

TIANJIN JINRAN PUBLIC UTILITIES COMPANY LIMITED

ARTICLES OF ASSOCIATION

(Amended at the shareholders' general meeting held on 1 August 2022)

* *The Company's articles of association is prepared and written in Chinese. The English translation has not been formally adopted and is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.*

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Chapter 1 General Provisions

Article 1 In order to protect the legitimate rights and interests of the shareholders and creditors of the Company and regulate the organization and conduct of the Company, the Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China, Special Regulations Of The State Council On The Offer Of Shares And Listing Of Joint Stock Limited Companies Outside the PRC (the "Special Regulations"), Official Reply of the State Council regarding Adjusting the Application of Provisions to Matters Including the Notice Period for Convention of Shareholders' Meetings by Overseas Listed Companies, Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange Listing Rules") and other relevant laws, regulations of the PRC.

The Company is a joint stock limited company established in accordance with the Company Law and other relevant regulations. On 26 December 2001, the original Tianjin Tianlian Natural Gas Company Limited was changed in its entirety to become Tianjin Tianlian Public Utilities Company Limited as approved by "Entire Change of Tianjin Tianlian Natural Gas Company Limited to Tianjin Tianlian Public Utilities Company Limited" issued by the Tianjin Municipal Government (Jin Gu Pi [2001] No.22). On 29 December 2011, the Company registered at the Administration Bureau for Industry and Commerce of Tianjin Municipal and acquired the business licence with the number 120112000002102.

The promoters of the Company and the proportion of their equity interests are: Tianjin Municipal Liansheng Investment Group Company Limited, representing 57% of the equity interests of the Company; Tianjin Jinlian Investment and Trading Company Limited, representing 20.19% of the equity interests of the Company; Tianjin Gas Group Company Limited, representing 14.81% of the equity interests of the Company; Ms. Tang Jie, representing 6% of the equity interests of the Company and Ms. Liang Jingqi, representing 2% of the equity interests of the Company.

Article 2 Chinese name of the Company: 天津津燃公用事業股份有限公司
English name: Tianjin Jinran Public Utilities Company Limited

Article 3 Address of the Company: Weishan Road, Chang Qing Science, Industry and Trade Park, Jinnan District, Tianjin
Postal code: 300050
Telephone No.: 022-23123359
Facsimile: 022-23123375

Article 4 The chairman of the board of directors of the Company shall be the legal representative of the Company.

Article 5 The Company is a perpetually existing joint stock limited company.

Article 6 The Articles of Association of the Company shall be adopted by a special resolution of the general meeting of the Company and shall supersede the Articles of Association of the Company originally registered with the Administration for Industry and Commerce.

Since the effective day of the Articles of Association, it shall be a legally binding document which regulates the organization and conduct of the Company, the rights and obligations between the Company and shareholders and among the shareholders.

Shareholders may initiate legal proceedings against the Company according to the Articles of Association, the Company may initiate legal proceedings against the shareholders according to the Articles of Association; the shareholders may initiate legal proceedings against other shareholders according to the Articles of Association; the shareholders may also institute legal proceedings against directors, supervisors, managers and other senior management officers of the Company according to the Articles of Association.

The legal proceedings referred to in the preceding paragraph shall include legal proceedings initiated in courts or the application to arbitration institutions for arbitration.

Other senior management officers referred to in the preceding paragraph shall include assistant managers, financial officers and secretaries of the Board of Directors.

Article 7 The Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, manager and other senior management officers. All aforesaid persons may claim rights relating to the affairs of the Company in accordance with the Articles of Association.

Article 8 The Company may invest in other companies with limited liability and joint stock limited companies with limited liabilities and its liabilities therefor shall be limited to the amount of the capital invested.

Article 9 In accordance with the relevant regulations of the Constitution of the Communist Party of China (《中國共產黨章程》) and the Company Law of China, the Company shall establish the committee of the Communist Party of China (the "Party Committee"). The Party Committee shall take a leading role of guiding the direction, managing the overall situation, and procuring implementation. The Party Committee will set up an institution of the Party with corresponding party working staff, and ensure operating funds are provided to the Party Committee.

Chapter 2 Business Objects and Business Scope

Article 10 The business objectives of the Company are: to continuously improve the ancillary services of the municipal and the quality of life of the citizens by construction of public utilities; to serve the socialist market economy.

Article 11 The business scope of the Company shall be the items as approved by the registration authority of the Company.

The business scope of the Company includes:

Permitted items: operation of gas; installation and repair of gas-fired appliance; gas vehicles refueling business (operated by branch offices); various types of engineering construction activities. (For items that are subject to approval in accordance with the laws, business activities can only be conducted after obtaining approval(s) from the relevant departments, and the actual business projects as approved under the approval documents or license documents granted by the relevant departments shall prevail).

General items: technical services, technology development, technology consulting, technology exchange, technology transfer, technology promotion; exclusive insurance agency business within the scope of the insurance company's authorization (operating under the authorization); sales agent; lease of non-residential real estate; sales of non-electric household appliances; pipeline transportation over land; lease of special equipment. (Except for the items subject to approval by laws, business activities can be carried out independently with the business license in accordance with the laws).

Chapter 3 Shares, Transfer of Shares and Registered Capital

Article 12 The Company shall provide for ordinary shares at all times; pursuant to its requirements and upon the approval granted by the examining and approving authorities of the Company authorized by the State Council, the Company may create other classes of shares.

Article 13 The shares issued by the Company shall have a par value of RMB (Renminbi) 0.1 per share.

Article 14 The Company may issue shares to domestic investors and overseas investors upon the approval granted by the securities supervisory authorities under the State Council.

Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries and Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within the People's Republic of China other than Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company.

Article 15 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign shares. Those foreign shares which are listed outside the PRC shall be called overseas listed foreign shares.

Article 16 Upon the approval granted by the examining and approving authorities of the Company authorized by the State Council, the Company may issue 695,000,000 ordinary shares. The number of ordinary shares issued by the Company at its establishment to the promoters was 695,000,000, representing 100% of the total number of the ordinary shares that the Company may issue.

Article 17 The registered capital of the Company is RMB183,930,780 comprising 1,839,307,800 ordinary shares with a nominal value of RMB0.10.

The structure of the share capital of the Company:

Jinran China Resources Gas Co., Ltd. contributed RMB129,754,780, representing 70.54% of the registered capital of the Company;

Tang Jie contributed RMB4,170,000, representing 2.27% of the registered capital of the Company;

The share capital of H shares contributed RMB50,006,000, representing 27.19% of the registered capital of the Company.

Article 18 The board of directors of the Company may, upon the approval of the Company's plan to issue overseas listed foreign shares and domestic shares by the securities supervisory authorities of the State Council, arrange for the respective issue of such shares.

The Company's plan to issue overseas listed foreign shares and domestic shares shall be carried out respectively pursuant to the provisions aforesaid within fifteen months from the date of approval of the securities supervisory and administrative authorities of the State Council.

Article 19 Where the Company issues overseas listed foreign shares and domestic shares separately within the total number of shares specified in the issue plan, every such issue shall be fully subscribed for in one time; if this cannot be achieved due to exceptional circumstances, the shares may be issued in several tranches, subject to the approval of the Securities Commission of the State Council.

Article 20 The registered capital of the Company is RMB183,930,780.

Article 21 The Company may increase its capital in accordance with the relevant provisions of the Articles of Association pursuant to the operational and development requirements of the Company.

The Company may increase its capital in the following methods:

- (1) offer of new shares to unspecified investors;
- (2) placement of new shares to the existing shareholders;

- (3) bonus issues of new shares to the existing shareholders;
- (4) other methods as permitted by laws and administrative regulations.

Upon the approval thereof under the provisions of the Articles of Association, the increase of capital of the Company by way of issuing new shares shall be carried out pursuant to the procedures provided by relevant laws and administrative regulations of the State.

Upon the increase or reduction of share capital of the Company, the Company shall arrange for registration of changes at the relevant company registration authority and make an announcement.

Article 22 All the overseas listed foreign shares listed in Hong Kong of the Company shall comply with the following provisions:

- (1) for all transfers of the overseas listed foreign transfer shares listed in Hong Kong, a general or common form or any other written instruments accepted by the board of directors shall be adopted; such instruments may be signed under hand or in the forms of machine printed signatures without affixing the common seal of the Company.
- (2) no transfer of shares shall be made to an infant or a person of unsound mind or other disqualified person under law.
- (3) unless otherwise provided by laws and administrative regulations, the shares of the Company shall be freely transferable and free from any lien.

Article 23 The Company may sell the shares of a member who is untraceable under the following conditions:

- (1) during a period of twelve years at least three dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) on expiry of the twelve years the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the exchange where such shares are listed of such intention.

Chapter 4 Capital Reduction and Repurchase of Shares

Article 24 The Company may reduce its registered capital in accordance with the stipulations of the Articles of Association.

Article 25 When reducing its registered capital, the Company shall prepare a balance sheet and list of assets.

The Company shall notify its creditors within ten days from the date the resolution for the reduction of capital has been passed and shall publish a notice in a newspaper or the unified corporation information publicity system within thirty days thereof. The creditors who have received such notice shall, within thirty days thereof, and those creditors who have not received such notice shall, within forty-five days from the date of the notice, be entitled to request the Company to settle the liabilities or to provide corresponding guarantees on the liabilities thereof.

The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.

Article 26 The Company may repurchase its issued shares in accordance with the procedures provided by the Articles of Association after the same have been approved by the relevant supervisory authorities of the State under the following circumstances:

- (1) cancellation of shares for the purpose of reduction of capital of the Company;
- (2) merger with other companies which hold shares of the Company;
- (3) to use the shares for employee stock ownership plans or equity incentives;
- (4) the shareholder requests that his/her shares be acquired due to objections to the company's resolution on merger or division passed at the shareholders' general meeting;
- (5) to use the shares for conversion of corporate bonds issued by listed companies that are convertible into shares;
- (6) Other matters necessary for the listed company to protect the value of the Company and the interests of shareholders.

The purchase of the Company's own shares for the circumstances as mentioned in sub-paragraphs (1) and (2) of the preceding paragraph, shall be approved by a resolution at the shareholders' general meeting; the purchase of the Company's own shares for the circumstances as mentioned in sub-paragraphs (3), (5) and (6) of the preceding paragraph, shall be resolved at a meeting of the Board of Directors attended by at least two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

After the Company purchases its own shares according to the provisions of the first paragraph of this Article, it shall, under the circumstance as mentioned in sub-paragraph (1), cancel them within ten days after the purchase; under the circumstance as mentioned either in sub-paragraphs (2) or (4), it shall transfer them or cancel them within six months; under the circumstance as mentioned in sub-paragraphs (3), (5) and (6), the total number of shares held by the Company shall not exceed ten percent of the total number of issued shares of the Company and shall be transferred or cancelled within three years.

The purchase of the Company's shares by a listed company shall comply with the information disclosure obligations in accordance with the relevant laws and regulations. The purchase of the Company's shares by a listed company for the circumstances as mentioned in sub-paragraphs (3), (5) and (6) of the first paragraph of this Article, it shall be made through public centralized trading.

Article 27 The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the State in any one of the following manners:

- (1) to make a repurchase offer to all shareholders in equal proportion to their shareholdings;
- (2) to repurchase the shares in open trading on a stock exchange;
- (3) to repurchase the shares by way of agreement other than through a stock exchange.

Article 28 The repurchase of shares by the Company by way of agreement other than through a recognised stock exchange shall require the prior approval of shareholders in shareholders' general meeting in accordance with the provisions of the Articles of Association. Upon prior approval granted in the same manner by shareholders in the shareholders' general meeting, the Company may discharge or amend any agreement entered into in the aforesaid manner or to waive any rights granted under such agreement.

The agreement for repurchase of shares referred to in the preceding paragraph shall include but not be limited to the agreements relating to the assumption of obligations to repurchase shares and the acquisition of rights to acquire repurchased shares.

The Company shall not assign an agreement for the repurchase of its shares or any of the

rights provided therein.

Article 29 The Company shall cancel within the time limit stipulated by laws and administrative regulations the shares repurchased and shall apply to the original company registration authorities for the registration of the alteration of its registered capital.

The registered capital of the Company shall be reduced by the same amount as the total nominal value of the shares so cancelled.

