairman of the general meeting shall sign on the minutes of the meeting. The minutes of meeting shall be kept together with the attendance record of the attending shareholders, the power of attorney of the proxies and the valid information of online voting and other means of voting for a term of not less than 15 years.

Article 101 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly and an announcement shall be published timely. Meanwhile, the convener shall report the same to the local office of the CSRC and the stock exchange in the place where the Company is located according to relevant requirements.

Section 6 Voting and Resolutions at General Meetings

Article 102 Resolutions of the general meeting include ordinary resolutions or special resolutions.

Ordinary resolution at a general meeting shall be passed by one half or above of the voting rights held by shareholders (including their proxies) attending the general meeting.

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

Article 103 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (1) Work reports of the Board and the supervisory committee;
- (2) Profit distribution plan and loss make-up plan formulated by the Board;
- (3) Appointment or dismissal of the members of the Board and supervisory committee, remuneration and payment methods thereof;
- (4) Annual preliminary and final budgets, balance sheet, income statement and other financial statements of the Company;
- (5) The Company's annual report;
- (6) Matters other than those requiring approval by special resolutions in accordance with the laws, administrative regulations or the Articles of Association.

Article 104 The following matters shall be resolved by way of special resolutions at a general meeting:

- (1) Increase or reduction of the registered capital of the Company;
- (2) Issue of shares of any class, stock warrants or other similar securities;
- (3) Any variation or abrogation of the rights of any class of shareholders proposed by the Company;
- (4) Demerger, merger, dissolution or change in the form of the Company;
- (5) Amendments to the Articles of Association;
- (6) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets (after deducting customer's deposit) as presented in the latest audited consolidated financial statements of the Company;
- (7) Share Option Incentive Scheme;
- (8) Issuance of corporate bonds;
- (9) Any other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which, if resolved by way of an ordinary resolution at a general meeting, will have a material impact on the Company and need be adopted by way of special resolutions.

Article 105 Shareholders (including proxies) shall exercise their voting rights according to the number of voting shares they represent, with one vote for each share.

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

Shares in the Company which are held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a general meeting.

The Board, independent directors and shareholders who holding more than 1% voting shares or protection institutes for investors which were established in accordance with the laws, administrative regulations or requirements of the securities regulatory authorities of the State Council shall, by themselves or through commissioning security companies or security service institutions, as the collectors, publicly request shareholders of the listed company to attend the general meeting on their behalf and exercise the rights of shareholders including proposal right and voting right.

For collecting the shareholder rights pursuant to the aforesaid regulations, the collectors shall disclose the collecting documents and the Company shall cooperate with them. Consideration or de facto consideration for publicly collecting shareholders' voting rights is prohibited.

Individuals or institutions who violate the laws, administrative regulations or requirements of the securities regulatory authorities of the State Council when publicly collecting shareholder rights and thereby cause loss on the Company or its shareholders shall be liable for loss compensation according to the laws.

Article 106 When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement of the resolutions of the general meeting shall fully disclose the voting of non-connected shareholders.

When a connected transaction is considered at a general meeting, the notice of convening the general meeting shall indicate that the connected shareholders shall avoid voting on the connected transaction in accordance with the Articles of Association, shall not vote on the relevant connected transaction, shall not be counted in the total number of voting shares represented by shareholders.

The Company established The Management Systems of Connected Transaction in accordance with the requirements of institutes, including CSRC and stock exchanges. The Company will disclose and consider the connected transaction in accordance with The Management Systems of Connected Transaction.

Any shareholder is abstained to vote or is restricted to vote only "For" or only "Against" on any resolution, the vote will not be counted if this shareholder or its proxy violates the referred requirements or restriction.

Article 107 Unless vote is cast on poll particularly as required by the relevant requirements of the securities regulatory authorities of the jurisdictions where the shares of the Company are listed, or a poll is (before or after any voting by show of hands) demanded by the following persons, voting at a general meeting shall be conducted by a show of hands:

- (1) The chairman of the meeting;
- (2) At least two shareholders entitled to vote or their proxies;
- (3) One or more shareholders (including proxies) individually or jointly holding 10% or above of the voting shares represented by all shareholders present at the meeting.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been conducted. There is no need to provide evidence of the number or proportion of the votes recorded in favor or against such resolution at the meeting. The demand for a poll may be withdrawn by the person who makes such demand.

Article 108 A poll demanded on such matters as the election of chairman of the meeting or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman of the meeting may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

Article 109 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or above votes need not cast all his votes for, against or abstention in the same way.

Article 110 While ensuring the lawfulness and validity of a general meetings, the Company shall facilitate the participation of shareholders at the general meetings by various means and ways, with priority first giving to the provision of modern information technology means, such as an online voting platform, etc.

Article 111 Save that the Company is under exceptional circumstances such as crisis, unless approved by way of special resolution at a general meeting, the Company shall not enter into any contracts with any person other than the directors, supervisors, general management and other senior management personnel pursuant to which the management of all or a substantial part of the business of the Company will be given to such person.

Article 112 The list of candidates for directors and supervisors shall be submitted to the general meeting for voting by way of proposal.

When a voting is made on election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the requirement of the these Articles of Association or the resolutions of the general meeting. The directors or Supervisors shall implement the cumulative voting system when the largest shareholder and parties acting in concert with it holds 30% or above of the total shares of the Company.

The Company shall implement the cumulative voting system when electing two or more directors or supervisors.

Where directors are elected at the general meeting under the cumulative voting system, the voting of the independent directors and non-independent directors shall be carried out separately.

The “cumulative voting system” as referred to in the preceding paragraph means that when a General Meeting elects directors or supervisors, each share shall carry the same number of voting right as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be cumulatively used. The Board shall announce the resumes and basic information of the director or supervisors candidates to shareholders.

If a director and supervisor is removed by the general meetings before their terms of office expire, relevant explanation shall be provided. The director and supervisor being removed shall be entitled to state his/her opinion to the general meeting.

Article 113 In addition to the cumulative voting system, the general meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the general meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be shelved nor refused at the general meeting.

Article 114 When considering a proposed resolution at a general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposed resolution, of which the voting shall not proceed in that meeting.

Article 115 The same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 116 At any general meeting, voting shall be conducted by open ballot.

Article 117 Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is interested in the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When votes are cast on proposals at the general meeting, lawyers, representatives of the shareholders and the representative of supervisors shall be jointly responsible for scrutinizing and counting votes and shall announce the voting results at the meeting. The voting result shall be recorded in the meeting minutes.

Shareholders of the listed company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results in the way in which they have cast their votes.

Article 118 The ending time of a general meeting shall not be earlier than that of online or other access to the meeting. The Chairman of the meeting shall announce the status and results of voting in respect of each proposed resolution, and whether or not such proposed resolution has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the listed company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the general meeting, online or by other means, shall be obliged to keep the status of voting confidential.

Article 119 A shareholder attending a general meeting shall express one of the following opinions on any proposal to be voted on: pro, con or abstention.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Article 120 In the event that the Chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the Chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy objects to the result announced by the Chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the Chairman of the meeting shall have the votes counted immediately.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

Article 121 Resolutions of the general meeting shall be announced in due time according to relevant laws, regulations, departmental rules, regulated documents, the requirements of the securities regulatory authorities of the jurisdictions where the shares of the Company are listed or the Articles of Association. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

Article 122 A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes within seven days of receipt of the reasonable payment therefor.

Article 123 Where a motion has not been passed or the resolutions of the preceding general meeting have been changed at the current general meeting, special mention shall be made in the announcement of the resolutions of the general meeting.

Article 124 Where a resolution on the election of directors or supervisors is passed at the general meeting, the term of office of the newly-elected director or supervisor shall commence at the passing of the relevant resolution is passed at the general meeting.

Article 125 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within two months after the conclusion of the general meeting.

Section 7 Special Procedures for Voting by Classes of Shareholders

Article 126 Shareholders holding different classes of shares shall be shareholders of different classes.

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

Apart from holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares are deemed to be shareholders of different classes.

Article 127 The Company shall not proceed to change or abrogate the shareholders' rights of a class of shares unless such proposed change or abrogation has been approved by way of a special resolution at a general meeting and by a separate shareholder meeting convened by the shareholders of the class of shares so affected in accordance with Articles 130 to 134.

Article 128 The following circumstances shall be deemed as change or annulment of the rights of a certain class shareholder:

- (1) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) To change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;
- (3) To cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;
- (4) To reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;
- (5) To add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;
- (6) To cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of the said class;
- (7) To create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;

- (8) To restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;
- (9) To issue rights to subscribe for, or to convert into, shares of the said class or another class;
- (10) To increase the rights and privileges of the shares of another class;
- (11) To restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring;
- (12) To amend or cancel provisions in the section.

Article 129 Shareholders of the affected class, whether or not having the rights to vote at general meetings originally, shall have the right to vote at shareholders class meetings in respect of matters referred to in subparagraphs (2) to (8) and (11) to (12) in Article 129 hereof, except that interested shareholders shall not vote at such shareholders class meetings.

The term “interested shareholders” in the preceding paragraph shall have the following meanings:

- (1) in case of a buyback of shares by the Company by way of a general offer to all shareholders in equal proportion or by way of open market transactions on a stock exchange in accordance with Article 28 hereof, the controlling shareholders as defined in Article 301 of these Articles of Association shall be the “interested shareholders”;
- (2) in case of a buyback of shares by the Company by an over the counter agreement in accordance with Article 28 hereof, holders of shares in relation to such agreement shall be the “interested shareholders”;
- (3) in case of a proposed restructuring of the Company, shareholders who assume a relatively lower proportion of obligation than the obligations imposed on the other shareholders of that class or who have an interest in the proposed restructuring that is different from the general interests in such proposed restructuring of the other shareholders of that class shall be the “interested shareholders”.

Article 130 Resolution of a shareholders class meeting shall be passed only by two-thirds or above of the total voting rights being held by the shareholders of that class, who are entitled to do so, present and vote at the shareholders class meeting in accordance with Article 130.

Article 131 When the Company is to convene a shareholders class meeting, it shall issue a written notice 20 days prior to the convening of the annual general meeting or 15 days prior to the convening of the extraordinary general meeting informing all the shareholders who are registered as holders of that class in the register of shareholders of the matters to be considered at the meeting as well as the date and place of the meeting.

Article 132 Notice of the shareholders class meeting shall be served only on the shareholders entitled to vote thereat.

The shareholders class meeting shall be held according to the procedure, to the extent possible, as that applicable to a general meeting, unless otherwise specified in these Articles of Association, the provisions of the Articles of Association of the Company relevant to the procedure for the holding of a general meeting shall be applicable to a shareholders class meeting.

Article 133 The special procedure for voting by class shareholders shall not apply under the following circumstances:

- (1) With the approval by a special resolution at a general meeting, the Company issues domestic shares and overseas listed foreign shares in a period of 12 months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of its respective numbers of each of the issued and outstanding domestic shares and overseas listed foreign shares;
- (2) The Company completes the issue of domestic shares and overseas listed foreign shares within fifteen months from the date of approval pursuant to the plan approved upon its establishment by the securities regulatory authority under the State Council;
- (3) With approval of the securities regulatory authority under the State Council, the holders of domestic shares of the Company transfer their shares to overseas investors and list and trade the said shares on overseas stock exchanges.

