

YCIH Green High-Performance Concrete Company Limited

(A joint stock company incorporated in the People's Republic of China with limited liability)

ARTICLES OF ASSOCIATION

** The Articles of Association was originally drafted in Chinese and the English translation thereof is not an official version and for your reference only. In case of any inconsistencies and/or discrepancies between the Chinese version and the English version, the Chinese version shall always prevail.*

Considered and approved by the fourteenth extraordinary general meeting of YCIH Green High-Performance Concrete Company Limited on 30 December 2022

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CHAPTER I GENERAL PROVISION

Article 1 These Articles of Association have been 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* (the “**Securities Law**”), the *Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (the “**Special Regulations**”), the Reply of the State Council on the Adjustment to the Notice Period for General Meetings and Other Matters Applicable to Overseas Listed Companies (Guo Han [2019] No. 97), the *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas* (the “**Mandatory Provisions**”), the *Guidelines for Articles of Association of Listed Companies* (the “**AOA Guidelines**”), the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules of Hong Kong Stock Exchange**” or the “**Listing Rules**”) and other relevant requirements in order to protect the lawful rights and interests of YCIH Green High-Performance Concrete Company Limited (the “**Company**”), its shareholders and creditors, and to regulate the organization and activities of the Company.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, the Special Regulations and other relevant laws and regulations of the People's Republic of China.

The Company was established on 19 December 2017 by means of promotion through generally converting YCIH Green High-Performance Concrete Co., Ltd. upon the approval of the State-owned Assets Supervision and Administration Commission of the Yunnan Provincial People's Government under the Reply of Yunnan Provincial State-owned Assets Supervision and Administration Commission in relation to the Establishment of YCIH Green High-Performance Concrete Company Limited through Promotion by Yunnan Construction and Investment Holding Group Co., Ltd.* (Yun Guo Zi Gui Hua [2017] No. 397). On 22 December 2017, the Company was registered with the Administration of Industry and Commerce of Zhaotong City, and obtained its Business License. The unified social credit code of the Company is 9153010066261663X5.

The Company's promoters are Yunnan Construction and Investment Holding Group Co., Ltd.*, Yunnan Provincial Overseas Investment Co., Ltd.*, and Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*.

Article 3 Registered company name:

Chinese full name: 雲南建投綠色高性能混凝土股份有限公司

English full name: YCIH Green High-Performance Concrete Company Limited

Article 4 Domicile of the Company: YCIH Zhaotong Development Building, Zhaotong Avenue, Zhaoyang District, Zhaotong, Yunnan Province

Postal code: 657099

Telephone: +(00)86-15125380086

Fax No.: +(00)86-(0)871-63133458

Article 5 The legal representative of the Company is the chairman of the of the Board of the Company.

Article 6 The term of operation of the Company shall be 50 years. The Company is an independent legal entity.

Article 7 These Articles of Association shall be approved by the general meeting of the Company through a special resolution and come into force on the date that the Company's overseas listed foreign shares are listed and begin trading on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and replace the Articles of Association which have been formerly registered and filed with the Market Supervision Administration.

These Articles of Association shall become legally binding documents that regulate the organization and activities of the Company and the rights and obligations between the Company and the shareholders and between shareholders inter se from the date on which they become effective.

Article 8 These Articles of Association shall be binding on the Company and its shareholders, members of the Party Committee, directors, supervisors and senior management members of the Company, all of whom shall be entitled to, according to these Articles of Association, make claims in respect of rights concerning the matters of the Company.

Subject to Article 264 of these Articles of Association, shareholders may sue shareholders; shareholders may sue members of the Party Committee, directors, supervisors, managers and other senior management members of the Company; shareholders may sue the Company; and the Company may sue shareholders, members of the Party Committee, directors, supervisors, managers, and other senior management members in accordance with these Articles of Association.

For the purposes of the preceding paragraph, the term "sue" shall include the institution of proceedings in a court or the application to an arbitration institution for arbitration.

Article 9 The term "senior management member" as used in these Articles of Association refers to the general manager, deputy general manager, chief financial officer, chief economist, chief engineer, and secretary to the Board of the Company.

Article 10 All the assets of the Company are divided into shares of equal value. Shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

Article 11 The Company may invest in other limited liability companies, joint stock limited companies or other entities. Its liability towards an investee entity shall be limited to the extent of the amount of capital contributed thereto. However, save as otherwise specified in the laws, the Company shall not be an investor bearing joint liability for the debt of its invested enterprises.