Article 30 Unless the Company is in liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:

- (1) for those shares repurchased at par value, the amount thereof shall be deducted from the book balance of the distributable profits of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares;
- (2) for those shares repurchased at a value exceeding the par value, the amount equivalent to the par value thereof shall be deducted from the book balance of the distributable profits of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; the part in excess of the par value shall be dealt with in the following manners:
 - (a) for those repurchased shares which were issued at par, it shall be deducted from the book balance of distributable profits of the Company;
 - (b) for those repurchased shares which were issued in excess of the par value, it shall be deducted from the book balance of distributable profits of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; however, the amount deducted from the proceeds of the issue of new shares shall not exceed the total premium received from the issue of such repurchased shares, nor shall it exceed the amount in the Company's premium account (or the capital reserve fund account) at the time of such repurchase (including the amount of premium from the issue of new shares);
- (3) The payments made by the Company for the following purposes shall be paid out of the distributable profits of the Company:
 - (a) obtaining rights to repurchase its shares;
 - (b) alteration of any agreement for repurchase of its shares;
 - (c) discharging its obligations under the repurchase agreement.
- (4) After the total number of shares has been so repurchased and cancelled through the reduction of the registered capital of the Company pursuant to the relevant provisions, the amount which has been deducted from the distributable profits and which has been used for repurchasing the nominal value of the shares shall be credited to the premium account (or the capital reserve fund account) of the Company.

Chapter 5 Financial Assistance for the Purchase of the Company's Shares

Article 31 The Company or its subsidiaries shall not, at any time or in any manner, provide any financial assistance to any person who acquires or intends to acquire the shares of the Company. The person who acquires the shares of the Company as aforesaid includes the person who assumes, directly or indirectly, obligations as a result of the purchase of the shares of the Company.

The Company or its subsidiaries shall not, at any time or in any manner, provide financial assistance to reduce or discharge a person who assumes such obligations as aforesaid from such obligations.

This Article shall not apply to circumstances as described in Article 33 of this Chapter.

Article 32 The financial assistance referred to in this Chapter shall include but not be limited to the following forms:

- (1) gifts;
- (2) guarantees (including the assumption of obligations by the guarantor or the offering of property by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation to be made as a result of default on the part of the Company itself), discharge or waiver of rights;
- (3) provisions of loans or entering into contracts in which the Company has to perform obligations prior to the performance of the other party, changes to loans or to the contracting parties and the assignment of the rights of such loans or contracts;
- (4) any other forms of financial assistance given by the Company when the Company is unable to pay its debts or has no net assets or when its net assets would be reduced to a material extent.

The assumption of obligations referred to in this Chapter shall include the obligations assumed by the obligor as a result of changes to his/ her financial position due to the making of a contract or an arrangement (whether such contract or arrangement is enforceable or such person is liable individually or jointly with others) or pursuant to any other means.

Article 33 The following acts are not prohibited by the provisions of Article 31 of this Chapter:

- (1) the granting of relevant financial assistance by the Company where the same is given in good faith in the interests of the Company and the principal purpose of granting such assistance is not for the purchase of the Company's shares, or the assistance so granted is only an incidental part of a certain master plan of the Company;
- (2) the distribution by the Company of its assets by way of dividends declared in accordance with law;
- (3) the distribution of dividends by way of bonus shares;
- (4) reduction of registered capital, repurchase of shares of the Company and restructuring of the shareholding structure in accordance with the Articles of Association;
- (5) lending of money by the Company in the normal course of business which falls within its scope of business (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company);
- (6) provision of funds by the Company for the employee share scheme (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company).

Chapter 6 Share Certificates and Register of Shareholders

Article 34 The shares of the Company shall be in registered form.

The particulars to be set out in the share certificates of the Company shall, in addition to those required by the Company Law, include other particulars which are required to be

included by the stock exchanges where the shares of the Company are listed.

Article 35 Share certificates shall be signed by the chairman of the board of directors. If the stock exchange on which the shares of the Company are listed shall require other senior management officers to sign thereon, such other senior management officers so required shall also sign on such certificates. The share certificates shall come into effect upon the seal of the Company having been affixed thereto or being affixed thereto in a printed form. The affixing of the company seal upon the share certificate shall be authorized by the board of directors. The signatures of the chairman of the board of directors or other relevant senior management officers of the Company on the share certificates may also be made in a printed form.

Article 36 The Company shall have a register of shareholders to register the following particulars:

- (1) the name (description), address (residence), occupation or nature of each shareholder;
- (2) class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the shares held by each shareholder;
- (5) the date when each shareholder is registered as a shareholder;
- (6) the date when each shareholder ceased to be a shareholder.

Unless there is proof to the contrary, the register of shareholders shall be conclusive evidence of the holding of shares by a shareholder.

Article 37 The Company may, in accordance with the mutual understanding and agreements between the securities authority of the State Council and overseas securities regulatory organizations, maintain overseas the register of shareholders of overseas-listed foreign shares and appoint overseas agent(s) to manage the share register. The original share register for holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong. A copy of such share register shall be maintained at the Company's registered address. The appointed overseas agent(s) where the Company's shares are listed shall guarantee the consistency of the original and the copy of the share register.

If there is any inconsistency of the original and the copy of the share register, the original shall prevail.

Article 38 The Company shall keep a complete register of shareholders.

The register of shareholders shall contain the following parts:

- (1) the register of shareholders which is kept at the registered address of the Company, other than those provided in paragraphs (2) and (3) of this Article;
- (2) the register of shareholders of the Company's overseas listed foreign shares, the original of which is kept in locality where the shares are listed;
- (3) the register of shareholders which is kept at other place(s) as the board of directors deems necessary for listing of the shares of the Company.

Article 39 The various parts of the register of shareholders shall not overlap. During the process of the registration of shares in one part of the register, no transfer of such shares shall be registered in the other part of the register.

The paid up overseas listed foreign shares which are listed in Hong Kong may be freely transferred in accordance with the Article of Association; the board of directors may refuse

to recognise any instrument of transfer, and give no reasons unless the following conditions are satisfied:

- (1) the instrument of transfer only involves overseas listed foreign shares which are listed in Hong Kong;
- (2) the stamp duty relating to the instrument of transfer has been paid;
- (3) the provision of the relevant share certificates, together with evidence to show that the transferor is entitled to transfer the shares reasonably demanded by the board of directors;
- (4) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (5) the relevant shares shall have no lien of any company,

Changes or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is kept.

All transfer documents and other documents which are related to or which affect the title of any shares shall be registered. Should any fees be charged, such fees shall not exceed the maximum fees stipulated by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited from time to time.

Article 40 Within thirty days prior to a shareholders' general meeting or within five days prior to the record date on which basis the Company has decided to distribute dividends, no entry shall be made to the register of shareholders to record any changes resulting from any share transfer.

Where the PRC laws and regulations, Hong Kong Stock Exchange Listing Rules, the relevant regulations of securities regulatory authorities in the place where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of the general meeting or before the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 41 In the event that the Company convenes a shareholders' general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of shareholding, the board of directors shall fix a day for ascertainment of the shareholding and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company.

Article 42 Any person who disputes the register of Shareholders and requires his/ her name to be entered into or removed from the register of shareholders may apply to a court which has jurisdiction to correct the register of shareholders.

If the Company refuses to register a transfer of the shares, it shall issue a notice of refusal to the transferor and transferee within one month after the date which the transfer application was lodged with the Company.

Article 43 If any shareholder whose name has been registered in the register of shareholders or any person who requests to have his/ her name (description) entered into the register of shareholders has lost his/ her share certificate(s) ("Original Certificate(s)"), he/ she may apply to the Company for the issue of (a) replacement certificate(s) in respect of such shares ("Relevant Shares").

In respect of the loss of certificate(s) by shareholders of domestic shares, the replacement certificate(s) shall be applied in accordance with the Company Law.

In respect of the loss of certificate(s) by shareholders of overseas listed foreign shares,

application for replacement shall be made in accordance with the laws, rules of the relevant recognised stock exchange or other relevant provisions of the place where the original register of shareholders of overseas listed foreign shares is kept.

For applications for replacement of lost share certificate(s) relating to shares listed in Hong Kong, the replacement of such certificate(s) shall be subject to the following requirements:

- (1) Applicants shall submit an application in standard form designated by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason for the application made by the applicant, the circumstances under which the share certificate(s) was/were lost with supporting evidence and a declaration that no other persons may request to be registered as a shareholder in respect of the Relevant Shares.
- (2) The Company shall not have received any declaration from any person other than the applicant requesting registration as the shareholder of such shares prior to the decision of the Company to issue (a) replacement share certificate(s).
- (3) If the Company decides to issue (a) replacement share certificate(s) to the applicant, an announcement of the issue of replacement share certificate(s) shall be published in the newspapers designated by the board of directors; the period for such announcement shall be ninety days and such announcement shall be published at least once every thirty days during such period. The newspapers designated by the board of directors shall be English and Chinese newspapers of Hong Kong (at least one for each).
- (4) Prior to publishing the announcement of the issue of (a) replacement certificate(s), the Company shall prepare and submit a copy of the announcement proposed to be published to the stock exchange on which it is listed and the announcement may be published immediately upon the reply of such stock exchange confirming that such announcement has been published at the stock exchange. The period for the exhibition of such announcement at the stock exchange shall be ninety days.

If the consent to the application for (a) replacement certificate(s) has not been obtained from the registered shareholder of the Relevant Shares, the Company shall send to such shareholder by post a copy of such announcement to be published.

- (5) Upon the expiry of the ninety-day period for the publication and exhibition of the said announcement as provided in paragraphs (3) and (4) of this Article and no objection being received by the Company from any person to the replacement of such certificate(s), (a) replacement share certificate(s) shall be issued pursuant to the applicant's application.
- (6) In issuing (a) replacement share certificate(s) pursuant to this Article, the Company shall immediately cancel the Original Certificate(s) and such cancellation and replacement shall be registered in the register of shareholders.
- (7) All costs incurred by the Company in connection with the cancellation of the Original Certificates and issuing replacement share certificates shall be borne by the applicant. Unless the applicant provides reasonable security, the Company shall be entitled to refuse to take any action.

Article 44 Upon the issuance by the Company of (a) replacement share certificate(s) pursuant to the provisions of the Articles of Association, the name (description) of a bona fide purchaser who acquired the new share certificate(s) aforesaid or a shareholder who is subsequently registered as the owner of such shares (if a bona fide purchaser) shall not be removed from the register of shareholders.

Article 45 The Company shall assume no liability for any loss sustained by any person as a result of the cancellation of the Original Certificates or in issuing replacement share certificates, unless it

can be proved that the Company has taken fraudulent acts.

Chapter 7 Rights and Obligations of Shareholders

Article 46 A shareholder of the Company is a holder of share(s) of the Company in accordance with relevant laws and whose name (description) is entered in the register of shareholders.

A shareholder shall have rights and shall undertake the obligations in accordance with the class and the number of shares held by him/her; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations.

Where 2 or more persons are registered as the joint holders of a share, they shall be regarded as the joint owners of the relevant share subject to the following restrictions:

- (1) the Company shall not register for more than four joint holders of any share;
- (2) All the joint shareholders in respect of any share shall be jointly and individually liable to pay all amounts payable for the relevant shares;
- (3) if one of the joint shareholders is dead, only the surviving shareholders among the joint shareholders shall be regarded as the owners of the shares by the Company, but the board of directors, as it thinks fit, is entitled to request for the provision of such shareholders in relation to the change of particulars of the register of shareholders;
- (4) In case of joint holders of a share, only the person whose name stands first in the Register of Shareholders shall be entitled to receive the share certificates from the Company, receive notices of the Company and attend and exercise all voting rights of the relevant shares in the shareholders' general meeting of the Company or receive dividends. Any notice served on the aforesaid person shall be deemed to be served to all of the joint holders.

Where the shareholder is a legal person, its legal representative or a person authorized by the resolution of the board of directors or other decision-making authorities shall exercise its rights on its behalf.

The Company shall not, with the sole reasons that a person who owns a direct or indirect interest in the Company has failed to disclose his/her interests to the Company, exercise any powers to freeze or in any other manner impair the rights attaching to the shares held by such person.

Article 47 A holder of ordinary shares of the Company shall enjoy the following rights:

- (1) to receive dividends and other forms of profit distribution in accordance with the number of shares he/ she holds;
- (2) in person or by proxy, to participate at the shareholders' general meeting, to attend and to speak and vote at the meeting;
- (3) to supervise and manage the business, operation and activities of the Company, and to make proposals or enquiries in relation thereto;
- (4) to transfer shares in accordance with laws, administrative regulations and the provisions of the Articles of Association;
- (5) to receive information in accordance with provisions of the Articles of Association, including:
 - a. the Articles of Association upon payment of the cost thereof;

- b. upon payment of reasonable charges, be entitled to inspect and copy:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of the directors, supervisors, managers and other senior management officers of the Company, including:
 - (a) present and former names and aliases;
 - (b) principal address (domicile);
 - (c) nationality;
 - (d) full-time occupation and all other part-time occupations or positions;
 - (e) identification document and the number thereof.
 - (iii) the share capital of the Company;
 - (iv) a report on the total nominal value, number, highest and lowest prices and all payments made by the Company in respect of each class of its shares repurchased since the last financial year;
 - (v) minutes of shareholders' meetings.
- (6) to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company;
- (7) (a) The shareholders shall be entitled to appeal to the People's Court to declare any resolution passed at the shareholders' general meeting or board of directors meeting of the Company which breached the laws or administrative regulations null and void.