CHAPTER 5 BOARD OF DIRECTORS

Section 1 Directors

Article 134 Directors are natural persons and need not hold shares of the Company. Directors shall be honest, with good character, be familiar with securities laws and administrative regulations, and with the operating and management capabilities as required for discharging the duties.

Directors include executive directors and non-executive directors. Executive directors means the directors entering into employee contracts with the Company or the controlled subsidiaries of the Company, receiving fixed remuneration monthly and receiving performance remuneration after annual evaluation.

Article 135 **The directors shall be elected or replaced at the general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for reelection and re-appointment. The general meeting may remove the director prior to the expiry of his/her service term.**

The shortest period before the notice of the proposal to elect a person as the director sent to the Company and the notice on the person's intent to accept the election sent to the Company shall be at least seven days. The period of submitting the aforesaid notices shall compute after the Company distributes the notices of the election, and such period shall not end seven days (or less) before the date of the meeting.

The term of a director shall be calculated from the date upon which the director assumes office to the expiry of the current Board. If the term of office of a director expires but reelection is not made responsively, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected.

While observing relevant laws and administrative regulations, Shareholders may remove any director whose term does not expire from his position by passing an ordinary resolution (nevertheless, any claim due under any contract shall not be affected by such removal) in the general meeting.

A director may serve concurrently as the general manager or other senior management, but the total number of directors serving concurrently as the general manager or other senior management shall not be more than half of the directors.

Article 136 Directors shall observe laws, administrative regulations and the Articles of Association, honestly perform their duties, and protect the interests of the Company. In the event of any conflicts between their own interests and the interests of the Company and its shareholders, directors shall act in the best interest of the Company and its shareholders. Directors shall undertake the following fiduciary duties to the Company:

- (1) Not to abuse their official powers to accept bribes or other unlawful income, and not to expropriate the Company's property;
- (2) Not to misappropriate monies of the Company or customers;
- (3) Not to open any bank account in their own names or in others' names for the purpose of depositing any of the Company's assets or monies;
- (4) Not to lend monies of the Company to other persons or provide guarantee for other persons with the property of the Company counter to the Articles of Association or without the consent of the general meeting or the Board;
- (5) Not to conclude any contract or conduct any transaction with the Company counter to the Articles of Association or without the consent of the general meeting;
- (6) Not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, or conduct for themselves or others any businesses similar to those of the Company without the consent of the general meeting;
- (7) Not to take as their own any commission for any transaction with the Company;
- (8) Not to disclose any secret of the Company;
- (9) Not to seek gains for themselves or others by taking advantage of inside information;
- (10) Not to use their connected relations to damage the interests of the Company;
- (11) To fulfill other fiduciary duties stipulated by laws, administrative regulations, departmental rules and Articles of Association.

The proceeds from the violation of such provisions by the directors shall be attributed to the Company, and he/she shall be liable to compensate the Company for the losses thereof.

Article 137 Directors shall fulfill the following obligations of diligence in accordance with the laws, administrative regulations and the Articles of Association:

- (1) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with the requirements of PRC laws, administrative regulations and relevant PRC economic policies and are not beyond the business scope specified in the business license of the Company;
- (2) To treat all shareholders impartially;
- (3) To carefully read the relevant business and financial reports of the Company and keep informed of the operation and management conditions of the Company;
- (4) **To sign a written confirmation for the securities offering documents and periodic reports. Where the directors are unable to ensure the veracity, accuracy and completeness of the content of the securities offering documents and regular reports or differing views are held, their opinions and reasons shall be stated in the written confirmation and disclosed by the Company. Directors could directly apply for disclosure if the Company fails to disclose.**
- (5) **To ensure the Company gives a timely and fair disclosure of information and the veracity, accuracy and completeness of information disclosed therein.**
- (6) **To honestly provide the Supervisory Committee with relevant information, not to prevent the Supervisory Committee or supervisors from exercising their functions and powers, and to accept the lawful supervision and rational suggestions of the Supervisory Committee on their performance of duties;**
- (7) **To fulfill other obligations of diligence stipulated by laws, administrative regulations, departmental rules and Articles of Association.**

Article 138 If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting remove the said director.

Article 139 A director may resign before his term of office expires. When a director resigns, he shall submit a written resignation notice to the Board. The Board will disclose the relevant information within 2 days.

If the number of directors of the Board falls below the quorum as a result of any resignation, the said director shall continue fulfilling the duties as director pursuant to laws, administrative regulations, departmental rules and Articles of Association until a new director is elected.

Save as provided in the preceding paragraph, a director's resignation shall be effective when his resignation is served to the Board.

Article 140 A director shall complete all of the handover procedures with the Board once his/her resignation becomes effective or his/her term of office expires. The fiduciary duties to the Company and the shareholders are not necessarily released upon expiry of his/her term of office, but shall remain effective in a term of twelve months.

The duty of confidentiality in respect of trade secrets of the Company survives the termination of his term of office until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between the director and the Company was terminated.

Article 141 In the absence of specification in these Articles of Association or legitimate authorization by the Board, no director shall act in his personal capacity on behalf of the Company or the Board. When a director acts in his personal capacity, but a third party may reasonably believe that the director is representing the Company or the Board, that director shall declare his stance and capacity in advance.

Article 142 If a director breaches the laws, administrative regulations, departmental rules or these Articles of Association when carrying out his duties and causes loss to the Company, he shall be responsible for damages.

Section 2 Independent Directors

Article 143 The Company shall establish an independent director system.

Independent directors are directors who do not hold any positions in the Company other than as Director and do not maintain with the Company and its substantial Shareholders a connection which may possibly hamper their independent and objective judgments. Independent directors shall have independence in according with the requirements of Rule 3.13 of Hong Kong Listing Rules.

Article 144 The Board of directors, Supervisory Committee or shareholders individually or jointly holding 1% or above of issued shares of the Company are entitled to nominate candidates for independent directors to be elected at a general meetings.

Article 145 The Independent directors have integrity and diligence duties towards the Company and all shareholders of the Company. The independent directors shall perform their duties diligently so as to protect the Company's interests, in particular, to ensure that the legal rights of the public shareholders will not be affected.

The independent directors shall perform their duties diligently, and shall not be influenced by the Company's substantial shareholders, beneficial controllers or entities or parties that have interests in the Company and its substantial shareholders and beneficial controllers.

Article 146 One third or above of the members of the Board shall be independent directors, which contain one finance and accountant professional person at least, and meet the requirements of the rule 3.10 (2) of Hong Kong Listing Rules.

The number of independent directors of the Company to fall below the condition required by the Articles of Association, the Company shall timely take up the number of independent directors in according with these requirements.

Article 147 An independent director shall meet the following basic conditions:

- (1) Having the qualifications as a director of a listed company in accordance with the laws and administrative regulations of the listing venue, rules of the stock exchange on which shares are listed and other relevant provisions;
- (2) Being independent as required by the CSRC;
- (3) Knowing the basic knowledge about operations of companies, and being proficient in relevant laws, administrative regulations, regulations and rules;
- (4) Having five or above years' experience in securities, financial, legal and economic work or other work required for fulfilling duties as independent director;
- (5) Having sufficient time and energy required for fulfilling independent duties;
- (6) Other conditions required by the Articles of Association.

Article 148 Independent directors shall have the independence, the following persons shall not act as independent directors:

- (1) Persons employed by the Company or its affiliated companies and their immediate family members and major social connections (immediate family members shall include spouse, parents and issues and major social connections shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse) and core connected persons as defined in the Hong Kong Listing Rules;
- (2) Natural person shareholders who directly or indirectly hold 1% or above of the issued shares of a listed company or natural persons who are the top 10 shareholders of a listed company and their immediate family members;
- (3) Persons employed by the corporate shareholders which directly or indirectly hold 5% or above of the Company's issued shares or employed by the top five corporate shareholders of a listed company and their immediate family members;
- (4) Persons providing financial, legal or consulting services to the Company or its affiliated companies;
- (5) Persons who fell within the four aforesaid categories within the preceding year;
- (6) Persons holding positions other than independent directors in other securities companies;
- (7) Other persons unfit to serve as independent directors upon confirmation by the CSRC, the securities regulatory authority at the location where the Company's shares are listed and other relevant regulatory authorities.

Article 149 Independent directors shall perform his duties diligently, and discharge his duties with sufficient time.

Independent directors shall attend Board meetings in person. Where the independent director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another independent director to attend the meeting on his behalf. The proxy form shall set out the name of the proxy, the matter and authority of the proxy, the effective period and such form shall be signed and sealed by the authorizing party. The independent director appointed as the representative of another independent director to attend the meeting shall exercise the rights of the independent director within the scope of authority conferred by the appointing director. Where a director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 150 Independent directors shall have the same term of office as other directors. The term of office of an independent director is renewable upon re-election when it expires, but no independent director shall serve more than two consecutive sessions. Prior to expiry of the term of his office, an independent directors may not be removed in the absence of proper reasons. In case of such removal prior to expiry of term of office, the Company shall make disclosure of such occurrence as a special item of disclosure.

Article 151 Independent directors may resign before the expiry of their tenure. They shall submit a written resignation to the Board. The written resignation shall contain explanation on the situation related to his resignation or any other matters which in his opinion, shall be brought to the notice of the shareholders and creditors of the Company. Where the independent director resigns, disengaged or dismissed during his tenure, he himself and the Company shall submit a written explanation respectively to the delegated institutes of CSRC and the general meeting.

If the resignation of independent director(s) result(s) in the number of independent directors of the Board to fall below the required proportion required by the Articles of Association, the out-going independent director shall continue to perform his duties in accordance with the provisions of laws, administrative regulations, department rules and the Articles of Association until the new director is re-elected to take up his office. The Board shall convene a general meeting to re-elect an independent director for replacement within two months. If no general meeting is convened upon expiry of the period, the outgoing independent director may cease performing his duties.

Article 152 An independent director may also express independent opinion to the Board or general meeting on the following matters, except performing the aforesaid duties:

- (1) The nomination and removal of directors;
- (2) The appointment or dismissal of senior officers;
- (3) Determination of the remuneration of directors and senior officers;
- (4) Flow of funds between shareholders of the Company, beneficial controllers, related companies and the Company, and whether effective steps shall be taken by the Company to recover the arrears;

- (5) Profit distribution proposal proposed to exclude cash dividends in annual Board meeting of the Company;
- (6) Material matters such as connected transactions required to be disclosed, external guarantee (excludes guarantee provided by subsidiaries in combined statement), entrusted financial management, provision of external financial assistance and change the usage of raised fund;
- (7) Schemes on material asset reorganization, Share Option Incentive Scheme;
- (8) Matters that the independent directors consider would impair the interests of minority shareholders;
- (9) Other matters stipulated by laws, administrative regulations, departmental rules, regulated documents, operational rules of stock exchange and the Articles of Association.

The independent directors shall present one of the following written opinions on the matters referred to above: consent; qualified opinion with reason given; objection with reason given; and inability to express an opinion with stated obstacle.