Article 12 In accordance with the requirements of the Constitution of the Communist Party of China and the Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation), the Company shall establish an organisation of the Communist Party of China, carry out the activities of the Party, set up working bodies for the Party, allocate sufficient and competent staff to deal with Party affairs and ensure sufficient funds to operate the Party organization.

CHAPTER II PRINCIPLES AND SCOPE OF BUSINESS

Article 13 The Company's business principles are: centering on operations oriented towards the market.

Article 14 Permitted projects: recycled resources recycling (except for productive scrap metals); intelligent building system design; road cargo transportation (excluding dangerous goods); construction of professional operations; power generation, transmission and supply (distribution) business; power supply business (for projects that require approval by laws, they may only be commenced after obtaining approval from the relevant authorities and the specific business projects shall be subject to approval documents or permits from the relevant authorities).

General projects: production of cement products; production of non-metallic mineral products; production of lime and gypsum; production of concrete structural components; production of lightweight building materials; production of construction blocks; production of new building materials (excluding dangerous chemicals); recycled resources processing; sales of cement products; sales of non-metallic minerals and products; sales of building materials; sales of concrete structural components; sales of synthetic materials; sales of lightweight building materials; sales of construction blocks; sales of recycled resources; technology services, technology development, technology consultation, technology exchange, technology transfer and technology promotion; sales of machinery and equipment; machinery and equipment leasing; non-residential real estate leasing; land use rights leasing; construction stone processing; domestic trade agency; research and development of new material products and new technologies; production of specialized chemical products (excluding dangerous chemicals); sales of specialized chemical products (excluding dangerous chemicals); production of chemical products (excluding permitted chemical products); sales of chemical products (excluding permitted chemical products); solid waste management; research and development of recycling technology of construction waste; software development; operation of electric vehicle charging infrastructure; sales of batteries; energy-saving management services; contract energy management (except for special projects subject to approval according to laws, with business license to carry out business activities independently according to laws).

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its scope of business, make amendments to these Articles of Association according to the relevant procedures and handle relevant formalities of industry and commerce administration registration for such an adjustment with the industry and commerce administration authorities according to relevant provisions.

CHAPTER III SHARES AND REGISTERED CAPITAL

Article 15 All the shares issued by the Company are ordinary shares. The Company may create other classes of shares according to its needs, upon approval by the authorities that are authorized by the State Council. The shares of the Company shall take the form of share certificates.

Article 16 All the shares issued by the Company shall have a par value, which shall be RMB1 for each share.

For the purposes of the preceding paragraph, “RMB” or “Renminbi” refers to the legal currency of the PRC.

Article 17 The shares of the Company shall be issued in accordance with the principles of openness, equitability and fairness. Each share of the same class shall carry the same rights.

Shares of the same class and the same issue shall be issued on the same conditions and at the same price. Any entity or individual shall pay the same price for each of the shares it/he subscribes for.

The domestic shares and overseas listed foreign shares issued by the Company shall enjoy equal rights in the distribution of dividend or distribution in any other form.

Article 18 The Company may offer shares to domestic investors and foreign investors subject to the approval by the securities regulatory authority of the State Council (the “CSRC”).

For the purposes of the preceding paragraph, the term “foreign investors” shall refer to investors from foreign countries or from the Hong Kong Special Administrative Region, the Macao Special Administrative Region or Taiwan that subscribe for the shares issued by the Company, and the term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, that subscribe for the shares issued by the Company.

Article 19 Shares issued by the Company to domestic investors to be subscribed for in Renminbi are referred to as “domestic shares”. Shares issued by the Company to foreign investors to be subscribed for in foreign currency are referred to as “foreign shares”. Foreign shares which are listed outside the PRC are referred to as “overseas listed foreign shares”.

For the purposes of the preceding paragraph, the term “foreign currency” means the legal currency of other countries or regions (other than the Renminbi) that can be used to pay the subscription monies to the Company and which is recognized by the competent state foreign exchange administration authority.

Overseas listed foreign shares of the Company that are listed in Hong Kong are referred to as “H Shares”. H Shares are shares which have been admitted for listing on the Hong Kong Stock Exchange with a par value denominated in RMB and are subscribed for and traded in Hong Kong dollars.