The shareholders shall be entitled to appeal to the People's Court to revoke any resolution passed at shareholders' general meeting or board of directors meeting where its procedures for convention and manner of voting had breached the laws, administrative regulations or the Articles of Association within sixty days of the passing of such resolution.

- (b) Where a director or senior management officer violated the laws, administrative regulations and the Articles of Association of the Company in exercising their duties and caused damage to the Company, the shareholder(s) individually or in aggregate holding 1% or more of the total shares of the company for more than one hundred and eighty consecutive days may request the supervisory committee in writing to initiate a lawsuit in the People's Court. If the supervisory committee violated the laws, administrative regulations and the Articles of Association of the Company in exercising their duties and caused damage to the Company, the shareholder(s) may request the board of directors in writing to initiate a lawsuit in the People's Court.

If the supervisory committee, or the board of directors refuses to initiate a lawsuit after it receives a written request as mentioned in the preceding paragraph, or if it fails to initiate a lawsuit within thirty days after it receives the request, or if, in case of emergency, the failure to initiate a lawsuit immediately will cause irrevocable damage to the interests of the Company, the shareholder(s) as mentioned in the preceding paragraph may, on their own behalf, directly initiate a lawsuit in the People's Court.

In case the legitimate rights and interests of the Company are impaired by other parties and losses are caused to the Company, the shareholders as mentioned in sub-paragraph (1) of this paragraph may initiate a lawsuit in the People's Court under the provisions of the preceding two sub-paragraphs.

(c) Where any director or senior management officers violated the laws, administrative regulations and the Articles of Association of the Company and caused damage to the shareholders, the shareholders may initiate a lawsuit in the People's Court.

(8) other rights conferred by the laws, administrative regulations and the Articles of Association.

Article 48 A holder of ordinary share(s) of the Company shall undertake the following obligations:

- (1) to observe the Articles of Association;
- (2) to pay for the subscription price in accordance with the number of shares subscribed and the manner of subscription;
- (3) other obligations to be undertaken as provided by the laws, administrative regulations and the Articles of Association,

Except for the terms agreed by the share subscriber at the time of share subscription, a shareholder shall not be liable for any subsequent increase of capital.

Article 49 Save for the obligations required under the laws, administrative regulations or the listing rules of a stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his/ her voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:

- (1) to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;
- (2) to authorize the directors or supervisors (in the interests of himself/ herself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;
- (3) to authorize the directors or supervisors (in the interests of himself/ herself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganization of the Company submitted to and passed at a shareholders' general meeting pursuant to the Articles of Association.

Article 50 The controlling shareholder referred to in the preceding Article shall mean a person who meets one of the following conditions:

- (1) such person alone, or acting in concert with others, who may elect half or more of the directors;
- (2) such person alone, or acting in concert with others, who may exercise 30 per cent or more of the voting rights of the Company or control the exercise of 30 per cent or more of the voting rights of the Company;
- (3) such person alone, or acting in concert with others, who hold 30 per cent or more of the issued shares of the Company;
- (4) such person alone, or acting in concert with others, may have de facto control of the

Company in any other way.

Chapter 8 Shareholders' General Meetings

Article 51 The shareholders' general meeting is the body conferring authority on the Company and it shall perform its functions in accordance with relevant laws.

Article 52 The shareholders' general meeting shall exercise the following powers:

- (1) to determine the business policies and investment plans of the Company;
- (2) to elect and replace directors and to determine the remuneration of the directors;
- (3) to elect and replace supervisors who represent the shareholders and to determine the remuneration in respect of such supervisors;
- (4) to examine and to approve the report of the board of directors;
- (5) to examine and to approve the report of the supervisory committee;
- (6) to examine and to approve the annual financial budgets and final accounts of the Company;
- (7) to examine and to approve the plans for profit distribution and making up of losses of the Company;
- (8) to review and approve the following matters in relation to guarantees of the Company:
 - (a) any guarantees provided after the total amount of external guarantees provided by the Company and the subsidiaries controlled by the Company had reached or exceeded 50% of the latest audited net assets;
 - (b) any guarantees provided after the total amount of external guarantees provided by the Company had reached or exceeded 25% of the latest audited total assets;
 - (c) any guarantees provided to companies with an assets-liability ratio exceeding 70%;
 - (d) any guarantee of which the total amount exceeds 10% of the latest audited net assets;
 - (e) any guarantee provided to the shareholders, de facto controllers and their related parties.
- (9) to review matters in relation to the purchase or sale of significant assets of which the total amount in one year exceeds 25% of the latest audited total assets of the Company;
- (10) to review the change of the use of proceeds from fund raising;
- (11) to review the share option incentive scheme and employee stock ownership scheme;
- (12) to resolve on the increase or reduction in the registered capital of the Company;
- (13) to resolve on matters such as merger, division, dissolution, liquidation or change in corporate form of the Company;
- (14) to resolve on the issue of debentures by the Company;
- (15) to resolve on the appointment, dismissal or discontinuance of the accounting firm of

the Company;

- (16) to amend the Articles of Association;
- (17) to review any provisional motion put forward by shareholder(s) separately or aggregately holding three per cent or more of the shares of the Company;
- (18) other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws, administrative regulations and the Articles of Association.

Article 53 Without the prior approval of the shareholders' general meeting, the Company shall not enter into any contract with persons other than a director, supervisor, manager or other senior management officers whereby the management of all or substantial parts of the business of the Company shall be vested in such contracting person(s).

Article 54 Shareholders' general meetings shall be classified as annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be convened once every year and be held within six months after the end of the preceding financial year.

Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:

- (1) the number of directors falls below the number provided by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
- (3) shareholders separately or aggregately holding ten per cent. or more of the issued shares of the Company vested with voting rights request in writing to convene an extraordinary general meeting;
- (4) whenever the board of directors considers it necessary or the supervisory committee proposes to convene the same;
- (5) when not less than two independent directors propose to convene the same.

Article 55 A shareholders' annual general meeting shall be convened by notifying the shareholders of the time, place of the meeting to be held and the matters to be considered in writing or in other forms specified in the Articles of Association by twenty working days (and not less than twenty-one days) prior to the date of the meeting. A shareholders' extraordinary general meeting shall be convened by notifying the shareholders in writing or in other forms specified in the Articles of Association by fifteen working days prior to the date of the meeting.

To calculate the time of the issue of notice, the day of the meeting and the day of issue of notice shall be excluded.

The day of the issue of the notice in accordance with this article shall be the day on which the Company or the share registrar appointed by the Company deliver such notice to the post office.

Article 56 When the Company convenes a shareholders' general meeting, shareholder(s) individually or jointly holding 3% or more of the Company's shares can make a provisional motion in writing to the board of directors ten days before the date of shareholders' general meeting. The board of directors shall notify other shareholders within two days after the receipt of such proposal and table the provisional motion to the shareholders' general meeting for consideration. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting.

- Article 57 No resolution shall be passed at a shareholders' general meeting on any matter which is not set out in the notice referred to in Article 55 and Article 56 herein. A shareholders' extraordinary general meeting shall not resolve any matters which have not been specified in the notice of meeting.
- Article 58 A notice of shareholders' general meeting shall satisfy the following requirements:
- (1) in writing;
 - (2) specify the place, the date and the time of the meeting;
 - (3) state the business to be transacted;
 - (4) provide the shareholders with all such information and explanation which are necessary for the shareholders to make a prudent decision on the business to be transacted, which shall include (but not limited to) the provision of concrete terms and contract (if any) of the proposed transaction together with a detailed explanation of the causes and consequences thereof in the event of the Company proposes a merger, repurchase of its shares, a restructuring of share capital or any other manners of reorganisation;
 - (5) if any of the directors, supervisors, manager and other senior management officers is materially interested in matters to be discussed, he/she shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, manager or senior management officers as a shareholder differs from that of the other shareholders of the same class, such differences shall be specified;
 - (6) contain the full text of any special resolution proposed to be passed at the meeting;
 - (7) expressly specify in writing that the shareholders entitled to attend and vote at the meeting shall have the right to appoint one or more proxy to attend the meeting in his/her stead and to vote thereat and such proxy does not need be a shareholder;
 - (8) specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
 - (9) specify the equity registration date for shareholders having the right to attend the shareholders' general meeting.
- Article 59 Notice of shareholders' general meeting shall be served on the shareholders (whether vested with voting rights at the shareholders' general meeting or not) by personal delivery or by facsimile or by prepaid post at the address recorded in the register of shareholders. In respect of holders of domestic shares, notice of shareholders' general meeting may also be served by way of announcement.
- Notice of shareholders' general meeting served on the holders of overseas-listed foreign shares may be published through the designated websites of the Hong Kong Stock Exchange and the Company. Once the announcement has been published, all holders of overseas-listed foreign shares shall be deemed to have received notice of the shareholders' meeting.
- Article 60 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolution passed in the meeting.
- Article 61 Any shareholder who is entitled to attend a shareholders' meeting and to vote thereat shall have the right to appoint a person or several persons (whether a shareholder or not) as his/her proxies to attend the same and vote thereat on his/her behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:

- (1) the right of such shareholder to speak at the shareholders' general meeting;
- (2) to act on his/ her own or join with other persons to demand for a poll;
- (3) to exercise the right to vote by a show of hands or by poll; however, if there are more than one proxies appointed, such proxies shall only exercise the right to vote on a poll.

Article 62 A shareholder shall appoint his/ her proxy in writing which shall be signed by the appointor or an attorney authorised by him/ her for such purpose in writing; if the appointor is a legal person, the same shall be affixed with the seal of such legal person, or signed by its directors or a duly authorised representative.

Such instrument for appointment of proxy shall contain the number of shares which the proxy represents. If more than one proxies are appointed, the instrument shall specify the number of shares that each proxy represents.

Article 63 An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorised by the appointor, the power of attorney or other instruments of authorization shall be notarised. The power of attorney or other instruments of authorisation so notarised together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify.

In the event that the appointor is a legal person, such shareholder may appoint by its legal representative or the person authorised by the board of directors or other governing body of such appointor as a representative to attend the shareholders' meetings of the Company and to exercise the rights under Article 61. Where a legal person is so represented, it shall be treated as being present at the meeting in person.

In the event that such shareholder of the Company is a recognized Clearing House as defined by the relevant ordinances as promulgated by Hong Kong laws from time to time, or its nominee, it may appoint one or more proxies it considers appropriate to attend any shareholders' general meeting, class meeting and creditors' meeting of the Company on its behalf. If more than proxies are authorized, the authorization letters to appoint such proxy (or proxies) shall set out the number and class of shares the each of such proxies is authorized for. The person (or persons) so authorized is (are) entitled to exercise the right (including the right to attend, speak and vote) of and on behalf of the Clearing House (or its nominee) as if such person is an individual shareholder of the Company.

Article 64 The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form to enable the shareholder to instruct freely at his/ her choice the proxy to vote in favour of or against and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that in default of instruction from the shareholder, the proxy may vote in such a way as he/ she thinks fit.

Article 65 Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred, a vote given by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.

Article 66 Resolutions of shareholders' general meetings shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by more than one half of the voting rights held by the shareholders (including their proxies) who are present at

the shareholders' general meeting.

A special resolution of a shareholders' general meeting shall be passed by more than two thirds of the voting rights held by the shareholders (including their proxies) who are present at the shareholders' general meeting.

Article 67 A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. However, the voting shall be in compliance with any privileges or restrictions attached to any voting rights of any classes of shares and the applicable laws, regulations and the Articles of Association of the Company.

According to the Listing Rules, if a shareholder is required to abstain from voting at or is required to vote against a resolution, such votes casted by the shareholder or its proxy shall not be calculated if the requirement or restriction in the preceding paragraph is violated.

Article 68 Unless a poll is demanded by the following persons prior to or after a show of hands, at any shareholders' general meeting a resolution shall be decided by a show of hands:

- (1) chairman of the meeting;
- (2) at least two shareholders or proxies vested with voting rights;
- (3) a shareholder or shareholders (including proxy or proxies) who individually or in aggregate hold(s) 10 per cent or more of shares vested with voting rights at such meeting.

Unless a poll is demanded, the declaration by the chairman of the meeting as to the result of the voting on a resolution by a show of hands and the entering of the same into the minutes book of the meeting shall be the conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Any demand for a poll may be withdrawn by the person making such demand.

Article 69 If a poll is demanded for resolving the election of the chairman or the adjournment of the meeting, the same shall be taken immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.

Article 70 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two votes or more are not required to cast all their votes in favour of or against a resolution.

Article 71 Where electing the directors or supervisors in the shareholders' general meeting, if there are more than two candidates, each share held by the shareholders (including the proxies) shall have the voting rights equal to the numbers of the candidates. The shareholders may concentrate all their votes to elect one person or distribute their votes to elect more than one person. However, he/she shall state the distribution of the voting rights.