Opinions of the independent directors shall be clearly stated in the resolutions of the Board. The independent directors have the following special authorities:

- (1) Power of prior approval for major connected transactions;
- (2) Power of recommendation and prior approval for the appointment and removal of accountants' firms;
- (3) Special powers such as the giving of independent opinion on the major matters of the Company;
- (4) Power to recommend the convening of extraordinary general meetings;
- (5) Power to recommend the convening of board meetings;
- (6) Power to recommend the convening of meetings solely for independent directors;
- (7) Power to publicly collect voting rights from Shareholders prior to the convening of general meetings;
- (8) Special authorities such as the appointment of intermediary service providers for specific matters.

Article 153 Independent directors shall attend board meetings on a regular basis, understand the business and operation conditions of the Company, actively investigate and obtain the relevant information required for making a decision.

Independent directors shall submit an annual report of all the independent directors at the annual general meeting of the Company and state the circumstances for the performance of their powers and duties.

Article 154 The Company shall set up a working system for the independent directors and the Board Secretary should actively co-operate with the independent directors to enable smooth performance of their duties. The Company should ensure that the Independent directors shall enjoy the same right to information as other directors. The Company shall timely provide the independent directors with relevant materials and information, regularly notify them of the operation of the Company and organize on-site visit by the independent directors if necessary.

Article 155 The fees of engaging intermediate companies by independent directors and other fees incurred in the process of exercising their authorities shall be borne by the Company.

Article 156 The Company shall grant appropriate allowances to the independent directors. The standards of such allowances shall be formulated by the Board and resolved after examination at the general meeting.

Section 3 Board of Directors

Article 157 The Company shall set up a board of directors which shall be accountable to the general meeting.

Article 158 The Board shall consist of 8 directors, including three independent directors (including at least one financial or accounting professional). The Board shall have one chairman and may have one vice chairman.

Article 159 The Board shall exercise the following functions and powers:

- (1) To convene general meetings and report to general meetings;
- (2) To execute resolutions of general meetings;
- (3) To resolve on the Company's business plans and investment plans;
- (4) To formulate the Company's long-term and mid-term development plan;
- (5) To prepare the annual financial budgets and final accounting plans of the Company;
- (6) To prepare the profit distribution plan and loss makeup plan of the Company;
- (7) To prepare plans for the increase or decrease of the registered capital of the Company, the issuance of bonds or other securities and the Listing;
- (8) To formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;
- (9) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;
- (10) To resolve on the establishment of internal management organizations of the Company;

- (11) To appoint or dismiss the Company's general manager, secretary of the Board, chief compliance officer and chief audit officer as nominated by the chairman of the Board; to appoint or dismiss the Company's vice general manager, chief financial officer and other senior management as nominated by the general manager; and to determine their remunerations and rewards and penalties;
- (12) To set up the basic management system of the Company;
- (13) To formulate the proposals for any amendment to these Articles of Association;
- (14) To manage the disclosure of information by the Company;
- (15) To propose to general meetings the appointment or change of the accounting firm acting as the auditors of the Company;
- (16) To listen to the work report of the general manager of the Company and examine the general manager's work;
- (17) To monitor, review and evaluate the establishment and implementation of the Company's various internal control systems and to be responsible for the effectiveness of the internal control;
- (18) To make resolution with regard to the Company's acquisition of shares of the Company under such circumstances as stipulated in items (3), (5) and (6) of Article 27 of these Articles of Association.
- (19) To exercise other functions and powers as conferred by laws, administrative regulations, departmental rules or these Articles of Association.

Article 160 Where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets already disposed of within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet recently considered at the general meeting, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval at the general meeting.

The term "fixed assets disposal" referred to in this Article includes transferring certain interests in assets, but excludes provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

Article 161 The Board shall make explanations to the general meeting in relation to the non-standard audit opinions expressed by the certified public accountants in the financial reports of the Company.

Article 162 The Board shall formulate rules of procedure for the Board meetings in order to make sure that the Board shall implement the resolutions made by the general meeting, improve the work efficiency and guarantee scientific decision-making.

Article 163 The Board shall establish strict examination and decision-making procedures by setting the scope of authority for external investment, acquisition and sale of assets, asset pledge, external guarantee, consigned financial management and connected transactions, and organize relevant specialists or professional personnel to assess and examine any material investment projects, and report such investment projects to the general meeting for approval.

Apart from such matters required to be determined by the Shareholders' meetings pursuant to the regulatory documents such as the trading and listing rules issued by CSRC and Shenzhen Stock Exchange, the specific scope of authority of the Board is:

- (1) The Board's scope of authority for external investment, equity transfer, asset disposal and acquisition is as follows:
 - i. The total amount of the assets involved in transaction accounts for 10%-50% (including 10%) of the most recent audited net assets of the Company. For transaction which involve both the book value and assessed value, the higher shall prevail;
 - ii. The operating revenue of the subject of transaction (such as equity) in the last fiscal year accounts for 10%-50% (including 10%) of the operating revenue which has been audited in the last fiscal year and absolute amount exceeds RMB10,000,000;
 - iii. The net profit of the subject of transaction (such as equity) in the last fiscal year accounts for 10%-50% (including 10%) of the net profit of the Company which has been audited in the last fiscal year and absolute amount exceeds RMB1,000,000;
 - iv. The volume of transaction (including debts and expenses borne) accounts for 10%-50% (including 10%) of the most recent audited net assets of the listed company and the absolute amount exceeds RMB10,000,000;
 - v. The profit from the transaction accounts for 10%-50% (including 10%) of the net profit of the Company which has been audited in the last fiscal year and absolute amount exceeds RMB1,000,000;

If any data involved in the calculation above is negative, the absolute value shall apply.

- (2) Any external guarantees (including but not limited to pledges, liens or guarantees of assets) provided in any one of the circumstances as stipulated in article 65 of this Articles and Association shall be approved by the Board of the Company. External guarantees shall only be approved with the consent of more than two-thirds of the directors present in the board meeting and the consent of more than two-thirds of all of the independent non-executive directors. The Company is prohibited to grant any external guarantees without the approval of the board of directors or the shareholder's general meeting.
- (3) The related parties transactions between the Company and the related natural person, in amount of RMB300,000 (inclusive) to RMB3,000,000 (inclusive); the related parties transactions between the Company and the related legal person in relation to the recurring business, in amount of less than the lower between RMB30 million and 5% of the audited absolute value on net assets in recent period. When related parties transactions that occurs in the Company involves "providing financial support" and "entrusting financial

management”, etc. as provided in this policy, amount occurred shall be taken as calculation standards; accumulative calculation shall be carried out within continuous 12 months according to types of transaction matters. If it reaches abovementioned standards after accumulative calculation, it is applicable for respective provisions. In case relevant obligations are performed according to the above provisions, these obligations will not be incorporated to accumulative calculation scope.

Article 164 The Company invests in other enterprises or provision of guarantee to other parties shall be approved by the resolution via the general meeting or board of directors’ meeting as stipulated in the Articles of Association. The Company provide guarantee to the shareholder or controlling shareholder of the Company shall be approved by resolution via general meeting.

The shareholder of the provisions of the preceding paragraph or the shareholders that being dominated by the actual controlled person of the provisions of the preceding paragraph shall not participate in the voting on matters stipulated in the preceding paragraph. The vote shall be passed by the half of other shareholders that attending the meeting.

The Company shall establish a strict internal control system of external guaranty. All directors should be careful and strictly control of the external debt risk. The external guarantees of the Company shall be taken by the counter party provided that the counter guarantee of risk prevention measures has been implemented. The Counter guarantee providers should have the practical ability of the counter guarantee.

Losses of the Company as caused by breach of any laws, regulations, rules and providing guaranty of the provisions of the Articles of Association, the responsible directors shall bear the joint and several liabilities.

Article 165 The chairman and the vice chairman of the Board shall be a director and shall be elected or dismissed by a majority of all the directors.

Article 166 The chairman of the Board shall exercise the following functions and powers:

- (1) To preside over general meetings, convene and preside over the Board meetings and direct the daily operation of the Board;
- (2) To sign important documents of the Board;
- (3) To sign the securities issued by the Company;
- (4) To exercise the special right of disposal in respect of the business of the Company in compliance with laws and in the interests of the Company in case of force emergent majeure events such as extraordinary natural disasters, and report to the Board and the general meeting of the Company afterwards;
- (5) To monitor and examine the implementation by the management team of resolutions made by the Board and propose relevant advice and suggestions;
- (6) To examine, approve, sign and issue the Company’s basic management system;

- (7) To nominate the general manager, chief audit officer, chief compliance officer and secretary of the Board;
- (8) To examine and approve the costs and expenses which exceed or are not included in the Company's annual budget within the authority granted by the Board;
- (9) To examine and approve the purchase and disposal of fixed assets within the authority granted by the Board;
- (10) To exercise other functions and powers conferred by laws, administrative regulations, departmental rules of competent authorities or the Board.

Article 167 The vice chairman of the Board shall assist the chairman of the Board in work. When the chairman of the Board is unable to or does not carry out his duties, he shall designate a vice chairman of the Board to fulfil his duties. Where no designation is made by the chairman of the Board, or where the vice chairman of the Board is unable to or does not carry out his duties, one half or above of the directors shall nominate a director to carry out the duties.

Article 168 Board Meetings shall be held at least four times a year. Meetings shall be convened by the chairman of the Board. Written notice shall be given to all directors and supervisors at least 14 days before the meeting is held. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.

Article 169 The chairman of the Board shall convene an extraordinary Board meeting within ten days in one of the following situations when it is:

- (1) Considered necessary by the chairman of the Board;
- (2) Jointly proposed by one-third or above of the directors;
- (3) Proposed by the Supervisory Committee;
- (4) Proposed by the general manager;
- (5) Proposed by the shareholders representing one-tenth or above of the voting rights;
- (6) Jointly proposed by half or above of the independent directors;

Article 170 The notice of an extraordinary meeting of the Board shall be served by: direct delivery, fax, e-mail or other means. The time limit of such notice is: 3 days prior to the date of meeting. The aforesaid time limit may not apply if written consent is given by all directors present at the meeting.

Article 171 The notice of the Board meeting shall include the following:

- (1) The time and venue of the meeting;
- (2) The duration of the meeting;
- (3) The reasons and subject matters;

- (4) The date of issuing the notice.

Article 172 A Board meeting shall be attended by more than one half of the directors. Save as otherwise specified in these Articles of Association, resolutions made by the Board must be passed by more than half of all directors. As for the voting on a Board resolution, each director shall have one vote.

Article 173 If a director has connection with the enterprise involved in the resolution made at a Board meeting, he shall not vote on the said resolution for himself or on behalf of other directors. The Board meeting may be held when more than half of the non-connected directors attend the meetings. The resolution made at the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the matter shall be submitted to the general meeting for consideration.

Article 174 The vote on board resolutions shall be taken by way of voting on a site poll or on a show of hands or through communication.

As long as directors can fully express their opinions, an extraordinary Board meeting may be held by way of communication (such as video, telephone and network, the same blow), and resolutions passed shall be signed by participating directors.

The procedures of the Board to form a resolution through communication and conference shall be:

- (1) The resolution must be sent to every director by personal delivery, fax, email or letter two days in advance;
- (2) All directors shall sign their votes upon receipt of the relevant written proposal and reason and basis for objection shall be given in case of a dissenting vote;
- (3) A signed vote shall be delivered to the secretary of the Board by personal delivery, fax or letter;
- (4) A resolution of the Board shall be formed depending on voting.