Domestic shares can be converted into H Shares upon approval of the State Council or the institution authorized by the State Council and the consent of the Hong Kong Stock Exchange. Upon approval by the CSRC, domestic shareholders of the Company may transfer all or part of shares held by them to overseas investors and have such shares listed and traded on overseas stock exchanges. All or part of domestic shares may be converted in to foreign shares, and such converted foreign shares are allowed to listed and traded on overseas stock exchanges. Shares transferred and listed on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock exchange. The listing and trading on such overseas stock exchange of shares so transferred do not need approval by voting at general meetings or meetings of class shareholders. The overseas listed foreign shares converted from domestic shares shall be of the same class with the existing overseas listed foreign shares.

Article 20 The domestic shares issued by the Company shall be collectively deposited with China Securities Depository and Clearing Corporation Limited. The overseas listed foreign shares issued by the Company in Hong Kong are mainly deposited at securities registration and settlement companies in Hong Kong and may also be held in the name of individual shareholders.

Article 21 Upon establishment, the Company issued a total of 312,390,000 ordinary shares to the promoters. The names of the promoters, the amount of the Company’s shares held, the shareholding percentage, and the capital contribution methods are as follows:

No.	Name of the promoter	Number of shares subscribed for ('0,000 shares)	Shareholding percentage (%)	Contribution method
1	Yunnan Construction and Investment Holding Group Co., Ltd.*	22,860	73.18	Currency/ in kind
2	Yunnan Provincial Overseas Investment Co., Ltd.*	5,145	16.47	Currency

No.	Name of the promoter	Number of shares subscribed for ('0,000 shares)	Shareholding percentage (%)	Contribution method
3	Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*	3,234	10.35	Currency

Article 22 As approved by the CSRC, the Company may conduct the initial public offering of 153,964,300 overseas listed foreign investment ordinary shares to overseas investors (including 20,082,300 shares that are over-allotted). Such ordinary shares are all H Shares.

Upon completion of the issue of the above overseas listed foreign shares, if no over-allotment option is exercised, the share capital structure of the Company shall comprise 446,272,000 ordinary shares, of which, Yunnan Construction and Investment Holding Group Co., Ltd.*, which is the promoter, will hold 228,600,000 shares, representing 51.22% of the total ordinary share capital; Yunnan Provincial Overseas Investment Co., Ltd.*, which is the promoter, will hold 51,450,000 shares, representing 11.53% of the total ordinary share capital; Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*, which is the promoter, will hold 32,340,000 shares, representing 7.25% of the total ordinary share capital; and H shareholders will hold 133,882,000 shares, representing 30% of the total ordinary share capital.

If over-allotment option is fully exercised, the share capital structure of the Company shall comprise 466,354,300 ordinary shares, of which, Yunnan Construction and Investment Holding Group Co., Ltd.*, which is the promoter, will hold 228,600,000 shares, representing 49.02% of the total ordinary share capital; Yunnan Provincial Overseas Investment Co., Ltd.*, which is the promoter, will hold 51,450,000 shares, representing 11.03% of the total ordinary share capital; Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*, which is the promoter, will hold 32,340,000 shares, representing 6.93% of the total ordinary share capital; and H shareholders will hold 153,964,300 shares, representing 33.01% of the total ordinary share capital.

Article 23 After the Company's plan for the offering of domestic shares and overseas listed foreign shares has been approved by the CSRC, the Board of the Company may arrange for implementation of such plan by means of separate issues.

The Company's plans for the offerings of domestic shares and overseas listed foreign shares in accordance with the preceding paragraph may be implemented separately within 15 months from the date of approval by the CSRC.

Article 24 If the Company offers domestic shares and overseas listed foreign shares separately within the total number of shares specified in the offer plan, each offering shall be fully subscribed for in one lump sum. In case of special circumstances that make it impossible for each offering to be fully subscribed for in one lump sum, the shares may be offered in installments, subject to the approval of the CSRC.