The election of independent director(s), shareholders' representative director(s) and shareholders' representative supervisor(s) shall be carried out separately through different groups of resolutions and the entitlements to the cumulative votes shall not be used repeatedly across different groups of resolution.

Article 72 In the event of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second vote.

Article 73 The following matters shall be passed by ordinary resolution at a shareholders' general meeting:

- (1) the working reports of the board of directors and the supervisory committee;
- (2) plans for profit distribution and for making up of losses proposed by the board of directors;
- (3) removal of the members of the board of directors and the members of the supervisory committee and their remuneration and method of payment;
- (4) annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Company;
- (5) matters other than those required to be passed by special resolution at a shareholders' general meeting as stipulated by laws, administrative regulations or the Articles of Association.

Article 74 The following matters shall be passed by special resolution at the shareholders' general meeting:

- (1) an increase or reduction of the registered capital and share capital of the Company, or issue of any class of shares, warrants and other similar securities;
- (2) an issue of debentures by the Company;
- (3) the merger, division, dissolution, liquidation and change in corporate form of the Company;
- (4) amendments to the Articles of Association;
- (5) within one year the amount of purchase, sale of significant assets, or the amount of guarantee exceeds twenty-five percent of the latest audited total assets of the Company;
- (6) the share option incentive scheme;
- (7) other matters which are resolved by ordinary resolutions at shareholders' general meeting to be of material effect to the Company or are required by the Articles of Association to be passed by special resolutions.

Article 75 Shareholders who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:

- (1) Shareholder(s) who hold(s) individually or in aggregate ten per cent or more of the shares vested with voting rights in such a meeting may sign one or several written requisitions in the same form requesting the board of directors to convene an extraordinary general meeting or a class shareholders' meeting, and specifying and adding a resolution to the meeting. Upon receipt of the said written requisitions, the board of directors shall convene an extraordinary general meeting or a class shareholders' meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.
- (2) If the board of directors fails to give notice of meeting within thirty days of the receipt of the aforesaid written requisitions, the shareholders making such requests may convene a meeting within four months of the receipt of the said requisitions by the board of directors. The procedure for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the board of directors.

All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in default.

Article 76 A shareholders' general meeting shall be convened and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, the board of directors may designate a director of the Company to convene and preside the meeting on its behalf; if no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.

Article 77 The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting is passed or not and his/ her determination shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting.

Article 78 In the event the chairman of the meeting has any doubt as to the result of voting on any resolution, he/ she may have the votes counted. If the chairman of the meeting does not make a count of such votes but any shareholder or proxy present at the meeting disputes the result announced by the chairman of the meeting, such shareholder or proxy shall be entitled to request counting of the votes immediately after the declaration of the result has been made and the chairman of the meeting shall forthwith proceed with the vote counting.

Article 79 In the event a vote counting has been conducted at a shareholders' general meeting, the result thereof shall be entered into the minutes of the meeting.

The minutes of the meeting together with the signature book of the shareholders attending the meeting and the proxy forms shall be kept at the registered address of the Company. The aforesaid signature book of shareholders and proxy forms shall not be destroyed within ten years.

Article 80 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 so requested within seven days of the receipt of the reasonable payment therefore.

Chapter 9 Special Procedures for the Voting by Class Shareholders

Article 81 Shareholders holding different classes of shares shall be classified as class shareholders.

Class shareholders shall enjoy the rights and shall undertake the obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article 82 If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' general meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles 84 to 87. If any shareholders (or their proxies) vote in abstention or does not exercise the voting rights in respect to a resolution, for the purpose of such resolution, such voting rights shall not be calculated into the voting rights held by the shareholders present the meeting.

Article 83 The following situations shall be considered as a variation or abrogation of the rights of certain class shareholders:

- (1) to increase or reduce the number of shares of such class of shares or to increase or reduce the number of shares in a class of shares vested with equal or more rights on voting, distribution or other privileges;
- (2) to exchange all or part of the shares of such class, or to exchange or grant the rights to exchange of all or part of the shares of another class into the shares of such class;

- (3) to cancel or reduce the rights of that class of shares to receive dividends declared or accumulated;
- (4) to reduce or cancel the preferential rights to which that class of shares is entitled to in receiving dividends or in the distribution of assets upon the liquidation of the Company;
- (5) to increase, cancel or reduce the conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Company of such class of shares;
- (6) to cancel or reduce the rights of that class of shares in receiving the monies payable by the Company in a particular currency;
- (7) to establish a new class which enjoys equal or more rights on voting, distribution or other privileges than those enjoyed by that class of shares;
- (8) to restrict or increase the restriction on the transfer or ownership of that class of shares;
- (9) to issue subscription rights or conversion rights in respect of that class or another class of shares;
- (10) to increase the rights and privileges of another class of shares;
- (11) a reorganisation scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders;
- (12) to amend or abrogate the provisions in this Chapter.

Article 84 Whether the class shareholders so affected have voting rights at the shareholders' general meeting or not, they shall have the right to vote at the meeting of class shareholders on the matters provided for in paragraphs (2) to (8) and (11) to (12) of Article 83 of the Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of class shareholders.

The definition of an interested shareholder referred to in the preceding paragraph shall be as follows:

- (1) in the event that the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provision of Article 26 of the Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, "interested shareholder" shall mean the controlling shareholder as defined in Article 50 of the Articles of Association;
- (2) in the event that the Company repurchases its shares through agreement other than through a stock exchange in accordance with the provisions of Article 26 of the Articles of Association, "interested shareholder" shall mean the shareholder related to such agreement;
- (3) in a reorganisation scheme of the Company, "interested shareholder" shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 85 A resolution of the meeting of class shareholders shall be passed in accordance with Article 84 by more than two-thirds of the shareholders present in the meeting who have rights to vote.

Article 86 Unless otherwise provided by the relevant laws, regulations and listing rules of the place where the securities of the Company are listed and the articles herein regarding means of

convening shareholders' general meeting, when the Company is to hold a class shareholders' meeting, it shall issue a written notice informing all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting according to the requirements on the notice period for holding the general meeting as prescribed in Article 55 in this Articles of Association.

Article 87 Notice of the meeting of class shareholders shall only be served on the shareholders who are entitled to vote at such meeting.

The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a shareholders' general meeting and the provisions in the Articles of Association relevant to the procedures of a shareholders' general meeting shall apply to the meeting of class shareholders.

Article 88 Apart from the shareholders of other classes of shares, the shareholders of domestic shares and shareholders of overseas listed foreign shares are deemed to be different classes of shareholders.

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

- (1) where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas listed foreign shares either separately or concurrently at twelve month intervals, and the number of domestic shares and overseas listed foreign shares proposed to be issued does not exceed twenty per cent of the issued domestic shares and overseas listed foreign shares respectively;
- (2) where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is implemented within fifteen months from the date of approval by the securities supervisory and administrative authorities of the State Council.

Chapter 10 Party Committee

Article 89 The establishment of the Party Committee and the Discipline Inspection Committee shall be conducted according to the Constitution of the Communist Party of China (《中國共產黨章程》) and Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation) (《中國共產黨國有企業基層組織工作條例(試行)》). The election, appointment and tenure of the secretary and members of the Party Committee and the Discipline Inspection Committee shall be conducted according to the Constitution of the Communist Party of China and Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation).

Article 90 The Company adheres and improves the leadership mechanism of "Dual Entry and Cross Appointment", eligible members of the Party Committee may join the board of directors and the management through statutory procedures, and eligible Party members in the board of directors and the management may join the Party Committee in accordance with the relevant regulations and procedures.

Article 91 The Party Committee shall implement the theories, directions, guidelines and policies of the Party when carrying out its work, strengthen Party discipline comprehensively, uphold the principle of democratic centralism and fulfill the responsibility of administering the Party.

Article 92 The Party Committee shall conduct research and discussion, and provide recommendations before the board of directors and the management making any significant decisions.

Matters that are subject to the study and discussion of the Party Committee mainly include:

- (1) thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;
- (2) the development strategies, medium and long term development plans and important reform proposals of the Company;
- (3) principles and directional issues involving the Company's asset restructuring, change of property rights, capital operations and large investments;
- (4) the establishment of and adjustment to the Company's organizational structure and the formulation and amendment of the Company's important rules and systems;
- (5) important matters regarding the Company's safe production, maintenance of stability, interests of employees and social responsibilities;
- (6) other material matters required to be studied and decided by the Party Committee.

The Party Committee of the Company shall draw up a list of matters to be studied and discussed in the light of the practical situations of the Company, and clarify the powers and responsibilities of the Party Committee and other governance bodies such as the board of directors and management.

The Party Committee of the Company shall study and discuss major operation and management issues, focusing on whether the decisions are in line with the Party's theories and policies, whether they are in line with the decisions of the Party Central Committee and the implementation of national and regional development strategies, whether they are conducive to promoting the high quality development of the Company, enhancing the Company's competitive strength and realizing the preservation and appreciation of value of state-owned assets, and whether they are conducive to safeguarding the public interest and the legitimate rights and interests of workforce.

The Party Committee of the Company shall study and discuss operation and management issues, and generally shall go through the procedures of proposing motions, formulating proposed plans, studying and discussing by the Party Committee and communicating before the board of directors' meetings.

Article 93

The Party Committee of the Company shall carry out work with a defined focus on production and operation and play the role as a battle fortress. The main responsibilities of which are:

- (1) To study, promote and implement the theories, directions and policies of the Party as well as promote and execute the resolutions of the Party Central Committee, the Party organizations at higher levels and the Organization, unite and lead the workforce to accomplish various tasks of the Company.
- (2) To participate in the discussion on major issues decisions of the Company according to the regulations, and support the Company's responsible personnel in carrying out the work.
- (3) To educate, manage, supervise, serve and recruit Party members, as well as to exercise strict discipline in the party organization, organize party members to excel in their work, and give full play to their pioneering and exemplary role.
- (4) To maintain close ties with the workforce, promote resolution of their legitimate demands, and well prepare for the ideological and political work. To lead trade unions, youth leagues, women's organizations and other groups of the Company and support them to carry out their work independently and responsibly with their respective articles of association.

- (5) To supervise party members, cadres and other staff of the Company to strictly abide by the national laws and regulations and the financial and personnel system of the enterprise and safeguard the interests of the state, the collective and the people.
- (6) To put forward opinions and suggestions on party building and party work in a practical and realistic manner, promptly report important developments to the Party organization at the higher level, and inform party members and the masses of the party's work in accordance with regulations.

Article 94 The Party Committee generally operates in the form of meetings, the notification, convention and voting procedure of which shall be carried out in accordance with the relevant regulations of the Party.

Article 95 In accordance with the principles of strengthening the work of the Party and lean and efficient coordination, the Party Committee of the Company shall establish relevant working organisations with a certain number of party affairs staff according to the actual needs. The same-level treatment policy should be strictly implemented to facilitate the two-way exchange between Party affairs staff and other operating management personnel.

Article 96 To protect the working funds of the party committee of the Company via channels such as including into management expenses and retention of Party fees, which are inclined to the front line of production and operation. To integrate and to apply of various resources to well arrange the Party organization activities.

Chapter 11 Board of Directors

Article 97 The Company shall establish a board of directors comprising nine directors. The board of directors shall have a chairman of the board of directors.

Article 98 The directors shall be elected at the shareholders' general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for re-election. The term of office of a director starts from the date of the passing of resolution at the shareholders' general meeting and ends on the date when the term of the current session of the board of directors expires.

Except for retiring directors and director candidates proposed by the board of directors, starting from the second day after the dispatch of the notice of the meeting appointed for election of director(s), a shareholder is entitled to lodge a notice in writing to the Company to nominate directors and the period (during which the candidate is required to issue a notice to the Company acknowledging his/her intention to be elected) for lodgment of such notice shall be seven days. In any event, the aforesaid period shall end seven days before the date of such meeting.

Chairman of the board of directors shall be elected and removed by more than half of the directors and his/her terms of office shall be three years and he/she is eligible for re-election.

Subject to compliance with the relevant laws and administrative regulations, any director whose term of office has not expired may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation by the director pursuant to any contract).

Directors need not be shareholders of the Company.