Article 175 Directors shall attend Board meetings in person. If any director cannot attend the meeting for any reason, he may authorize in writing another director to act on his behalf. The power of attorney shall set out the name of the proxy, the matters represented, scope of authorization and validity period, and shall be signed or sealed by the appointing director. The appointed director who attends the meeting shall exercise the director's duties within the scope of authorization. If a director does not attend a Board meeting in person and does not appoint a proxy to attend the meeting, he shall be deemed to have waived the voting rights at the meeting.

A director shall not make or accept an appointment without voting intentions, discretionary appointment or appointment with indefinite scope of authorization. The responsibility of a director in connection with his/her voting on resolutions cannot be waived by attending the meeting by a proxy.

One director shall not accept appointment by more than two directors to attend one Board meeting on his/her behalf. An independent director shall not appoint a director who is not an independent director to attend the meeting on his/her behalf. Where connected transactions are considered, a non-connected director shall not appoint a connected director to attend the meeting on his/her behalf.

Article 176 The Board shall file resolutions passed at the meeting as minutes, which shall be signed by the attending directors and the recorder. The directors shall be responsible for the resolutions passed at Board meetings. If any resolution made by the Board runs counter to the laws, administrative regulations or these Articles of Association and causes any substantial losses to the Company, directors who vote for the said resolution shall be liable for compensation to the Company. If any director raises an objection to the resolution and the said objection is recorded in the minutes, the said director may be exempt from any liability.

The minutes of Board meetings shall be kept as the Company's record for a term of not less than 15 years.

Article 177 The minutes of the Board shall consist of the following:

- (1) The date and venue of the meeting and the name of the convener;
- (2) The names of the directors present and names of directors being appointed to attend the meeting on the other's behalf (proxy);
- (3) The agenda;
- (4) The main points of directors' speeches;
- (5) The voting method of each resolution and the result (the result shall specify the number of votes for, against and abstaining).

Article 178 A resolution of the general meeting or the Board meeting, if in violation of the laws and administrative regulations, is void. If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or Articles of Association, or if the content of any resolution is in violation of the Articles of Association, the shareholders may be entitled to request the people's court to cancel the said procedure, method or resolution within 60 days after adoption of the resolution.

Article 179 The directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution made by the Board runs counter to the laws, administrative regulations or the Articles of Association and resolutions of general meetings and causes any substantial losses to the Company, directors who vote for the said resolution shall be liable for compensation to the Company. If any director raises an objection to the resolution and the said objection is recorded in the minutes, the said director may be exempt from any liability.

Section 4 Special Committees under the Board

Article 180 The Board consists of four special committees, namely the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Strategic Committee. All members of the special committees shall be Directors. Half or above of the members of the Audit Committee and the Remuneration and Nomination Committee shall be Independent Directors, one of whom shall act as the chairman of the committee. All members of the Audit Committee shall be

non-executive Directors, and there shall be at least one Independent Director who shall be an accounting professional with more than 5 years of working experience in accounting or related financial management. The chairmen of the Remuneration and Nomination Committee and the Audit Committee shall be an Independent Director.

Article 181 The members of the special committees under the Board shall be directors who possess professional knowledge and experience appropriate to responsibilities and duties of the special committees. Each special committee may engage a professional to advise on the relevant matters as and when necessary at the cost of the Company, provided that it shall ensure no disclosure of the Company's business secrets.

Article 182 All special committees are a specialized working body under the Board which shall be accountable to the Board. Each special committee shall submit its annual work report to the Board within four months from the end of every financial year.

The Board shall seek advice of the special committees before making any decision on matters related to the duties of the special committees.

Section 5 Secretary to the Board

Article 183 The Board shall have a secretary, who is a member of senior management of the Company. The secretary to the Board shall be responsible to the Company and the Board.

Article 184 The main duties of the secretary to the Board are:

- (1) To prepare and submit any report or document which relevant PRC authorities require the Board or the general meetings to issue;
- (2) To arrange for Board meetings and general meetings and keep the meeting minutes and documents and records relating to the meetings;
- (3) To maintain the information of the Company's shareholders;
- (4) To handle the information disclosure matters of the Company and ensure the timely, accurate, lawful, true and complete information disclosure by the Company;
- (5) To ensure that the persons who have the right of access to the relevant records and documents of the Company obtain the same in a timely manner;
- (6) To fulfill other duties required by the Articles of Association and the listing rules of the place where the Company's shares are listed;
- (7) A director or another senior management of the Company may also act as the secretary of the Board. Certified public accountants of the accounting firm or lawyers of the law firm appointed by the Company shall not concurrently act as the secretary of the Board.

Article 185 The secretary to the Board shall be nominated by the chairman of the Board and appointed or removed by the Board. Where the secretary to the Board is also a director and an action is required to be made by a director and the secretary to the Board separately, such person who is acting both as a director and the secretary to the Board shall not make such action in both capacities.

CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT

Article 186 The Company shall have one general manager, who shall be appointed or removed by the Board. The Company shall have certain vice general managers, who shall be appointed or removed by the Board. A director may serve concurrently as a senior management, but the number of directors concurrently serving as such shall not exceed half of the directors of the Company.

Article 187 The obligations of a director as stated in Article 137 hereof regarding loyalty and honesty and in (4) to (6) of Article 138 hereof regarding diligence shall also be applicable to senior management.

Article 188 A person holding any executive position other than director or supervisor in the controlling Shareholder of the Company shall not be appointed as a senior management member of the Company.

Article 189 The general manager shall serve a term of three years and may serve consecutive terms upon reappointment.

Article 190 The general manager shall be accountable to the Board and exercise the following functions and powers:

- (1) To manage the daily business operations of the Company, organize and implement the Board's resolutions, and report to the Board;
- (2) To organize and implement the Company's annual business plans and investment plans;
- (3) To prepare the plan for the establishment of internal management of the Company;
- (4) To prepare the plan of the basic management system of the Company;
- (5) To formulate the Company's specific rules;
- (6) To nominate the vice general manager, chief financial officer and other officers of the Company;
- (7) To decide to appoint or remove executives other than those appointed or removed by the Board;
- (8) To formulate plans for the wages, benefits, awards and punishments of the employees of the Company and determine the employment and dismissal of such employees;
- (9) To sign and issue documents relating to our daily administrative and business activities and other matters;

- (10) To exercise other functions and powers conferred in these Articles of Association and by the Board.

Article 191 The general manager shall attend the Board meetings, but if he is not a director, he shall not have voting rights at the Board meetings.

Article 192 The general manager shall, as required by the Board or the Supervisory Committee, report to the Board or the Supervisory Committee on matters concerning the signing and execution of material contracts, application of funds, profit and loss of the Company. The general manager must ascertain the authenticity of the report.

On the matters related to the personal interests of the employees, the general manager shall consult the labour union and the employees' representatives assembly, prior to formulating such matters relating to the employees' vital interests as wages, welfare, production safety, labour protection, labour insurance and dismissal of employees.

Article 193 The general manager shall formulate his/her working rules, which shall come into effect upon approval by the Board.

Article 194 The working rules of general manager shall contain the following:

- (1) Conditions for the convening of and the procedure for the general manager's meeting, and the personnel to attend the meeting;
- (2) Specific duties and division of work of the general manager and other senior management;
- (3) the authority to utilize the Company's funds and assets and to enter into material contracts, and the reporting system to the Board and the Supervisory Committee;
- (4) Other matters which the Board considers necessary.

Article 195 The general manager, vice general managers and other senior management can tender his resignation before the expiry of his term of office, however with a notice to the Board in writing three months in advance. The procedure for such resignation shall be governed by the employment contract between the general manager, vice general managers or other senior management and the Company.

Article 196 If a senior management violates any laws, administrative rules, departmental rules and regulations and the provisions stipulated in these Articles of Association in the course of performing his duties of the Company and subsequently causes losses to the Company, he shall be liable for compensation.

CHAPTER 7 SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 197 Directors, general manager and other senior management shall not serve as supervisors concurrently.

Article 198 The supervisors shall abide by the laws, administrative rules and these Articles of Association and perform the obligations faithfully and diligently. They shall not abuse their authority of office to obtain bribes or other illegal income and not to misappropriate the property of the Company.

Article 199 The term of office of a supervisor shall be three years. A supervisor may serve consecutive terms upon expiration of his term if re-appointed.

Shareholder supervisors shall be elected or replaced at the general meetings, employee supervisors shall be elected or replaced democratically by employees of the Company.

Article 200 If any supervisor fails to attend meetings of the Supervisory Committee for two consecutive times, he/she shall be deemed as incapable of performing the duties, and shall be removed by the general meeting or the employee representatives' meeting.

Article 201 If the term of office of a supervisor expires but reelection is not made responsively or if any supervisor resigns during his term of office so that the membership of the Supervisory Committee falls short of the quorum, the said supervisor shall continue performing the duties as supervisor pursuant to laws, administrative regulations and these Articles of Association until a new supervisor is elected.

Article 202 Supervisors shall sign a written confirmation for the securities offering documents and periodic reports prepared by the Board.

Supervisors shall ensure the Company gives a timely and fair disclosure of information and the veracity, accuracy and completeness of information disclosed therein.

Where the Supervisors are unable to ensure the veracity, accuracy and completeness of the content of the securities offering documents and regular reports or differing views are held, their opinions and reasons shall be stated in the written confirmation and disclosed by the Company. Supervisors could directly apply for disclosure if the Company fails to disclose.

Article 203 Supervisors may attend Board meetings and make enquiries or suggestions in respect of the resolutions of such Board meetings.

Article 204 Supervisors shall not use the connected relations to damage the interests of the Company; otherwise, they shall be liable for compensation for any loss incurred to the Company.

Article 205 Supervisors shall faithfully perform their supervisory duties in accordance with the laws, administrative regulations, departmental rules and these Articles of Association. If a supervisor contravenes the laws, administrative regulations, departmental rules or these Articles of Association while performing his duties and causing losses to the Company, he shall bear the liability of compensation.

Section 2 Supervisory Committee

Article 206 The Company shall have a supervisory committee. The Supervisory Committee comprises 3 supervisors, among which 2 supervisors shall be shareholder representatives elected by the general meeting, while 1 supervisor shall be employee representative of the Company. The Supervisory Committee shall have one chairman, who shall be appointed by the votes of half or above of the members of the Supervisory Committee.

Article 207 The chairman of the Supervisory Committee shall convene and preside over a meeting of the Supervisory Committee; If the chairman of the Supervisory Committee cannot or does not fulfill his/her duties, a Supervisor jointly elected by half or above of the supervisors shall convened and preside over the meeting of the Supervisory Committee.

The Supervisory Committee shall consist of shareholders representatives and an appropriate proportion of the company's employee representatives; and the percentage of the number of the company's employee representatives shall not be less than one-third. The employee representatives of the Supervisory Committee shall be elected at the employee representatives' meeting, employee meeting or otherwise democratically.

Article 208 The Supervisory Committee shall exercise the following functions and powers:

- (1) **To sign a written confirmation for the securities offering documents and periodic reports prepared by the Board;**
- (2) To check the financial condition of the Company;
- (3) To monitor and inquire about the performance of duties by directors and senior management and propose dismissal of directors and senior management who have violated laws, administrative regulations, these Articles of Association, the resolutions of general meetings, and who shall assume primary responsibility or leadership responsibility for material compliance risks;
- (4) To require directors and senior management to make corrections if their conduct has damaged the interests of the Company;
- (5) To propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings;
- (6) To propose motions to the general meeting;
- (7) To initiate proceedings against directors and senior management pursuant to Article 151 of the Company Law;
- (8) To conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company.
- (9) To exercise other powers conferred by laws, administrative regulations, departmental rules or general meetings.

Article 209 Meetings of the Supervisory Committee shall be held at least once every six months. Notices of regular meetings of the Supervisory Committee shall be served to all the supervisors 10 days before the meetings are convened. Supervisors may propose the convening of provisional meetings of the Supervisory Committee. Notices of provisional meetings shall be served to all the supervisors 2 days before the meetings are convened. The aforesaid time limit may not apply if written consent is given by all the supervisors present at the meeting.

Article 210 The Supervisory Committee shall formulate rules of procedure for the Supervisory Committee, specifying the methods of deliberation and voting procedures of the Supervisory Committee, in order to ensure working efficiency and scientific decision-makings.

Article 211 The deliberations of the Supervisory Committee shall be made at a meeting of the Supervisory Committee. Supervisors present at a meeting of the Supervisory Committee shall pass resolutions by way of open ballot at the meeting, and one Supervisor shall have one vote. The voting intent of a Supervisor may be pro, con or abstention. Every attending Supervisor shall choose one out of the aforesaid intents.

Resolutions made by the Supervisory Committee shall be approved by half or above of the members of the Supervisory Committee. Supervisors shall sign on and be liable to the resolutions of the Supervisory Committee.

Resolutions may be passed at meetings of the Supervisory Committee by means of communication methods provided that Supervisors can fully express their views at the meetings. The procedures for passing resolutions are as follows:

- (1) The motion must be served by hand, fax, letter or email to every Supervisor in advance;
- (2) All the Supervisors shall sign on ballots for vote;(and if they sign on ballots for vote against such written motion, the reasons and basis for the dissention shall be attached) after receiving such written motion;
- (3) The ballots duly signed shall be served by hand, fax or letter to the Company;
- (4) If the numbers of Supervisors who signed on ballots for vote for the motion are two thirds or above of total numbers of the Supervisors, the motion shall become the resolution of the Supervisory Committee, which shall be passed based on the votes.

Article 212 The Supervisory Committee shall file resolutions passed at the meeting as minutes, which shall be signed by the attending supervisors and the recorder.

Any Supervisor shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of meetings of the Supervisory Committee shall be kept as the Company's record for a term of at least 15 years.

Article 213 A notice to a Supervisory Committee meeting shall include the following contents:

- (1) date, venue, and duration of the meeting;
- (2) reasons and issues of discussion;
- (3) date of issuance of the notice.

CHAPTER 8 PARTY COMMITTEE

Article 214 Pursuant to the Party Constitution, the Company shall set up a working body for the Party, allocate staff to deal with Party affairs and guarantee funds and venue to operate the Party organization. The Party Committee shall perform the leadership function, and discuss and decide on major issues of the Company in accordance with regulations. Work of the Party Committee shall be carried out in accordance with the Party Constitution as well as other relevant provisions.

Article 215 Depending on the needs of work and the number of Party members, the Party Committee shall be established upon approval of higher-level Party organizations, and the members of the Party Committee shall be elected or appointed in accordance with the Party Constitution and other relevant provisions.

Article 216 The branch Party Committee of the Company shall perform the following duties pursuant to the Party Constitution and other regulations of the Party:

- (1) Guarantee and supervise the implementation of policies and guidelines of the Party and the state in the Company, to carry out the major strategic decisions of the CPC Central Committee and the State Council, to fulfill the relevant important work deployment of the higher-level Party organizations;
- (2) Insist on the integration of the principle that the Party manages the officials with the function of the Board in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management. Establish and perfect the selection and employment mechanism that meets the modern enterprise system and market competition requirements, and build high-quality operating management and talented teams;
- (3) Study and discuss reform, development and stability of the Company, material operation and management issues and material issues concerning employees' immediate interests, and propose opinions and suggestions thereon;
- (4) Assume the primary responsibility to run the Party comprehensively with strict disciplines, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and support the Discipline Inspection Commission in earnestly performing its supervisory responsibilities;
- (6) Other functions that should be undertaken by the Party Committee of the Company.

**CHAPTER 9 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS,
GENERAL MANAGER AND OTHER SENIOR MANAGEMENT OF THE COMPANY**

Article 217 The following person shall not serve as Director, Supervisor, general manager or other senior management of the Company:

- (1) persons without capacity or with limited capacity of civil conduct;
- (2) persons who have committed offences relating to corruption, bribery, misappropriation of fund, misappropriation of property or disruption of social economic order and have been sentenced to criminal punishment, where less than five years has elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to a criminal offense, where less than five years has elapsed since the date of restoring their political rights;
- (3) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years has elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (4) persons who were legal representatives of a company or enterprise which had its business license revoked and was ordered to close down due to violation of the law and who were personally liable, where less than three years has elapsed since the date of the revocation;
- (5) persons who have a substantial amount of debts due and outstanding;
- (6) persons who are subject to the CSRC's punishment which prohibits them from entering into the securities market for a period which has not yet expired;
- (7) persons in charge of stock exchange, securities registration and clearing institutions or directors, supervisors or senior management of securities companies, whose were dismissed for any act against law or relevant discipline where less than five years has elapsed since the date of the removal;
- (8) persons who has been convicted by the competent authority for violation of securities regulations by acting fraudulently or dishonestly, where less than five years has elapsed since the date of the conviction;
- (9) persons who are lawyers, certified public accountants or professionals of investment consulting institutions, financial advising institutions, credit rating institutions, assets valuation institutions or certification institutions, whose qualification was revoked for any act against law or relevant discipline, where less than five years has elapsed since the date of the revocation;
- (10) government officers and other persons who are prohibited by law and administrative regulations from concurrently holding position in a company;

- (11) persons who were subject to administrative penalties by the financial regulatory department due to material illegal or improper behavior where less than three years has elapsed since the date of completion of the penalties;
- (12) persons who are disqualified by the CSRC where less than three years has elapsed since the date of disqualification;
- (13) persons who are determined to be unfit by the CSRC where less than two years has elapsed since the date of the determination;
- (14) persons who are prohibited from acting as a leader of an enterprise by virtue of laws or administrative regulations;
- (15) persons other than a natural person;
- (16) persons who are under the investigation of the legal authority in accordance with the criminal laws and the trials have not yet finished;
- (17) other circumstances identified by China Securities Regulatory Commission;
- (18) other contents required by the laws, administrative regulations or departmental rules.

Any election, designation or appointment of Directors, Supervisors, the general manager or other senior management in violation of this provision shall be invalid. The Company shall dismiss the Director, Supervisor, the general manager or other senior management if they are involved in the said circumstances during their respective term of office.

Article 218 The validity of an act of a Director, the general manager or other senior management on behalf of the Company for a bona fide third person is not affected by any in compliance in the appointment, election or qualification thereof.

Article 219 In addition to the obligations imposed by laws, administrative regulations or relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, each of the Company's Directors, Supervisors, general manager and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (1) Not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) To act honestly in the best interests of the Company;
- (3) Not to expropriate in any guise the Company's property, including (but not limited to) usurpation of opportunities advantageous to the Company;
- (4) Not to deprive of the individual rights and interests of the shareholders, including (but not limited to) the rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with these Articles of Association.

Article 220 Each of the Company's Directors, Supervisors, general manager and other senior management members owes a duty, in the exercise of his powers and discharge of his obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 221 In fulfilling their duties, the Directors, Supervisors, the general manager and other senior management must observe the principle of honesty and shall not set themselves in a position where their own interests conflict with their obligations. The said principle includes (but not limited to) the following obligations:

- (1) To sincerely act in the best interest of the Company;
- (2) To exercise their rights within their terms of reference;
- (3) To exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a general meeting, not to transfer the exercise of their discretion to others;
- (4) To be equitable towards shareholders of the same class and fair towards shareholders of different classes;
- (5) Not to conclude any contract, conduct any transaction or make any arrangement with the Company saved as otherwise specified in the Articles of Association or with the informed consent of shareholders given at a general meeting;
- (6) Not to seek personal gains by using the property of the Company in any form without the informed consent of shareholders given at a general meeting;
- (7) Not to abuse official powers to accept bribes or other unlawful income, and not to expropriate the Company's property in any form, including (but not limited to) opportunity favorable to the Company;
- (8) Not to accept commissions in connection with the Company's transactions without the informed consent of shareholders given at a general meeting;
- (9) To observe the Articles of Association, fulfill duties honestly, protect the interests of the Company, and not to seek personal gains by using their positions and powers in the Company;
- (10) Not to compete with the Company in any form without the informed consent of shareholders given at a general meeting;
- (11) Not to appropriate the monies of the Company or lend the same to others, not to deposit the Company's assets in the accounts of their own or others, and not to use the Company's assets as security for the personal debts of the shareholders of the Company or others;

(12) Not to disclose any confidential information related to the Company acquired by them during the term of their office without the informed consent of the shareholders at a general meeting; not to use the said information save for the interest of the Company; however, they may disclose such information to a court or other governmental regulatory authorities in the following circumstances:

1. As required by law;
2. As required for the interests of the public; and
3. As required for the interests of the said Directors, Supervisors, the general manager and other senior management.

Article 222 Each Director, Supervisor, general manager and any other senior management members of the Company shall not cause the following persons or institutions (“associates”) to do what he is prohibited from doing:

- (1) The spouse or minor child of that Director, Supervisor, general manager and other senior management member;
- (2) A person acting in the capacity of trustee of that Director, Supervisor, general manager or other senior management member or any person referred to in clause (1) and (2) of this Article;
- (3) A company in which that Director, Supervisor, general manager or other senior management member, alone or jointly with one or more persons referred to in clause (1) and (2) of this Article and other Directors, Supervisors, general manager and other senior management members have a de facto controlling interest;
- (4) The Directors, Supervisors, general manager and other senior management members of the controlled company referred to in clauses (3) of this Article.

Article 223 The fiduciary duties of Directors, Supervisors, the general manager and other senior management shall not end with the expiry of their terms of office, and their confidentiality obligation in respect of any commercial secrets of the Company shall continue after expiry of their terms of office. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances and conditions under which the relationship between them and the Company was terminated.

Article 224 Except as provided in the Article 63, a Director, Supervisor, general manager and any other senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at shareholders’ general meeting.

Article 225 If the Directors, Supervisors, the general manager and other senior management of the Company have any direct or indirect material interests in any contract, transaction or arrangement already concluded or proposed contract, transaction and arrangement with the Company

(exclusive of appointment contracts signed by the Company with Directors, Supervisors, the general manager and other senior management), they shall responsibly disclose the nature and extent of the said interests to the Board regardless whether the relevant matters are subject to approval by the Board in normal circumstances.