Article 99 When making decisions on major issues in production and operation, the board of directors shall seek the advice from the Party Committee in advance. The board of directors is the decision-making body of the Company, and is responsible for formulating the Company's strategies, making decisions and preventing risks and shall be accountable to the shareholders' general meeting and the board of directors shall have the following duties and

powers:

- (1) to be responsible for convening shareholders' general meeting and to report its work to the shareholders' general meeting;
- (2) to implement the resolutions passed at the shareholders' general meeting;
- (3) to formulate the Company's strategies and development plans;
- (4) to formulate the Company's business policy and annual investment plan;
- (5) to prepare the business and investment plans for the Company;
- (6) to formulate the annual work report of the board of directors;
- (7) to decide on major reform and reorganization matters within the Company, or make resolutions on relevant matters according to the authorization of the shareholders' meeting;
- (8) to formulate the Company's state-owned property change plan;
- (9) to prepare the annual financial budget and final accounts of the Company;
- (10) to prepare the plans for profit distribution and recovering losses for the Company;
- (11) to prepare proposals for increasing or reducing the registered capital of the Company and proposals for the issue of debenture of the Company;
- (12) to formulate the Company's major income distribution plan, including the Company's total salary budget and liquidation plan etc., and to approve the Company's employee income distribution plan and its annuity plan;
- (13) to decide on the Company's compliance management matters;
- (14) to review and approve the matters such as the Company's external investment, financing, asset acquisition, sale, write-off, guarantee, related transactions in accordance with laws and regulations, regulatory provisions, this Articles of Association and the Company's relevant authorization system;
- (15) to formulate proposal for merger, division, change of form, or dissolution and liquidation of the Company;
- (16) to decide on the set-up of the internal management structure of the Company, and to decide on the establishment and cancellation of branch companies and other branches;
- (17) to appoint or dismiss the senior management officers of the Company such as the manager, deputy manager, general legal counsel or the officers and to appoint or dismiss the secretary of the board of directors according to the nomination of the chairman of the board of directors and to determine the business performance assessment and remuneration of the Company's senior management officers according to relevant regulations;
- (18) to direct, inspect and assess the Company's internal audit, review the Company's annual internal audit work report, establish a mechanism under which the audit department is accountable to the board of directors, and the board of directors approves the annual audit plan and important audit reports in accordance with the law;
- (19) to formulate the Company's major accounting policies and amendments to accounting estimates and to determine the upper limit of the Company's gearing ratio;

- (20) to determine the authorization management system and authorization matters for managers;
- (21) to set up the basic management system of the Company;
- (22) to draw up proposal for amending the Articles of Association;
- (23) to determine the establishment of special committees and to appoint or dismiss relevant responsible officers;
- (24) to decide on external donations and sponsorships;
- (25) to listen to the work report of the manager, check the implementation of the resolutions of the board of directors by the manager and other senior management officers, and to establish and improve the accountability system for the manager and other senior management officers;
- (26) to perform other functions as authorized by shareholders' general meeting and the Articles of Association.

Except the resolutions provided for in paragraphs (11), (15) and (22) which require more than two-thirds approval of the directors, the remaining resolutions on other matters as contained in the preceding paragraph shall be passed by a simple majority of the directors. The board of directors shall perform its duties in accordance with the laws, administrative regulations, listing rules of the place where the Company's securities are listed, the Articles of Association of the Company and the resolutions of the shareholders.

Article 100 Subject to the relevant laws and administrative regulations, the Company is entitled to dismiss any directors before expiry of their terms of office (including the chairman or other executive directors, but without prejudice to any compensation claimed on the basis of the contract). However, the shareholders' general meeting shall not dismiss such directors without reasons.

Article 101 Under the leadership of the board of directors, the board of directors may set up several special committees to assist the board of directors' performance of its duties, or to provide recommendations or opinions for the decision making of the board of directors. The members of the special committee shall be the directors.

Article 102 The board of directors shall not dispose of or agree to dispose of any fixed assets of the Company without the prior approval of a shareholders' general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposal of fixed assets of the Company during a period of four months immediately preceding the proposed disposal, exceeds thirty-three per cent of the fixed asset value as shown in the latest balance sheet reviewed by the shareholders' general meeting.

For the purpose of this Article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.

The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the first paragraph of this Article.

Article 103 Prior to making decisions of the development of the market, merger and acquisition and the investment in new areas which involves an investment amount or merger and acquisition amount of more than ten per cent of the latest audited assets of the Company, the Company shall appoint consulting institution to provide professional opinions which forms important basis for the decision-making of the board of directors.

Article 104 The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over the shareholders' general meetings and to convene and chair the meetings of the board of directors;
- (2) to review the implementation of the resolutions of the board of directors;
- (3) to sign debentures issued by the Company;
- (4) to sign other important documents of the Company or authorize one or more directors of the Company by power of attorney to sign the other important documents of the Company;
- (5) other functions delegated by the board of directors.

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate a director to perform the duties on his/her behalf.

Article 105 The board of directors should hold meetings at least two times every year which shall be convened by the chairman of the board of directors and notice of meeting shall be given to all directors and supervisors ten days prior to the meeting.

Article 106 Extraordinary board meetings shall be convened and presided over by the chairman of the board of directors upon the occurrence of any of the following circumstances:

- (1) when it is deemed necessary by the chairman of the board of directors;
- (2) when it is proposed by shareholders holding by not less than one-tenth of the total voting rights;
- (3) when it is jointly proposed by not less than one-third of the total number of directors;
- (4) when it is proposed by the supervisory committee;
- (5) when it is proposed by not less than two independent non-executive directors;
- (6) when it is proposed by the management.

With respect to items (2) to (6) of this Article, the chairman of the board of directors shall convene and preside over a meeting of the board of directors within ten days after receiving the proposal.

Article 107 Notices convening meetings and extraordinary meetings of the board of directors shall be by way of telephone, email, post, facsimile or announcement. The time limit for such notice shall be ten days prior to the meeting.

Article 108 Sufficient details shall be provided at the time of the issue of notice in relation to any material matters that need to be decided by the board of directors. Directors may request for provision of supplementary materials. If not less than one quarter of the total number of directors or not less than two external directors consider that such information is insufficient or the reasoning is unclear, they may jointly propose for suspension of convention of the meeting or suspension of the consideration of the matters to be considered and the board of directors shall adopt such proposal.

Where the matters to be considered by the Board involve legal issues, the general counsel shall attend the meeting and provide legal opinions as an important basis for the Board's decision.

Article 109 Meetings of the board of directors shall only be held with not less than one-half of the directors present at the meeting.

Each director shall have one vote. Except as provided in Article 99 of the Articles of

Association, the resolutions of the board of directors shall only be passed with a simple majority of all the directors.

A written resolution signed by all directors shall be deemed to be of the same validity as a resolution passed at a meeting of the board of directors duly convened, and may consist of several documents in the like form each executed by one or more directors. A resolution which is signed by a director or contains the name of the director and delivered by telegraph, telex, post, facsimile or by personal delivery to the Company shall be treated as a document signed by him/her for the purpose of this Article.

Article 110 Meetings of the board of directors shall be attended by the directors in person. If a director cannot attend a meeting for any reason, he/ she may appoint in writing another director to attend the meeting on his/ her behalf. The instrument of appointment shall specify the scope of authority and the directors absent from the meeting shall be individually liable to any legal consequences.

A director who attends a meeting on behalf of another director shall exercise the rights of a director within the scope of authority granted. If a director fails to attend a meeting of the board of directors and has not appointed a representative to attend on his/ her behalf, he/ she shall be deemed to have waived his/ her voting rights in respect of that meeting.

Article 111 The board of directors shall keep minutes of its decisions on the matters considered at the meetings. The minutes of meetings shall be signed by the directors attending the meeting and the person taking minutes. The directors shall be responsible for the resolutions of the board of directors. Where a resolution of the board of directors is in violation of laws, administrative regulations or the Articles of Association of the Company, the directors voting in favour of such resolution shall be directly liable. However, where a director voting against such resolution who can prove that he/ she expressed his/ her opposition to such resolution when it was put to the vote, and that such opposition was recorded in the minutes of the meeting, the director may be relieved from such liability. The directors who abstain from voting or did not attend the meeting nor appoint representative to attend the meeting shall not be relieved from such liability. The directors who expressed the opposition to such resolution during discussion but did not vote against the resolution shall not be relieved from such liability. The board of directors shall make complete records of the matters and the resolutions considered in the meeting. The secretary to the board of directors shall organize the minutes and the matters considered in the meeting, sign on the resolutions and bear responsibility for the accuracy of such records.

The opinions of the independent directors shall be stated in the resolutions of the board of directors. The related parties transaction of the Company shall only be effective upon signature of the independent directors.

Article 112 The board of directors' meeting may be held in the form of telephone conference or through similar communications equipment. In holding such meeting, all the directors shall be deemed to be present in the meeting in person provided that the directors attending the meeting can hear and communicate clearly with other directors.

Article 113 The meetings of the board of directors shall be held at the legal address of the Company in principle. However, the meeting may be held outside PRC upon resolution of the board of directors.

Article 114 The Company shall bear the costs for the directors to attend the board of directors' meeting, including transportation fees from the director's place to the meeting place, accommodation costs, meal costs and local transportation fees incurred during the meeting.

Article 115 Unless otherwise provided by the board of directors, the manager who is not a director may observe the meeting of the board of directors and is entitled to receive the notice and relevant documents of such meeting; however, the manager is not entitled to vote at the meeting unless he/ she is also a director.

Chapter 12 Secretary to the Board of Directors

Article 116 The Company shall appoint a secretary to the board of directors. The secretary to the board of directors shall be a senior management of the Company.

Article 117 The secretary to the board of directors of the Company shall be a natural person who possess the necessary professional knowledge and experience, good personality and with a professional ethics and relatively strong ability to coordinate public relations and shall be appointed by the board of directors. The principal duties of the secretary to the board of directors are as follows:

- (1) to assist the board of directors to deal with the daily work, to continuously provide, remind and ensure the understanding of the board of directors in relation to the laws, regulations and policy requirements of the operation of the Company stipulated by the regulatory authorities inside and outside PRC, to assist the directors and chairman to fulfill the requirements of the laws, regulations, the Articles of Association and other regulations inside and outside PRC in exercising their powers and duties;
- (2) to be responsible for preparation and organization of the board of directors' meeting and the shareholders' general meeting, to prepare the meeting documents, to arrange the meeting matters and make records, to ensure the minutes are accurate and the resolutions of the meetings are in accordance with the legal procedure, to monitor the execution of the resolutions of the board of directors;
- (3) to ensure the Company has a complete organization of documents and minutes;
- (4) to ensure that the Company prepares and submits documents and reports as required by the competent authorities (including but not limited to the relevant government authorities of PRC, the stock exchange on which the shares of the Company are listed and the Administration Bureau for Industry and Commerce) in accordance with laws;
- (5) to ensure the record-keeping of the registers of shareholders, the register of directors, the amount of holding of equity interests by major shareholders and by directors and the list of interests of the debentures issued by the Company; to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
- (6) to organize and coordinate the disclosure of information, to coordinate the relationship with the investors, to enhance the transparency of the Company;
- (7) to participate in organizing the financing in the capital market;
- (8) to handle the relationship with the agency, regulatory authorities and the media;
- (9) to perform other functions and duties required by the laws, the regulatory authorities of the stock exchange on which the shares of the Company are listed and/or the Articles of Association of the Company (including the reasonable requirements of the board of directors).

Article 118 The director or other senior management officer (except for the manager and the officers in charge of financial matters) may serve as the secretary to the board of directors. The accountant of the accounting firm which is appointed by the Company shall not serve as the secretary to the board of directors.

Where the secretary to the board of the directors also acts as a director, he/she shall not perform an action in dual capacities if such action shall be made by the director and the secretary to the board of director separately.

The position of secretary of the board of directors may be assumed by one or two natural

persons. In case where two persons are appointed jointly, the obligations of the secretary to the board of directors shall be assumed jointly by such two persons. However, either one of them shall be entitled to exercise independently all powers of the secretary of the board of directors.

Article 119 The board of directors shall terminate the term of office of the secretary to the board of directors if the following circumstances occurred during his/ her term of office:

- (1) failing to perform his/ her relevant duties and obligations and causing significant loss to the Company;
- (2) violating the laws, regulations, the Articles of Association and other relevant requirements in performing his/ her duties and causing serious results or bad influence;
- (3) leaking confidential information of the Company and causing serious results or bad influence;
- (4) the regulatory authority considers that he/ she is not qualified to continue to act the secretary of the board of director;
- (5) other circumstances considered by the board of directors.

Article 120 Before the resignation or dismissal of the secretary to the board of directors shall accept the outgoing review to be conducted by the supervisory committee, and shall, under the supervision of the supervisory committee, pass on the relevant documents and materials, outstanding and remaining matters and issues completely to the succeeding secretary to the board of directors. The resigning or dismissed secretary to the board of directors shall sign the necessary confidential agreement and perform confidential obligations.

Chapter 13 Management

Article 121 The Company shall have one manager, several deputy managers and one officer in charge of financial matters, appointed or dismissed by the board of directors.

While the board of directors engages a member of management, it shall strictly manage the term, scientifically determine the contractual objectives, implement remuneration in a rigid manner, and strictly evaluate dismissal.

Article 122 When making decisions on major issues in production and operation, the management of the Company shall seek advice from the Party Committee in advance. The management of the Company is the execution body of the Company and shall perform the duties of operation planning, implementation monitoring and management strengthening.