Except as provided in Note 1 to Appendix III of the Hong Kong Listing Rules or exceptions permitted by the Hong Kong Stock Exchange, a Director shall not be entitled to vote on (nor shall be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement in which he or any of his close associates as defined in the Hong Kong Listing Rules has any material interest or any other relevant proposals.

Unless the interested Director, Supervisor, general manager and other senior management member of the Company discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, general manager or other senior management member is not counted in the quorum and has abstained from voting, a contract, transaction or arrangement in which that Director, Supervisor, general manager and other senior management member is materially interested is avoidable at the instance of the Company except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, Supervisor, general manager or other senior management member.

A Director, Supervisor, general manager and other senior management member of the Company is deemed to be interested in a contract, transaction or agreement in which an associate of him is interested.

Article 226 Where a Director, Supervisor, general manager and other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 227 The Company shall not by any means pay taxes for or on behalf of its Director, Supervisor, general manager and any other senior management member.

Article 228 The Company shall not directly or indirectly make a loan to or provide any guarantee in connect with the making of a loan to a Director, Supervisor, general manager and other senior management member of the companies controlled by the Company's controlling shareholders and de facto controllers.

However, the following transactions are not subject to such prohibition:

- (1) The provision by the Company of a loan or loan guarantee to a company which is a subsidiary of the Company;

- (2) The provision by the Company of a loan or loan guarantee, or any other funds to any of its Directors, Supervisors, general manager and other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in shareholders' general meeting;
- (3) The provision by the Company of a loan or loan guarantee to a relevant director, supervisor or senior management members of the Company or to an associate thereof based on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan guarantee.

Article 229 A loan made by the Company in breach of the preceding Article shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 230 Loan guarantee provided by the Company in breach of Clause (1) of Article 226 shall not be enforceable against the Company, unless:

- (1) loan guarantee was provided to an associate of any of the Directors, Supervisors, general manager and other senior management member of the Company and of companies controlled by the Company's controlling shareholders and de facto controllers and at the time the loan was advanced the lender did not know the relevant circumstances; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

For the purpose of the foregoing provisions of this Chapter, a "guarantee" includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 231 If the Directors, Supervisors, the general manager or other senior management violate the obligations to the Company, the Company shall be entitled to take the following actions in addition to the rights and remedial measures under the relevant laws and administrative regulations:

- (1) require the Directors, Supervisors, the general manager or other senior management to compensate the Company for the losses arising from their negligence;
- (2) rescind the contracts or transactions concluded between the Company and the directors, supervisors, the general manager or other senior management of the Company, or between the Company and a third person (if the third person knows or is supposed to know that the directors, supervisors, the general manager or other senior management representing the Company have breached their obligations to the Company);
- (3) require the relevant directors, supervisors, the general manager or other senior management to surrender gains arising from breach of obligations;
- (4) recover monies, including (but not limited to) commissions, received by the relevant Directors, Supervisors, the general manager or other senior management but receivable by the Company;

- (5) require the relevant Directors, Supervisors, the general manager or other senior management to surrender interests earned or likely to be earned from monies payable to the Company.

Article 232 The Company shall conclude written contracts with directors and supervisors in relation to their remunerations, subject to prior approval at a general meeting. The aforesaid emoluments shall include:

- (1) the emoluments in respect of his service as Director, Supervisor or senior management member of the Company;
- (2) the emoluments in respect of his service as Director, Supervisor or senior management member of any subsidiary of the Company;
- (3) the emoluments in respect of the provision of other services in connection with the management of the affairs of the Company and any of its subsidiaries;
- (4) the payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or Supervisor against the Company for the benefits due to him in respect of the matters mentioned in this Article.

Article 233 The contract concerning the emoluments between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Company's Directors and Supervisors shall, subject to the prior approval of the shareholders in shareholders' general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. A takeover of the Company referred to in this paragraph means any of the following:

- (1) An offer made by any person to all the shareholders;
- (2) An offer made by any person with a view to the offeror becoming a "controlling shareholder". If the relevant Director or Supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of said offer. The expense incurred in distributing that sum pro rata amongst those persons shall be borne by the relevant Director or Supervisor and not paid out of that sum.

CHAPTER 10 FINANCIAL ACCOUNTING SYSTEM, DISTRIBUTION OF PROFITS AND AUDIT

Section 1 Financial Accounting System

Article 234 The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and requirements of relevant PRC authorities.

Article 235 The Company shall prepare its annual financial reports and submit to the CSRC and the stock exchange(s) within four months from the ending date of each fiscal year, prepare the half year financial reports and submit to the local office of the CSRC and the stock exchange(s) within two months from the ending date of the first six months of each fiscal year, and prepare the quarterly reports and submit to the local office of the CSRC and the stock exchange(s) within one month from the ending dates of the first three and first nine months of each fiscal year respectively.

Article 236 The aforesaid financial report shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.

Article 237 The Board shall, at each annual general meeting, submit to the shareholders a financial report which shall be prepared by the Company under the requirement of the regulatory documents promulgated by relevant laws, administrative regulations, local governments and competent authorities. The annual general meeting for a particular year shall be held no more than six months from the date to which the annual accounts of the Company are made up.

Article 238 The financial reports of the Company shall be made available for shareholders' inspection at the Company premises twenty days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports referred to in this chapter.

Unless otherwise specified in these Articles of Association, the Company shall deliver by hand or send to each shareholder of overseas listed foreign Shares by prepaid mail a copy of the aforesaid report or the report of Directors together with the balance sheet (including each document shall be included as appendix to the balance sheet as required by the laws) and profit and loss account or statement of income and expenditure, or summary financial report not later than twenty-one days before the date of every annual general meeting, and the addresses of recipient shall be the addresses appear on the register of shareholders.

Article 239 The financial statements of the Company shall be prepared in accordance with PRC accounting standards and regulations.

Article 240 The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 241 The Company shall publish two financial reports each financial year, i.e. interim financial report announced within 60 days after the end of the first six months of the financial year and the annual financial report announced within 120 days after the end of the financial year.

Other regulations of the securities regulatory authorities at the place where the shares of the Company are listed shall prevail.

Article 242 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 243 The Company shall distribute its after-tax profit for the current year in the order of:

- (1) Recovering losses of the preceding year;
- (2) Withdrawing 10% after-tax profit as statutory common reserve fund;
- (3) Withdrawing discretionary common reserve fund according to resolutions of the general meeting;
- (4) Distributing dividends to shareholders.

The Company may not withdraw statutory common reserve fund if the cumulative amount has exceeded 50% of the Company's registered capital. The Company shall not distribute profits to its shareholders before it has recovered its losses or has withdrawn statutory common reserve fund.

After the statutory common reserve fund is withdrawn from the after-tax profits, the discretionary common reserve fund may also be withdrawn pursuant to a resolution passed at a general meeting.

The after-tax profits remaining after recovery of losses and withdrawal of common reserve funds may be distributed as dividends to the shareholders in proportion to their shareholding percentages, unless it is not permitted in these Articles of Association to distribute profits in proportion to their shareholders.

If the meeting of shareholders violates the aforementioned regulations — distributes dividends to the shareholders before the Company recovers its losses and withdraws from the statutory common reserve fund — shareholders must return the unlawfully distributed dividends to the Company.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 244 Profit Distribution Policy and Adjustment

(1) Profit Distribution Policy

i. Principles of profit distribution

The Company adopts consistent and stable profit distribution policy and shall attach importance to the reasonable returns to investors and the sustainable development of the Company in its profit distribution. The Company may actively distribute dividends by way of cash, stock shares when the Company does not occur such matters as material investment plan or material cash expenditure, provided that the working capital requirements in daily operation are fulfilled.

ii. Manner of profit distribution

The Company may distribute dividends by way of cash, stock shares or a combination of both and shall give priority to cash dividends. The profits distributed by the Company in cash each year shall not be less than 20% of the distributable profits achieved in that year.

iii. Intervals of profit distribution

Subject to the condition of profit distribution, the Company may make profit distributions once a year. The Board may propose to the Company to make payment of an interim profit distributions by way of cash, stock shares or a combination of both according to the working capital conditions of the Company.

iv. Conditions and percentages for distributing profit in cash:

When the Company achieved profits in the current year and the conditions of profit distribution required by laws and regulations such as the Company Law are fulfilled, the Company shall at least make profit distributions once that year. The profit distributed by the Company by way of cash shall not be less than 20% of the distributable profits achieved in that year when the Company does not occur such matters as material investment plan or material cash expenditure.

When determining specific cash dividend distribution proposal of the Company, the Board shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making. The independent Directors shall give specific opinions. The independent Directors shall seek the opinions of the minority shareholders, devise a dividend distribution proposal accordingly and present it directly to the Board for consideration.

The Board of the Company shall distinguish the following circumstances after taking into account various factors including its industry features, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association:

- (1) Where the Company is in a developed stage with no substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 80% of the total profit distribution when distributing its profits.
- (2) Where the Company is in a developed stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 40% of the total profit distribution when distributing its profits.
- (3) Where the Company is in a developing stage with substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.

- (4) Where it is difficult to identify the development stage of the Company but there is substantial capital expenditure arrangement, the dividend distributed in the form of cash shall not be less than 20% of the total profit distribution when distributing its profits.

v. Conditions for distributing profit in stock shares

When profits and cashflow can meet the requirements for normal operation and long-term development of the Company, profit shall be distributed in the way of cash. If the Board of Directors believes that the Company's future growth potential is relatively good, that the net asset value per share is relatively high, that the Company's share price does not match with its share capital or that distributing share dividends conforms to the overall interests of all shareholders, it may draw up share dividend distribution proposals according to its cash dividend policies.

vi. Procedures for decision making of the profit distribution plan of the Company

- (1) When the Company distributes profit, the Board shall formulate distribution proposals and present to the Shareholders' Meeting for consideration and approval.
- (2) During the course of drawing up the proposal in relation to profit distribution, the Board shall actively and adequately listen to the opinions of external and independent directors. The proposal on profit distribution shall be approved by more than one-half of the Directors' votes and one-half of the Independent Directors' votes of the Board of Directors. Independent Directors shall express independent opinions on the proposal of profit distribution. The independent Directors shall seek the opinions of the minority shareholders, devise a dividend distribution proposal accordingly and present it directly to the Board for consideration.
- (3) The proposal in relation to profit distribution submitted by the Board shall be considered by the Supervisory Committee and is subject to one-half of all members of the Supervisory Committee's votes.
- (4) When the proposal on profit distribution is approved by the Board and the Supervisory Committee, it shall be subject to the approval of the Shareholders' Meeting. Prior to the consideration of the profit distribution proposal by the shareholders at the general meeting, the Company shall communicate and exchange ideas through multiple channels with shareholders (minority shareholders in particular), attentively listen to the opinions and demands of the minority shareholders and give timely response to the issues that concern them.
- (5) When no profit distribution plan of that year can be determined based on the vested cash dividend distribution policy or the minimum cash dividend ratio under special circumstances, the Board shall disclose the specific reasons in a special report which shall be submitted to Shareholders' meeting for deliberation after Independent Directors expressed their opinion and shall be approved by

votes of more than 2/3 voting rights represented by Shareholders attending Shareholders' meeting. The Company shall disclose the specific reason and clear opinions of independent Directors in the annual report. In case of the situation above, the Company shall provide an online voting platform when convening Shareholders' Meeting.

vii. The implementation of the profit distribution plan

The specific plan for profit distribution of the Company is put forward by the Board and shall be implemented upon the approval of the Shareholders' Meeting. After the profit distribution plan has been resolved at the Shareholders' general meeting of the Company, the Board of the Company shall complete dividend (or share) distribution after holding such meeting in accordance with the Guidance for Articles of Association of Listed Companies and relevant provisions of CSRC.