The manager of the Company shall be responsible to the board of directors and shall perform the following functions:

- (1) to be in charge of the production and business operation of the Company and to organize the implementation of the resolutions of the board of directors;
- (2) to organise the implementation of the annual business plan and investment program of the Company;
- (3) to prepare proposals for the establishment and dissolution of internal management bodies, branch companies and other branches of the Company;
- (4) to prepare the basic management systems of the Company;
- (5) to formulate basic rules and regulations of the Company;

- (6) to propose for the appointment or dismissal of deputy managers and the officers in charge of financial matters of the Company;
- (7) to appoint or dismiss management staff other than those to be appointed or dismissed by the board of directors in accordance with relevant requirements;
- (8) other functions designated by the Articles of Association and the board of directors.

The deputy managers and the officers in charge of financial matters shall assist the manager and be accountable to the manager.

When making decisions on major issues in production and operation, the manager of the Company shall seek advice from the Party Committee in advance.

Article 123 The management may observe the meetings of the board of directors, but the manager, not being a director, shall not have the right to vote in the meetings of the board of directors.

Article 124 In performing his/ her functions and powers, the management of the Company shall perform fiduciary duties pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Chapter 14 Supervisory committee

Article 125 The Company shall establish a supervisory committee.

Article 126 The supervisory committee shall comprise five supervisors including one shareholder representative, two staff representatives and two independent supervisors. The term of office of the supervisor shall be three years, and the supervisors shall be eligible for re-election.

Article 127 The independent supervisors are elected and removed by the shareholders' general meeting and the representative of the employees is elected and removed by the employees' democratic elections.

There is one chairman of the supervisory committee, who is appointed and removed by more than two-thirds (including two-thirds) of the total number of supervisors.

Article 128 The Company's directors, the manager and other senior management officer (including but not limited to the officers in charge of financial matters) shall not at the same time act as supervisors.

Article 129 The supervisory committee shall convene at least one meeting every six months and such meeting shall be convened by the chairman of the supervisory committee.

Article 130 The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:

- (1) to inspect the finances of the Company;
- (2) to supervise the acts of the directors, manager and other senior management officers of the Company who have contravened the laws, administrative regulations or the Articles of Association in carrying out their duties of the Company;
- (3) to request the directors, manager and other senior management officers of the Company to rectify their acts which have prejudiced the interests of the Company;
- (4) to review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; in case of doubts, the supervisors may, in the name of the Company, require a re-examination by the registered accountants and the certified

public auditors;

- (5) to accept the appointment of the relevant authorities of the State to investigate special matters;
- (6) to propose the convening of an extraordinary general meeting;
- (7) to represent the Company in negotiating with or in initiating legal proceedings against the directors;
- (8) other powers or duties in accordance with the laws, regulations, regulatory documents and the Articles of Association.

The supervisors shall have the right to observe meetings of the board of directors.

Article 131 When convening the meeting of the supervisory committee of the Company, if the supervisors have proper reasons, they have the right to require the chairman to convene an extraordinary meeting of the supervisory committee. The notice of each meeting shall be given by telephone or facsimile ten days prior to the meeting. Such notice shall include the date and venue of the meeting, the duration of the meeting, the topic of the meeting and the date of issue of the notice.

The meetings of the supervisory committee shall be convened if more than one half of the total number of the supervisors attend the meeting. The meeting shall be voted with names and each supervisor shall have one vote. In the event of equality of votes in favour or against a resolution, the chairman of the supervisory committee shall have an additional vote. The supervisor shall attend the meeting in person. If the supervisor cannot attend the meeting, he/ she may appoint in writing another supervisor to attend the meeting on his/ her behalf, and the instrument of appointment shall state the scope of the authorization.

Both the resolutions of the regular meetings and the extraordinary meetings of the supervisory committee are the resolutions of the supervisory committee and shall be passed by more than one half of the total number of the supervisors.

Article 132 Minutes of the meeting of the supervisory committee shall be kept. The supervisors may require his/ her statement to be recorded as descriptive statement in the minutes. The supervisors attending the meeting and the minute-taker shall sign on the minutes.

Article 133 The supervisors shall be responsible to the resolution of the supervisory committee. If the resolution, which violates the laws, regulations or the Articles of Associations of the Company, causes damage to the Company, the supervisors who participated in the resolution shall be liable to compensate the Company. However, if a supervisor is proven to have expressed opposition at the voting and if such opposition is recorded in the minutes, such supervisor shall be relieved from such liability.

Article 134 The supervisory committee shall implement the system for recording the execution of resolutions. All resolutions of the supervisory committee shall be executed by or executed under supervision by a designated supervisor. The designated supervisor shall record the execution and report the execution results to the supervisory committee.

Article 135 The supervisory committee and the supervisors are not liable to the resolutions of the board of directors. However, if the supervisory committee considers the resolutions of the board of directors are not in accordance with the laws, regulations and the Articles of Associations of the Company or are prejudicial to the interests of the Company, the supervisory committee may resolve to recommend the board of directors to review such resolutions.

Article 136 Reasonable expenses incurred by the supervisory committee for engagement of professionals such as lawyers, registered accountants, practising auditors, etc. in the exercise of its functions and powers shall be borne by the Company.

Reasonable expenses incurred by the supervisors attending the meeting of supervisory committee shall be borne by the Company, including the transportation costs to the meeting venue from the location of the supervisors (if different), accommodation costs, meal costs during the meeting, the rental costs of the meeting venue and the local transportation costs.

Article 137 Supervisors shall faithfully perform their supervisory duties in accordance with laws administrative regulations and the Articles of Association of the Company.

Chapter 15 Qualifications and Obligations of the Directors, Supervisors, Manager and Other Senior Management Officers

Article 138 The occurrence of any one of the following events shall disqualify a person from being a director, supervisor, manager or other senior management officers of the Company:

- (1) lacking capacity in taking civil action or such capacity being restricted;
- (2) being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than five years have elapsed since the expiration of the enforcement of the punishment; or being deprived of political rights due to conviction and not more than five years have elapsed since the expiration of the enforcement period;
- (3) being a director or factory manager, manager of a company or enterprise being liquidated of which he/ she shall be personally liable for such liquidation and not more than three years have elapsed since the date of completion of the liquidation of such company or enterprise;
- (4) being the legal representative of a company or enterprise of which the business licence has been cancelled or ordered to be closed as a result of the contravention of the laws and in which he/ she shall be personally liable and not more than three years have elapsed since the date of cancellation of the business licence of such company or enterprise;
- (5) having relatively large amount of personal indebtedness which has become due but have not yet been settled;
- (6) being under investigation by the judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalised;
- (7) being prohibited by laws or administrative regulations to act as a director, supervisor, manager and other senior management officers;
- (8) not being a natural person;
- (9) being convicted by the relevant supervisory authorities of contravention of the provisions of relevant securities regulations which involved fraud or dishonest acts and not more than five years have lapsed since the date of such conviction.

Any election, appointment or hiring of directors, supervisors, the manager or other senior management officers that is in breach of this Article will be void. Any directors, supervisors, the manager or other senior management officers who fall within the circumstances set out in paragraph 1 of this Article during their terms of service shall be removed by the Company.

Article 139 The validity of an act undertaken by a director, manager and other senior management officer of the Company acting on behalf of the Company towards a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

- Article 140 In addition to the obligations required by laws, administrative regulations or the listing rules of any stock exchange on which the shares of the Company are listed, a director, supervisor, manager and other senior management officer of the Company shall also be responsible to each shareholder in respect of the following obligations in performing the duties and exercising the powers given to him/ her by the Company;
- (1) not to cause the Company to exceed the scope of business stipulated in its business licence;
 - (2) to act faithfully in the best interests of the Company;
 - (3) not to deprive by any means the Company of its assets, including (but not limited to) opportunities beneficial to the Company;
 - (4) not to deprive the personal interests of the shareholders including (but not limited to) the rights to distribution and voting rights but excluding corporate reorganization schemes submitted to and passed at a shareholders' general meeting in accordance with the Articles of Association.
- Article 141 In exercising his/ her rights or performing his/ her obligations, the director, supervisor, manager and other senior management officer of the Company shall have the responsibility to exercise the prudence, diligence and skill of a reasonable and prudent person acting under similar circumstances.
- Article 142 In performing his/ her duties, a director, supervisor, manager and other senior management officer of the Company shall observe the fiduciary principle and shall not put himself/ herself in a position where his/ her personal interests and the obligations undertaken may conflict. Such principle shall include (but not limited to) the undertaking of the following obligations:
- (1) to act honestly in the best interests of the Company;
 - (2) to exercise powers within, and not to exceed the scope of, his/ her authority;
 - (3) to exercise the discretionary power vested in him/ her personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws or administrative regulations or the informed consent of the shareholders' general meeting;
 - (4) to treat the shareholders of the same class equally and to be fair to the shareholders of different classes;
 - (5) unless otherwise provided in the Articles of Association or with the approval granted with the informed consent of the shareholders' general meeting, no contract, transaction or arrangement shall be entered into with the Company;
 - (6) no property of the Company shall be used in any manner for personal benefit without the informed consent of the shareholders' general meeting;
 - (7) not to use his/ her authority to accept bribes or other unlawful income and not to deprive the Company in any manner of its property, including (but not limited to) opportunities beneficial to the Company;
 - (8) not to accept commission in connection with the transactions of the Company without the informed consent of the shareholders' general meeting;
 - (9) to observe the Articles of Association, to perform his/ her duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his/ her position and authority in the Company;

- (10) not to compete in any way with the Company without the informed consent of the shareholders' general meeting;
- (11) not to embezzle the funds of the Company or to lend the funds of the Company to others; not to deposit the assets of the Company in accounts opened under his/ her own name or the name of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or other personal liabilities;
- (12) unless otherwise permitted by informed consent of the shareholders' general meeting, no confidential information of the Company acquired during his/ her term of office shall be disclosed; unless the objective is serving the interests of the Company, no such information shall be used; however, such information may be disclosed to a court of law or other governmental supervisory authorities under the following situations:
 - (a) disclosure is provided under the law;
 - (b) disclosure is required in the public interest;
 - (c) disclosure is required in the interests of such director, supervisor, manager and other senior management officers.

Article 143 A director, supervisor, manager and other senior management officers of the Company shall not instruct the following persons or bodies ("related persons") to do such acts which such director, supervisor, manager and other senior management officers are prohibited from doing:

- (1) the spouse or minor children of a director, supervisor, manager and other senior management officers of the Company;
- (2) the trustee of a director, supervisor, manager and other senior management officers of the Company or of the persons mentioned in paragraph (1) of this Article;
- (3) the partner of a director, supervisor, manager and other senior management officers of the Company or of the persons mentioned in paragraphs (1) and (2) of this Article;
- (4) companies actually and solely controlled by a director, supervisor, manager, and other senior management officers of the Company, or companies actually and jointly controlled with the persons referred to in paragraphs (1), (2) and (3) of this Article or other directors, supervisors, manager, vice manager and other senior management officers of the Company;
- (5) the director, supervisor, manager and other senior management officers of a company being controlled as mentioned in paragraph (4) of this Article.

Article 144 The duty of integrity of the Company's directors, supervisors, manager and other senior management officers does not necessarily cease upon termination of their office. Their duty of confidentiality in relation to the Company's trade secrets shall continue upon termination of their office. The period for continuation of other duties shall be determined in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which their relationship with the Company were terminated.

Article 145 The liability of a director, supervisor, manager and other senior management officers of the Company in respect of the breach of certain substantive obligations may be discharged by an ordinary resolution with full disclosure in the shareholders' general meeting except for the circumstances provided in Article 49 of the Articles of Association.

Article 146 In the event that a director, supervisor, manager and other senior management officer of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or contemplated to be made with the Company (except for the service

contract of the director, supervisor, manager and other senior management officers with the Company), he/ she shall disclose to the board of directors as soon as possible the nature and extent of his/ her interest regardless of whether the relevant matter needs to be approved or consented to by the board of directors in normal circumstances.

Unless the director, supervisor, manager and other senior management officers of the Company so interested have made a disclosure of such interest to the board of directors as required in the preceding paragraph of this Article and the board of directors has approved the same in a meeting in which he/ she has not been counted in the quorum nor has he/ she voted at the meeting which approved such matter, the Company shall have the right to revoke such contract, transaction or arrangement unless the other party is a bona fide party without knowledge of the breach of the obligations of such director, supervisor, manager and other senior management officers.

If the related persons of a director, supervisor, manager and other senior management officers of the Company are interested in certain contracts, transactions or arrangements, such director, supervisor, manager and other senior management officers shall also be deemed as interested in the same.

Otherwise provided by the Articles of Association, where the board of directors is passing the director or the contracts, transactions or arrangements which are related with the director, such director shall not vote in the resolution and not be calculated in the quorum.