If the shareholders of the Company fraudulently dispose of the Company's funds, the Company shall deduct the distribution of cash profits from the shareholders in order to repay the amount of disposed funds.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within two months from the date of declaration of dividends. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas-listed foreign shares in Renminbi, and shall pay such amounts in Hong Kong dollars within two months from the date of declaration of dividends.

(2) Adjustment in dividend distribution policy

- i. While the Company adjusts profit distribution policy as a result of actual operation, investment planning, and needs of long-term development or material changes in external operating situation, it shall collaborate the opinions of shareholders (public investors), independent directors and the Supervisory Committee and decide to make proper and necessary adjustment to the profit distribution policy. The adjusted profit distribution policy shall not be in violation with the relevant requirements of CSRC.
- ii. The proposal on the adjustment in profit distribution policy is drawn up by the Board with reference to the operating conditions of the Company and relevant requirements of CSRC upon special research and evaluation. During the course of drawing up the profit distribution policy, the Board shall actively and adequately listen to the opinions of independent directors, external supervisors and public investors. The proposal on profit distribution policy shall be approved by more than one-half of all the Directors' votes when it has been considering in the Board. The independent opinion expressed by Independent Directors shall be disclosed in a timely manner.
- iii. The proposal in relation to profit distribution policy submitted by the Board shall be considered by the Supervisory Committee and is subject to one-half of all members of the Supervisory Committee's votes.

- iv. The adjusted profit distribution policy shall be considered and approved by the Shareholders' Meeting and voting shall be conducted through online voting system provided by the Company. The policy shall be approved by votes of more than 2/3 voting rights represented by Shareholders attending Shareholders' meeting.

Article 245 Any amount paid up in advance of calls on any shares may bear interest but shall not entitle the holder of the shares to participate in respect thereof in a dividend subsequently declared.

Article 246 The Company shall appoint collection agents for holders of overseas listed foreign shares. The collection agents shall, on behalf of the related shareholders, collect dividends and other payables distributed by the Company for the overseas listed foreign shares.

The collection agents appointed by the Company shall be in compliance with the requirements of the laws or local stock exchange at the place where the stock of the Company is listed.

The collection agents appointed by the Company for holders of overseas listed foreign shares which are listed in Hong Kong shall be trust companies registered pursuant to Trustee Ordinance of Hong Kong.

Subject to the relevant PRC laws, regulations and the requirements of the Hong Kong Stock Exchange, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

The Company has the power to cease sending dividend warrants by post to a given holder of overseas listed foreign shares, but may exercise such power only if such warrants have been left uncashed on two consecutive occasions. However, the Company may exercise such power after the first occasion on which such a warrant is returned undelivered.

Where power is exercised to issue share warrants to bearer, no new share warrants shall be issued to replace the one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

The Company has the power to sell by a method deemed fit by the Board the shares of a holder of overseas listed foreign shares who is untraceable, provided that it complies with the following conditions:

- (1) the Company has distributed dividends on such foreign shares for at least three times in 12 years, which dividends are not claimed by anybody during the period;
- (2) upon expiration of the 12-year period, the Company makes an announcement of its intention to sell such shares in one or more newspapers, and notify the local securities regulatory authority, at the place where the stock of the Company is listed.

Article 247 Capital reserve includes the following:

- (1) Premium arising from issue above the par value of the stock;

- (2) Other revenues required by the financial authority under the State Council to be stated as capital reserve.

Article 248 The common reserve fund of the Company shall be used to make up for the losses, expand the operating scale or increase the capital of the Company. However, the capital reserve shall not be used to recover the losses of the Company. Upon the conversion of statutory common reserve into capital, the balance of the statutory common reserve shall not be less than 25% of the registered capital of the Company before such conversion.

Article 249 After the profit distribution plan has been resolved at the shareholders' general meeting, the Company shall complete the dividend (or share) distribution within two months after the holding of the shareholders' general meeting.

Section 2 Internal Audit

Article 250 The Company maintains internal audit system, and the audit department performs the duties of internal audit.

Article 251 The internal audit system of the Company and the duties of the auditing staff shall be subject to the approval of the Board. The officer in charge of internal audit shall be accountable to the Board and report his work to the same.

Section 3 Appointment of an Accounting Firm

Article 252 The Company shall appoint an independent accounting firm which **has record in the securities regulatory authority under the State Council and the relevant authority of the State Council** to audit the financial statements, verify the net assets and provide other related consulting services.

The accounting firm appointed by the Company shall hold office for one year from the conclusion of the annual general meeting at which it was appointed until the conclusion of the next annual general meeting. The accounting firm is eligible to be re-appointed.

Article 253 The accounting firm appointed by the Company shall have the following rights:

- (1) a right to access the account books, records or vouchers at any time, and to ask Directors, general managers or other senior management of the Company to provide relevant documents and explanations;
- (2) a right to require the Company to take all reasonable actions to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;
- (3) a right to be present at a general meeting and to receive notices of, and information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting for matters in relation to its capacity as the Company's accounting firm.

Article 254 If there is a vacancy in the position of auditor of the Company, the Board may appoint an accounting firm to fill such vacancy before the convening of the general meeting, but the appointment shall be confirmed by the shareholders in the next general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period of existence of such vacancy.

Article 255 Regardless of the terms in the contract concluded between the accounting firm and the Company, the general meeting may, through an ordinary resolution, resolve to dismiss the said accounting firm before the expiration of the term thereof. In the event of any rights claimed by the accounting firm against the Company, the said rights shall not be affected.

Article 256 Appointment, dismissal or non-retention of the accounting firm shall be subject to the decision of the general meeting and shall be filed with the securities regulatory authority under the State Council.

Where the Company dismisses or ceases to re-appointing an accounting firm, a thirty-day prior notice shall be given to the accounting firm, and the accounting firm shall have the right to state its opinions to the general meeting. Where it is proposed that any resolution be passed at a general meeting concerning the appointment of an accounting firm which is not an incumbent firm to fill a casual vacancy in the office of the accounting firm, the re-appointment of a retiring accounting firm which was appointed by the Board to fill a casual vacancy, or the dismissal of an accounting firm before the expiration of its term of office, the following provisions shall apply:

- (1) A copy of the appointment or removal proposal shall be sent to the accounting firm which is proposed to be appointed or dismissed or which has left its post in the relevant accounting year before the notice of the general meeting is given to the shareholders. The leaving of an accounting firm includes the removal, resignation or retirement of such firm.
- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations have been received after the prescribed time) take the following measures:
 1. state the fact that the retiring accounting firm has made such representations in any notice of the resolution given to shareholders;
 2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner as stipulated in these Articles.
- (3) If the Company fails to send out the representations of the accounting firm in the manner set out in clause (ii) above, such accounting firm may require that the representations be read out at the meeting and may make a further appeal.
- (4) The retiring accounting firm shall be entitled to attend the following meetings:
 1. the general meeting at which its term of office expires;
 2. the general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. the general meeting which is convened as a result of its resignation.

The retiring accounting firm shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former accounting firm of the Company.

Article 257 The Company guarantees that the accounting evidence, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without any omission, concealment or false statement.

Article 258 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined at the general meeting. The remuneration of an accounting firm appointed by the Board shall be determined by the Board.

Article 259 Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

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

- (1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company;
- (2) a statement of any other circumstances requiring an explanation. The Company shall send a copy of the notice referred to in the preceding paragraph to the relevant governing authority within 14 days after receipt. If the notice contains a statement as mentioned in clause (ii) of Article 254, a copy of such statement shall be placed at the Company for the inspection of shareholders.

Unless otherwise stated in the Articles of Association, the Company shall also send a copy of such statement by prepaid mail to each shareholder who is entitled to receive the report regarding financial conditions of the Company at the address registered in the register of shareholders.

If the notice of resignation of accounting firm contains a statement in respect of any circumstances requiring an explanation, it may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances in connection with its resignation.

CHAPTER 11 NOTICE AND ANNOUNCEMENT

Section 1 Notice

Article 260 Notices of the Company shall be served by one or a combination of the following methods:

- (1) by hand;
- (2) by mail;
- (3) by facsimile or e-mail;

- (4) by making announcement on the website designated by the Company and stock exchanges in accordance with laws, administrative regulations, departmental rules, normative documents, relevant requirements of the regulatory authorities, the Articles of Association and the listing rules at the location where the Company's shares are listed;
- (5) by announcement;
- (6) by other means agreed before between the Company and the recipient or accepted by the recipient after receiving notice;
- (7) by other means approved by the relevant regulatory authorities at the location where the Company's shares are listed or specified in the Articles of Association.

Any notice for convening a meeting of the Board or the Supervisory Committee of the Company shall be given by hand, by fax, by mail or by email.

Pursuant to the Hong Kong Listing Rules, subject to the laws and regulations and listing rules of the place where the Company is listed as well as these Articles of Association, corporate communications may be provided or sent to holders of H shares by making announcement on the websites designated by the Company and/or the websites of the Hong Kong Stock Exchange or by other electronic means.

Corporate communications referred to in the preceding article means any document issued or to be issued by the Company for the information or action of the holders of H shares of the Company or other individuals required under the Hong Kong Listing Rules, including but not limited to:

1. the annual report of the Company (including the report of the Directors, annual financial statements, the auditing report and the financial summary of the Company (if applicable));
2. the interim report and the summary of the interim report of the Company (if applicable);
3. notices of meetings;
4. listing documents;
5. circulars;
6. proxy forms (as defined in the listing rules of the stock exchange where the shares of the Company are listed). Where notices are given by way of announcements under authorization conferred by these Articles, such announcements shall be published by means specified in the Hong Kong Listing Rules.

With regard to joint shareholders, the Company is only required to deliver or send any notice, information or other documents to one of such joint shareholders.

Article 261 Where a notice of the Company is served by an announcement, the aforesaid notice shall be deemed as received by relevant persons once it is published.

Article 262 Any notice for convening a meeting of the board of directors of the Company shall be given by direct delivery, email, fax or other means.

Article 263 Any notice for convening a meeting of the Supervisory Committee of the Company shall be given by direct delivery, email, fax or other means.

Article 264 For any notice delivered by hand, the addressee shall sign or seal with chop on the receipt slip and the date of delivery shall be the date of the confirmation of receipt by such addressee. For any notice delivered by mail, the date of delivery shall be the fifth working day upon the delivery to the post office. For any notice delivered by email, the date of delivery shall be the second calendar day from the date of sending the email. For any notice delivered by fax or published on website, the date of delivery shall be the date of sending or publishing. For any notice delivered by an announcement, the date of delivery shall be the date on which such announcement is initially published.

Article 265 In the case where the listing rules of the place where the Company's shares are listed require the Company to send, post, dispatch, issue, publish or otherwise provide the relevant documents of the Company in both the English version and the Chinese version, if the Company has made appropriate arrangements to confirm whether the shareholders wish to receive the English version only or the Chinese version only, the Company may, to the extent permitted under the applicable laws and regulations, only send the English version or the Chinese version of such documents to the relevant shareholder (in accordance with the intention expressed by the shareholder).

Article 266 The accidental omission to give the notice of a meeting to, or the failure to receive the notice of a meeting by any person entitled to receive such notice, shall not invalidate the meeting or the resolutions passed thereat.

Section 2 Announcement

Article 267 **The company shall designate the media that meet the requirements set by the securities regulatory authority under the State Council and the website of the stock exchange as the media to publish its announcements and other information that need to be disclosed.** If it is required to make public announcements to the holders of overseas-listed foreign shares pursuant to the Articles of Association, such announcements shall also be published in such manner as required by the Hong Kong Listing Rules.

The Company may not disclose information through public media before such information is disclosed through designated newspapers and websites, and may not disclose information by way of press release or interview with reporters in lieu of the announcement.

The Board may change the newspapers for information disclosure, but shall ensure that the designated newspapers for information disclosure are allowed by the relevant laws and regulations and comply with the qualifications and conditions stipulated by CSRC, overseas regulatory authorities and securities exchanges in China and overseas.

CHAPTER 12 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

Section 1 Merger, Division, Capital Increase and Capital Reduction

Article 268 Merger of the Company may take the form of absorption or establishment of a new company.

Absorption means that a company absorbs another company and the absorbed company will be dissolved. Where two or above companies merge into a new company, the original companies will be dissolved.

Article 269 The merger or division of the Company shall be proposed by the Board and the proposal shall be submitted to the general meeting for approval in accordance with the procedures set out in these Articles of Association. Approval for merger or division shall be sought in accordance with the relevant legal requirements. A shareholder who disagrees with the proposed merger or division shall have the right to demand the Company or the consenting shareholders to acquire his shares at a fair price. The resolution of merger or division of the Company shall be contained in a special document for inspection by shareholders.

The foregoing documents shall also be sent by mail to shareholders of overseas listed shares of companies which are listed in Hong Kong.

Article 270 The merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days of the date of the merger resolution and shall publish an announcement in newspapers or by other means within 30 days of the date of the merger resolution. The creditors may, within 30 days after receipt of notice or, if the creditors do not receive such notice, within 45 days of the announcement, demand the Company to repay in full or to provide a guarantee.

Article 271 Upon merger, the credits and liabilities of each of the merged parties shall be assumed by the surviving party or the newly established company.

Article 272 Where there is a division of the Company, its assets shall be divided accordingly.

Article 273 Where there is a division of the Company, a balance sheet and inventory of assets shall be prepared. The Company shall notify its creditors within 10 days of the date of the division resolution and shall publish an announcement in newspapers or by other means within 30 days of the date of the division resolution.

Article 274 Unless a written agreement has been entered into by the Company and its creditors in relation to the repayment of debts before division, liabilities of the Company prior to the division shall be jointly assumed by the surviving companies after division.

Article 275 Where the Company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days from the date of the resolution for reduction of capital and shall publish an announcement in the newspapers or by other means within 30 days from the date of such resolution. A creditor has the right within 30 days of receipt of the notice or, in the case of a creditor who does not receive such notice, within 45 days of the date of the announcement, to demand the Company to repay its debts or to provide a guarantee for such debt.

The registered capital of the Company after reduction shall not be less than the statutory minimum amount.

Article 276 The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority in the event of any change in any particulars in

its registration as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

If the Company increases or reduces its registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

Section 2 Dissolution and Liquidation

Article 277 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) expiry of the term of business provided in the Articles or other reasons for dissolution as specified in these Articles of Association;
- (2) a resolution on dissolution is passed by shareholders at a general meeting;
- (3) dissolution is required due to the merger or division of the Company;
- (4) the Company is declared bankrupt due to its failure to repay debts due;
- (5) the Company's business license is revoked or suspended or the Company is ordered to close down in accordance with the laws;
- (6) where the Company gets into serious trouble in operation and management and its continuation may cause substantial loss in shareholders' interests, and no solution can be found through any other channel, shareholders representing 10% or above of the total voting rights of the Company may request the people's court to dissolve the Company;

Article 278 Upon the occurrence of the situation described in sub-paragraph (1) of Article 284 in these Articles of Association, the Company may continue to exist by amending these Articles of Association.

Amendments to these Articles of Association pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the general meetings.

Article 279 Where the Company is dissolved pursuant to sub-paragraphs (1), (2),(5) or (6) of Article 275, a liquidation committee shall be set up within 15 days after the causes for dissolution occurred. Members of the liquidation committee shall be determined by general meeting by way of ordinary resolution. If a liquidation committee is not set up within the specified period, the creditors may apply to the people's court for appointment of relevant persons to form a liquidation committee to proceed with the liquidation.

Article 280 Where the Board resolves to liquidate the Company for any reason other than bankruptcy, the Board shall include a statement in its notice convening a general meeting to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company shall be able to pay its debts in full within twelve months from the commencement of the liquidation.

Upon passing of the resolution at general meeting for the liquidation of the Company, all functions and powers of the Board shall immediately cease.

The liquidation committee shall act in accordance with the instructions of the general meeting and make a report at least once every year.

The committee's income and expenses, the business of the Company and the progress of the liquidation shall be presented in a final report to the general meeting on completion of the liquidation.

Article 281 The liquidation committee shall perform the following duties:

- (1) to check the Company's assets and prepare a balance sheet and an inventory of assets;
- (2) to notify the creditors by notice or announcement;
- (3) to deal with and settle the outstanding affairs of the Company;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle all credits and debts;
- (6) to dispose of the remaining assets of the Company after the settlement of debts; and
- (7) to represent the Company in any civil proceedings.

Article 282 The liquidation committee shall notify the creditors within 10 days from the date of its establishment and make public announcement on newspaper(s) or through other channels within 60 days of its establishment. Creditors shall, within 30 days after receipt of the notice, or for those who do not receive the notice, within 45 days from the date of the announcement, declare their claims to the liquidation committee.

Creditors shall provide explanation for the relevant particulars and evidence of the claims upon declaration of such claims.

The liquidation team shall register the creditors' claims.

The liquidation committee shall not settle the debts to creditors until the expiry of the period for declaration of claims.

Article 283 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan for confirmation by general meetings or the people's court.

The remaining properties of the Company, after payment of liquidation expenses, wages, social insurance contribution and statutory compensation of staff, and taxes and debts of the Company, shall be distributed in proportion to the shareholdings of shareholders.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to shareholders before the settlement of debts in accordance with the preceding article.

Article 284 If the liquidation committee, after checking the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to settle its debts, it shall immediately apply to the people's court for a declaration of bankruptcy.

After the Company is declared bankrupt by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 285 Upon completion of liquidation of the Company, the liquidation committee shall prepare a liquidation report and a statement of the receipts and payments and the account books in respect of the liquidation period, and after verification by PRC certified public accountants, shall submit the same to the general meeting or relevant competent authorities for confirmation.

The liquidation committee shall, within 30 days after the general meeting or after obtaining confirmations from the relevant competent authorities, submit the aforesaid documents to the company registration authority, apply for de-registration of the Company, and announce the termination of the Company.

Article 286 Members of the liquidation committee shall perform their duties with due diligence and carry out their liquidating obligations in accordance with the laws.

Members of the liquidation committee shall not exploit their position to accept bribes or other illegal income or expropriate the property of the Company. A member of the liquidation committee who causes loss to the Company or its creditors due to his intentional misconduct or gross negligence shall be liable for damages.

Article 287 Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with the relevant laws relating to bankruptcy of enterprise.

CHAPTER 13 AMENDMENTS TO THESE ARTICLES OF ASSOCIATION

Article 288 The Company shall amend these Articles of Association in any of the following circumstances:

- (1) after the amendments are made to the Company Law, the Party Constitution or other relevant laws and administrative regulations and the further perfection of provisions regarding the party building work of the Central Party Committee, these Articles of Association run counter to the said amendments;
- (2) the Company's conditions have changed, and such change rendering these Articles of Association inconsistent; and
- (3) the general meeting has resolved to amend these Articles of Association.

Article 289 Where the amendments to these Articles of Association resolved and passed at the general meetings require approval of the competent authorities, the amendments shall be submitted to the relevant authorities for approval. Where the amendments involve registration matters of the Company, the involved change shall be registered in accordance with the laws.

Article 290 The Board shall amend these Articles of Association in accordance with the resolution to amend the Articles passed at the general meeting and examination and approval opinions from relevant authorities.

Article 291 Where the matters on the amendments to these Articles of Association constitute information that shall be disclosed under the laws and regulations, the Company shall disclose such amendments according to the stipulations.

Article 292 Any amendment to these Articles of Association involving the Mandatory Provisions for the Articles of Association of Companies Listed Overseas shall become effective upon approval by the approving authority authorized by the State Council. If the amendments involves registration matters, the involved change shall be registered in accordance with the laws.

CHAPTER 14 SETTLEMENT OF DISPUTES

Article 293 The Company shall follow the following rules for settlement of disputes:

- (1) All disputes and claims between shareholders of overseas-listed foreign-invested shares and the Company, between shareholders of overseas-listed foreign-invested shares and the Company's directors, supervisors, general manager and other senior management, or between shareholders of overseas-listed foreign-invested shares and domestic shareholders arising from these Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other applicable laws and regulations concerning the affairs of the Company shall be referred by the relevant parties to arbitration.

The dispute or claim shall be referred to arbitration as a whole. All parties which have the same subject matter, or are required to participate for the settlement of the dispute or claim, such parties shall be subject to the arbitration if such parties are the Company or the shareholders, directors, supervisors, General Manager (President) or other senior management of the Company.

Disputes in relation to the identification of shareholders and register of shareholders need not be resolved by arbitration.

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

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

- (3) If any disputes or claims of rights are settled by way of arbitration in accordance with subparagraph (1) of this article, the laws of the People's Republic of China shall apply, except as otherwise provided in the laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 15 MISCELLANEOUS

Article 294 Definitions

- (1) Controlling shareholder means a person who holds shares representing 50% or more of the entire share capital of the Company, or a person having sufficient voting right in respect of the shares who holds to pose a significant influence on the resolutions of the shareholders' meetings and general meetings despite holding less than 50% of the entire share capital of the Company.
- (2) Actual controller refers to the person who is not a shareholder of the Company, but could actually control the acts of the Company through investment, agreement or other arrangement.
- (3) Affiliated relation refers to the relation between the Company and its affiliates within the meaning of the listing rules of the place on which its shares are listed.

Article 295 The Board may formulate by-laws in accordance with the provisions of these Articles of Association, provided that such by-laws shall not be in violation of these Articles of Association.

Article 296 These Articles of Association are written in Chinese. In case of any inconsistency between these Articles and the articles of association in any other language or of different version, the latest Chinese version of these Articles of Association approved by and registered with the Lanzhou Municipal Administration for Industry and Commerce shall prevail.

Article 297 The term "or above", "within", "following", as stated in these Articles of Association shall all include the given figure; the term "not exceeding", "except", "lower", "more" shall all exclude the given figure.

Article 298 The Board shall be responsible for the interpretation of these Articles of Association.