Article 147 If a director, a supervisor, the manager or other senior management officers of the Company gives a written notice to the board of directors before any contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice he/ she has an interest in such contract, transaction or arrangement that may subsequently be concluded by the Company, such director, supervisor, manager or other senior management officers of the Company shall be deemed for the purposes of the preceding article of this Chapter to have declared his/ her interest, insofar as attributable to the scope stated in the notice.

Article 148 The Company shall not in any manner pay tax on behalf of any of its directors, supervisors, manager and other senior management officers.

Article 149 No loans or guarantees for loans shall be provided, directly or indirectly, by the Company to a director, supervisor, manager and other senior management officers of the Company and those of its parent company, nor shall such loans or guarantee for loans be provided to the related persons of the above-mentioned persons.

The provisions of the preceding paragraph shall not apply to the following situations:

- (1) the Company provides loans or guarantee for loans to its subsidiaries;
- (2) the Company provides to a director, supervisor, manager and other senior management officers of the Company, pursuant to the employment contract approved in the shareholders' general meeting, loans or guarantees for loans or other payments to enable them to pay the expenses incurred for the purpose of the Company or in the course of performing their duties;
- (3) if the normal scope of business of the Company includes the provision of loans and guarantees for loans, the Company may provide loans or guarantees for loans to the relevant director, supervisor, manager and other senior management officers and their related persons provided that the terms of such loans or guarantees for loans shall be on normal commercial terms.

Article 150 If the provision of a loan made by the Company is in breach of the provisions of the preceding Article, the recipient of the sum of money shall repay the same forthwith regardless the terms of such loan.

- Article 151 Guarantees for loans provided by the Company in contravention of the provisions of paragraph 1 of Article 149 shall be unenforceable against the Company except under the following situations:
- (1) in providing loans to the related persons of a director, supervisor, manager and other senior management officers of the Company or those of its parent company, the person who has provided the loan has no knowledge of the contravention;
 - (2) the security provided by the Company has been sold legally by the person who has provided the loan to a bona fide purchaser.
- Article 152 The guarantee referred to in the preceding Article shall include the assumption of obligations by the guarantor or the provision of property to secure the performance of obligations by the obligor.
- Article 153 In the event that a director, supervisor, manager and any other senior management officers of the Company shall be in breach of his/ her obligations to the Company, the Company shall be entitled to take the following measures apart from the various rights and remedies provided by laws and administrative regulations:
- (1) to demand the relevant director, supervisor, manager and other senior management officer indemnify the losses sustained by the Company as a result of the dereliction of duties on his/ her part;
 - (2) to revoke any contract or transaction made between the Company and the relevant director, supervisor, manager and other senior management officers and a contract or transaction made between the Company and a third party (if such third party knows or should have known that the director, supervisor, manager and other senior management officers representing the Company are in breach of the obligations to the Company);
 - (3) to demand the relevant director, supervisor, manager and other senior management officers to return the benefit received as a result of the breach of the obligations;
 - (4) to recover from the relevant director, supervisor, manager and other senior management officers the moneys including (but not limited to) commission accepted by them which should have been received by the Company;
 - (5) to demand the relevant director, supervisor, manager and other senior management officers to return the interest earned or that may be earned from the moneys which should have been payable to the Company.
 - (6) to initiate legal procedurals to demand the financial rewards earned through the violations of the obligations by the relevant director, supervisor, manager and other senior management officers be returned to the possession of Company.
- Article 154 The Company shall enter into a contract in writing with directors and supervisors of the Company in respect of their remunerations, the terms of which shall have obtained prior approval at a shareholders' general meeting. The terms of the remuneration matters as aforesaid shall include:
- (1) the remuneration for acting as a director, supervisor or other senior management officer of the Company;
 - (2) the remuneration for acting as a director, supervisor or other senior management officer of a subsidiary of the Company;
 - (3) the remuneration for provision of other services in the management of the Company and its subsidiaries;
 - (4) the payment for compensation for loss of office or retirement of such directors or

supervisors.

Except pursuant to the contract aforesaid, no legal proceedings shall be initiated by a director or supervisor in respect of benefits receivable by him/ her in respect of the aforesaid matters.

Article 155 There shall be a provision in the contract in relation to remuneration made between the Company and a director or supervisor of the Company that the director or the supervisor of the Company shall be entitled to the compensation or other payments as a result of loss of office or retirement when the Company is to be taken over, provided that prior approval shall have been obtained at a shareholders' general meeting. A takeover of the Company referred to above shall mean one of the following situations:

- (1) a takeover offer to all shareholders has been made by any person;
- (2) a takeover offer has been made by any person to enable the offer or to become the controlling shareholder. The meaning of "controlling shareholder" is the same as that defined in Article 50 of the Articles of Association.

In the event that the relevant director or supervisor does not comply with the provisions of this Article, any moneys received by him/her shall belong to the persons who accept the said offer to sell their shares; the expenses incurred as a result of proportional distribution of such moneys shall be borne by such director or supervisor and such expenses shall not be deducted from such moneys.

Article 156 The director may resign before his/ her term of office expired and shall make a written report of resignation to the board of directors.

Article 157 If the resignation of the director results in the number of members of the board of directors falls under the statutory minimum number, such resignation report shall be effective upon the vacancy occurred by such resignation being filled up by a succeeding director.

The remaining directors shall convene the extraordinary general meeting to elect a director to fill the vacancy resulting from the resignation of the director. The term of office of the new director shall expire on the annual general meeting for election of the next session of the board of directors and such director shall be eligible for re-election. Before the decision of the election of the director is made, the powers and functions of the resigned director and the remaining directors shall be restricted reasonably.

Article 158 The obligation of a resigning or retiring director to the Company and the shareholders shall not be necessarily relieved in the period when its resignation report has not yet been effective, or reasonable period after it has been effective, and reasonable period after the expiry of his/ her term. His/ Her duty of confidentiality as to the trade secrets of the Company shall be effective after the expiry of his/ her term until such secrets become open information. The period for continuation of other duties shall be determined by the principle of fairness, and depends on the time lapse between the expiry of the terms of office and the occurrence of the matter as well as the circumstances and conditions under which his/ her relationship with the Company was terminated.

Article 159 Any loss caused by a director whose term of office has not expired and who has left the office without authorization shall be borne by such director.

Chapter 16 Financial, Accounting, Audit and Legal Counsel System

Article 160 The Company shall set up the financial, accounting, audit and legal counsel system of the Company in accordance with laws, administrative regulations and the provisions of the PRC accounting standards formulated by the financial supervisory authorities under the State Council.

The Company shall reinforce rigid constraints for corporate financial, manage the survival of the fittest in market competition and consolidate its principle position on the market.

Article 161 The Company shall prepare a financial report at the end of each financial year and the same shall be audited in accordance with law.

The financial year of the Company shall adopt the Gregorian calendar year system, i.e. from 1 January to 31 December on the Gregorian calendar.

Article 162 The financial report prepared by the Company in accordance with the relevant laws, administrative regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual general meeting.

Article 163 The Company's financial statements shall be made available at the Company twenty days before the date of every shareholders' annual general meeting for shareholders' inspection. Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter.

The Company shall at least deliver or send to each shareholder of the overseas listed foreign shares by prepaid mail the copies of the report of board of directors, the balance sheet (including documents need to be provided by the applicable laws) and the profit and loss statement or income and expenditure statement (including the aforesaid financial statements) not later than twenty-one days before the date of the shareholders' general meeting, and send or mail each shareholder of the foreign shares by no later than twenty-one days before the date of the shareholders' annual general meeting. The address of the addressee shall be those as recorded in the register of shareholders.

Article 164 The financial statements of the Company shall be prepared in accordance with Mainland accounting standards and regulations.

Article 165 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with Mainland accounting standards and regulations.

Article 166 The Company shall announce two financial reports in each financial year. The interim report shall be announced within sixty days after the first six months of a financial year and the annual financial report shall be announced within one hundred and twenty days after the end of the financial year.

Article 167 No books of account other than those provided under the law may be established by the Company.

Article 168 The capital reserve fund shall include the following funds :

- (1) the premiums obtained from the issue of shares in excess of the par value; and
- (2) other revenue required by the State Council's department in charge of finance to be included in the capital reserve fund.

Article 169 The Company may distribute dividends in the following forms (or in the two forms simultaneously):

- (1) cash;
- (2) shares.

The dividends and other payments paid by the Company to the domestic shareholders shall be calculated and declared in Renminbi and paid in Renminbi within three months after the declaration of the dividends; the dividends and other payments paid by the Company to holders of foreign shares shall be calculated and declared in Renminbi and paid in foreign

currency within three months after the declaration of the dividends. The exchange rate shall be calculated on the basis of the average closing price of Renminbi price of the relevant foreign currency announced by the People's Bank of China five business days prior to the distribution day of dividends and other distributions. The foreign currency paid to the holders of the foreign shares shall be handled by the Company in accordance with the relevant foreign exchange regulations of the State. Upon authorization by the shareholders' general meeting, the board of directors may decide to distribute the interim dividends or bonus.

The Company shall forfeit the uncashed dividends six years or later after the declared day.

Article 170 The profit of the Company shall be distributed in the following order after payment of relevant taxes:

- (1) recovery of losses;
- (2) allocation of ten percent of the profits to the Company's statutory revenue reserve until the accumulated amount of the Company's statutory revenue reserve is not less than fifty percent of the Company's registered capital;
- (3) allocation to discretionary revenue reserve from the after-tax profits upon resolution of the shareholders' general meeting;
- (4) payment of dividends on ordinary shares.

The particular proportion of distribution in each year in respect of paragraphs (3) and (4) of this Article shall be proposed by the board of directors in accordance with the operational condition and development requirements and shall be considered and approved by the shareholders' general meeting.

Article 171 The Company shall not distribute dividends before making up its losses and allocation to the statutory revenue reserve.

Article 172 The Company shall appoint receiving agents on behalf of the shareholders of overseas listed foreign shares. Receiving agents shall receive on behalf of the relevant shareholders the dividends distributed and other monies payable by the Company in respect of overseas listed foreign shares.

The receiving agent which the Company appoints for the holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

The receiving agent appointed by the Company shall meet the relevant requirements provided by the laws of the place or of the stock exchange where the shares may be listed.

Article 173 The internal audit department of the Company shall be responsible to the board of directors for carrying out internal audits and auditing supervision on the operation and management activities of the Company and its invested companies and branches in accordance with the relevant national and Tianjin municipal regulations.

Article 174 The Company shall establish legal risk prevention mechanism, implement legal counsel system in accordance with the relevant national and Tianjin municipal regulations, set up general legal counsel acted by senior management officers of the Company.

The legal counsel of the Company is responsible for handling legal matters during the operation and management of the Company, participating in the Company's major business decisions and ensuring the legality of such decisions. The general legal counsel shall give play to the role as a legal audit gatekeeper in operation and management, promote the Company's operation and compliance management in accordance with laws, and shall issue legal opinions on material matters such as division, merger, bankruptcy, dissolution,

registered capital increase/decrease and restructuring, which shall be submitted to the shareholders' meeting for approval in accordance with the relevant requirements.

Chapter 17 Appointment of Accounting Firm

Article 175 The Company shall appoint an independent accounting firm which shall meet the relevant requirements of the State to audit the annual financial report and to review other financial reports of the Company.

The first accounting firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.

Article 176 The accounting firm appointed by the Company shall hold office from the conclusion of that annual general meeting to the conclusion of the next annual general meeting.

Article 177 The accounting firm appointed by the Company shall enjoy the following rights:

- (1) to inspect the books and account, records or evidence of the Company at any time and has the right to require directors, manager or other senior management officers of the Company to provide the relevant information and explanation;
- (2) to require the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanation which are requisite for such accounting firm to carry out its duties;
- (3) to attend meetings of shareholders and receive notice of meeting and other information related to such meeting which any shareholder is entitled to receive and speak at any meeting of shareholders about the matters related to its being the accounting firm of the Company.

Article 178 If the office of the accounting firm becomes vacant, the board of directors shall have the right to appoint an accounting firm to fill such vacancy prior to the convening of the shareholders' general meeting. However, in case there is another accounting firm in office for the Company during the continuance of the vacancy, such accounting firm may perform the duties.

Article 179 Any accounting firm can be dismissed prior to the expiry of its term of office by ordinary resolution passed in a shareholders' general meeting regardless of the provisions of the terms of the contract entered into by the accounting firm and the Company. If the relevant accounting firm is entitled to claim compensation against the Company due to the dismissal, such right shall not be affected.

Article 180 The remuneration or the manner to determine the remuneration of the accounting firm shall be decided at the shareholders' general meeting by an ordinary resolution. The remuneration of the accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 181 The decisions of the Company to appoint, dismiss or not to re-appoint an accounting firm shall be made at the shareholders' general meeting by an ordinary resolution and shall be filed with the securities supervisory authorities under the State Council.

Where a resolution is proposed to be passed at a shareholders' general meeting to appoint a firm other than an incumbent accounting firm to fill any vacant office of accounting firm, or to re-appoint an accounting firm who has been appointed by the board of directors to fill a vacancy, or to dismiss an accounting firm before the expiration of its term of office, the

following requirements shall be met:-

- (1) The relevant motion of appointment or removal shall be sent to the accounting firm proposed to be appointed or the accounting firm which intends to vacate its office or the accounting firm who has vacated from its office in the relevant financial year, before the notice of meeting of the shareholders' general meeting is issued to the shareholders. Vacating the office shall include leaving by removal, resignation or retirement.
- (2) If the accounting firm which is vacating its office makes a statement in writing and requests the Company to notify the shareholders of that statement, the Company shall, unless the written statement is received too late, take the following measures:-
 - (a) to state in the notice given in respect of the resolution, the fact that the accounting firm which is vacating the office has made a statement;
 - (b) to send a copy of the statement to shareholders who are entitled to receive notice of shareholders' meeting.
- (3) If the statement of the relevant accounting firm has not been sent in accordance with paragraph (2) of this Article, such accounting firm may request the representation be read at the meeting of shareholders and may make further complaint.
- (4) An accounting firm which is vacating its office shall be entitled to attend the following meetings:-
 - (a) the shareholders' general meeting at which its term of office will expire;
 - (b) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (c) the shareholders' general meeting convened due to its resignation;

The accounting firm vacating its office shall be entitled to receive all notices or other relevant information of the said meetings, and speak at the said meetings in respect of the affairs in which it is involved as a former accounting firm of the Company.

Article 182

When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' general meeting. Where the accounting firm resigns, it shall state in the shareholders' general meeting as to whether or not there are irregularities in the Company.

An accounting firm may resign by leaving a written notice of resignation at the legal address of the Company. The notice shall be effective on the date when the notice is left at the registered address of the Company or a later date specified in the notice. Such notice shall contain the following statements:

- (a) a declaration to the effect that there are no circumstances connected with its resignation which it considers should be accounted for to the shareholders or creditors of the Company; or
- (b) a statement of any circumstances which should be accounted for.

When the Company receives the notice, it shall within fourteen days send a copy of the notice to the supervisory authorities. If the notice contains the statement mentioned in the aforesaid two items, a copy of the notice shall be kept by the Company at the registered address of the Company for the inspection by the shareholders. The Company shall also post a copy of the aforesaid representation to each shareholder of overseas listed foreign shares by prepaid post. The address of the recipient shall be the one recorded in the register of

shareholders.

When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary shareholders' meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.

Chapter 18 Merger and Division

Article 183 A proposal for merger or division of the Company shall be proposed by the board of directors of the Company. After the same has been passed according to the procedures provided in the Articles of Association, the relevant application procedures for approval shall be completed according to law. Shareholders who object to the proposal for merger or division of the Company shall be entitled to demand that the Company or the shareholders who consent to the proposal for merger or division of the Company purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be compiled as a special document for inspection by the shareholders.

The document mentioned above shall be delivered by post to the shareholders of overseas listed foreign shares listed in Hong Kong.

Article 184 The merger of the Company may take the two forms of merger by absorption and merger by formation of a new corporation.

In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within ten days from the date of the merger resolution and shall make announcement in newspapers within thirty days thereof. The creditors shall, within 30 days after receipt of notice or within ninety days of the announcement of any merger in the case of creditors that have not received notice, be entitled to demand repayment in full or a guarantee by the Company.

After completion of the merger, the rights and obligations of loans of the parties involved in the merger shall be assumed by the company surviving the merger or the new company formed after the merger.

Article 185 In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the parties involved shall execute a division agreement and prepare the balance sheet and list of assets. The Company shall notify the creditors within ten days from the date of the division resolution and shall make an announcement in newspapers at least three times within thirty days thereof.

The liabilities of the Company prior to the division shall be undertaken by the companies after such division in accordance with the agreement entered into.

Article 186 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.

Chapter 19 Dissolution and Liquidation

Article 187 The Company shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events:

(1) the shareholders' general meeting resolves to dissolve the Company by a special

resolution;

- (2) dissolution of the Company is required for the merger or division of the Company;
- (3) the Company is pronounced insolvent in accordance with law as a result of its inability to pay debts when due;
- (4) closure of the Company in accordance with law as a result of its contravention of laws or administrative regulations;
- (5) other circumstances stipulated by laws and administrative regulations.

Article 188 In the event that the Company is dissolved under the provisions of paragraph (1) and (2) of the preceding Article, it shall set up within fifteen days a liquidation committee, the members of which shall be determined by way of ordinary resolution passed in shareholders' general meeting.

In the event that the Company is dissolved under the provisions of paragraph (3) of the preceding Article, the People's Court shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

In the event that the Company is dissolved under the provisions of paragraph (4) of the preceding Article, the relevant supervisory authorities shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

Article 189 In the event that the board of directors decides to liquidate the Company (except for liquidation as a result of the pronouncement of insolvency by the Company), it shall specify in the notice convening the shareholders' general meeting for such purpose that the board of directors has made a full inquiry of the affairs of the Company and considers that the Company may settle all the Company's debts within twelve months upon commencement of liquidation.

Upon the passing of the liquidation resolution at the shareholders' general meeting, the duties of the board of directors of the Company shall cease forthwith.

The liquidation committee shall comply with the directions of the shareholders' general meeting and report to the shareholders' general meeting at least once every year the income and expenditure, the business of the Company and the progress of liquidation and submit a final report to the shareholders' general meeting upon the completion of liquidation.

Article 190 The liquidation committee shall notify the creditors within ten days of its establishment and announce the same in newspapers within sixty days. The creditors shall claim their creditors' rights to the liquidation committee within thirty days after the date of their receipt of the notice, or for those who did not receive the notice, within forty-five days after the date of the announcement.

Article 191 The liquidation committee shall during the liquidation process perform the following functions and powers:

- (1) to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;
- (2) to give notice or make announcement to creditors;
- (3) to deal with and liquidate the uncompleted business of the Company related to the liquidation;
- (4) to effect payment of all taxes due and incurred during the liquidation;

- (5) to sort out the Company's right to and liability for debts;
- (6) to deal with the remaining assets after settlement of debts by the Company;
- (7) to represent the Company to participate in civil proceedings.

Article 192 After disposal of the assets of the Company and the preparation of the balance sheet and a list of assets has been completed, the liquidation committee shall draw up a liquidation programme for submission to the shareholders' meeting, the shareholders' general meeting or the People's Court for their confirmation.

The expenses of the liquidation, including the remuneration of the members of the liquidation committee and the consultants, shall be allocated from the assets of the Company prior to the payment of the debts of other creditors.

After the resolution of the shareholders' general meeting to dissolve the Company or after the Company is declared to be wound-up or ordered to be closed down in accordance with the laws, any person, without the authorization of the liquidation committee, shall not dispose of the assets of the Company.

The assets of the Company shall be repaid in accordance with the following priority: to pay liquidation expenses; to pay all wages due to the staff and workers of the Company and labour insurance expenses; to effect payment of taxes due; to settle the debts of the Company.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the shareholders of the Company in accordance with the class and proportion of shares held by them.

The holders of the preferred shares shall be distributed in accordance with the par value of the preferred shares; where the amount of the share capital of the preferred shares cannot be paid in full, it shall be distributed in accordance with the proportion of shares held by the holders.

The shareholders of the ordinary shares shall be distributed in accordance with the proportion of shares held by them.

During the liquidation process, no new business activities shall be commenced by the Company.

The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation according to the law.

No member of the liquidation committee may take advantage of his/ her position to accept bribes or other illegal proceeds, nor may he/ she misappropriate properties of the Company. Where members of the liquidation committee cause any loss to the Company or any creditor due to the deliberate acts or gross negligence of such members, they shall be liable to pay compensations.

Article 193 If the liquidation committee discovers that, in the case of a liquidation of the Company due to dissolution and after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, the assets of the Company are insufficient to settle the debts, it shall forthwith make an application to the People's Court for a declaration of insolvency.

After the declaration of insolvency by the People's Court, the liquidation committee shall pass the liquidation matters to the People's Court.

Article 194 Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of income and expenditure and the financial

accounts for the liquidation which, upon being certified by an accountant registered in China, shall be submitted to the shareholders' general meeting or relevant supervisory authorities for confirmation.

The liquidation committee shall submit within thirty days after the confirmation by the shareholders' general meeting or relevant supervisory authorities the documents mentioned above to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.

Chapter 20 Notices and Announcements

- Article 195 The notice, document, information and the written declaration of the Company shall be issued by means of:
- (1) delivery by hand;
 - (2) mail;
 - (3) facsimile;
 - (4) announcement;
 - (5) other means required in the Articles of Association.
- Article 196 For notice of the Company delivered in the form of an announcement, all relevant persons shall be deemed to have received the notice upon the issue of the announcement.
- Article 197 The notice convening shareholders' general meeting shall be given by post, facsimile or by way of an announcement.
- Article 198 The notice convening the meeting of the board of directors shall be given by post, facsimile or by way of an announcement.
- Article 199 The notice of the meeting of the supervisory committee meeting shall be given by post, facsimile or by way of an announcement.
- Article 200 For the notice, document, information and the written declaration of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of delivery refers to the date when the addressee signs the acknowledgement receipt; for those sent by mail, the date of delivery refers to the fifth working day from the date of delivery to the post office; for those sent by facsimile, the date of delivery refers to the date contained in the completion report made by facsimile machine; for those given by way of an announcement, the date of delivery refers to the date when the announcement is first published or announced.
- Article 201 Accidental omission to serve a notice, document, information and the written declaration on, or non-receipt of any such aforesaid notice, document, information and written declaration by, such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.
- Article 202 For dividend receipts sent by post, if such dividend have been left uncashed for two consecutive occasions, or after the first occasion on which such receipt is returned undelivered, the Company may cease sending the dividend receipts by post.
- Article 203 The announcement shall be published on the newspapers circulated in Hong Kong and the newspapers designated by the China Securities Regulatory Commission.

Chapter 21 Procedures for Amending Articles of Association

Article 204 The Company may amend the Articles of Association pursuant to the laws, administrative regulations and the provisions of the Articles of Association.

Article 205 The amendments which involve the contents of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People's Republic of China shall be effective upon the approval by the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council; if the amendments involve company registration matters, alteration of the registration shall be made in accordance with law.

Chapter 22 Resolution of Disputes

Article 206 The Company shall comply with the following rules of dispute resolution:

- (1) In respect of disputes and claims for rights relating to the affairs of the Company that arise from the rights and obligations provided for in the Articles of Association, the Company Law and other relevant laws and administrative regulations, between the holders of overseas listed foreign shares and the Company, between the holders of overseas listed foreign shares and the directors, supervisors, manager or other senior management officers of the Company, between the holders of overseas listed foreign shares and holders of domestic shares, the parties involved shall refer these types of disputes or claims for rights to arbitration for settlement.

The disputes or claims for rights mentioned above which are submitted for arbitration refer to the whole of the claims or the entire dispute; if the identities of persons having the same cause of action or parties whose participation are necessary for the settlement of the disputes or the claims for rights involve the Company, the shareholders of the Company, directors, supervisors, manager or other senior management officers of the Company, they shall submit themselves to such arbitration.

Disputes involving the definition of a shareholder or register of shareholders need not be settled by arbitration.

- (2) The party applying for arbitration may choose either the China International Economic and Trade Arbitration Committee to proceed with the arbitration pursuant to its arbitration rules or the Hong Kong International Arbitration Centre to proceed with the arbitration pursuant to its securities arbitration rules. After the disputes or claims for rights have been referred to arbitration by the claimant, the other party shall proceed the same with the arbitration institution chosen by such applicant.

If the applicant chooses the Hong Kong International Arbitration Centre to proceed with the arbitration, either party may request to proceed with the same in Shenzhen in accordance with the provisions of the securities arbitration rules of Hong Kong International Arbitration Centre.

- (3) The laws of the People's Republic of China shall be applicable to the settlement of the disputes and claims for rights mentioned in paragraph (1) of this Article by way of arbitration unless the laws and administrative regulations provide otherwise.
- (4) The ruling given by the arbitration institution shall be final and binding on the parties involved.

Chapter 23 Supplementary Provisions

Article 207 The term "accounting firm" in this Articles of Association shall have the same meaning as "auditor".

- Article 208 In this Articles of Association, the terms “not less than”, “within” and “not more than” shall include the given figure; the terms “under” and “beyond” shall not include the given figure.
- Article 209 This Articles of Association is prepared in Chinese. In case of any inconsistency between the other versions prepared in other languages or any other versions and this Articles of Association, the latest Chinese version registered at the Administration Bureau of Industry and Commerce of Tianjin Municipal shall prevail.
- Article 210 This Articles of Association shall be interpreted by the board of directors of the Company.

In this document, certain Chinese names of institutions, natural persons or other entities have been translated into English and included as unofficial translations for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.