Article 25 Registered capital of the Company before the issue of H shares was RMB312,390,000. The names of the shareholders, the amount of the Company's shares held, the shareholding percentage, and the capital contribution methods before the Company issues the H shares are as follows:

No.	Name of the promoter	Number of shares subscribed for ('0,000 shares)	Shareholding percentage (%)	Contribution method
1	Yunnan Construction and Investment Holding Group Co., Ltd.*	22,860	73.18	Currency, in kind
2	Yunnan Provincial Overseas Investment Co., Ltd.*	5,145	16.47	Currency
3	Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*	3,234	10.35	Currency

Upon completion of the above-mentioned issue of H shares, the registered capital of the Company was RMB446,272,000. The names of the shareholders, the amount of the Company's shares held, the shareholding percentage, and the capital contribution methods upon the Company's issuance of the H shares are as follows:

No.	Name of the shareholder	Number of shares subscribed for ('0,000 shares)	Shareholding percentage (%)	Contribution method
1	Yunnan Construction and Investment Holding Group Co., Ltd.*	22,860	51.22	Currency, in kind
2	Yunnan Provincial Overseas Investment Co., Ltd.*	5,145	11.53	Currency
3	Kunming Economic-Technological Development Zone Investment & Development (Group) Co., Ltd.*	3,234	7.25	Currency

No.	Name of the shareholder	Number of shares subscribed for ('0,000 shares)	Shareholding percentage (%)	Contribution method
4	Tradable Shares (H shares)	13,388.2	30	Currency

The changes in the Company's registered capital shall be registered with the Market Supervision Administration.

Article 26 Save as otherwise stipulated by the laws, administrative regulations and the Hong Kong Stock Exchange, shares of the Company may be transferred freely and shall be clear of any lien.

Article 27 The Company shall not accept its own share certificates as the subject matter of a pledge.

Article 28 The shares of the Company held by the promoter shall not be transferred within a year from the date of establishment of the Company. Shares in issue prior to the public offering of the Company shall not be transferred within one year from the date of their listing on any stock exchange.

The directors, supervisors and senior management members of the Company shall report to the Company the shares of the Company that they hold and the changes in their shareholdings. During his or her term of service, he or she may not transfer more than 25% of his or her total holding of the Company's same class of shares each year; holding of the Company's shares may not be transferred within a year from the date of their listing. Any of them may not transfer the Company's shares he or she holds within 6 months after his or her resignation from the Company. The transfer restriction on H shares shall also be subject to the relevant requirements of the Listing Rules of the Hong Kong Stock Exchange and other applicable laws and regulations.

Article 29 If a director, supervisor or senior management members of the Company, or a holder of at least 5 percent of the shares of the Company, sells the shares of the Company that he or she holds within six months after acquiring the same, or buys such shares back within six months after selling the same, the gains obtained therefrom shall belong to the Company and the Board of the Company shall recover such gains from him or her. The transfer restriction on H shares shall also be subject to the relevant requirements of the Listing Rules of the Hong Kong Stock Exchange of and other applicable laws and regulations. However, a securities company that underwrote shares on a firm commitment basis and which, after purchasing the shares remaining after the sale, holds more than 5 percent of the shares shall not be subject to the six-month time limit when selling such shares.

If the Board of the Company fails to act in accordance with the preceding paragraph, shareholders shall have the right to demand that the Board act within 30 days. If the Board of the Company fails to act within such time period, shareholders shall have the right, in the interests of the Company, to directly institute a legal action in a court in their own name.

If the Board of the Company fails to act in accordance with the first paragraph, the responsible directors shall be jointly liable in accordance with the law.

CHAPTER IV INCREASE AND REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 30 Based on its business and development requirements and according to the requirements of the laws and regulations, the Company may increase its capital subject to relevant requirements of these Articles of Association, by any of the following methods:

- (I) public offering of shares;
- (II) private placement of shares;
- (III) issue of bonus shares or placement of new shares to existing shareholders;
- (IV) increase share capital by conversion of common reserve fund;
- (V) other methods permitted by laws and administrative regulations and approved by the securities regulatory department of the State Council.

If the Company is to increase its capital by an offering of new shares, it shall do so by the procedure provided for in relevant state laws after such increase has been approved in accordance with these Articles of Association.

Article 31 The Company may reduce its registered capital. If the Company reduces its registered capital, it shall do so by the procedures set forth in the Company Law, other relevant regulations and these Articles of Association.

Article 32 If the Company is to reduce its capital, it must prepare a balance sheet and a list of its property.

The Company shall notify its creditors within 10 days from the date of adoption of the resolution to reduce its registered capital and publish a public announcement of the resolution in newspapers, which is recognized by relevant regulatory authorities of the places where the Company's shares are listed, within 30 days, and, according to the requirements of such places where the Company's share are listed, on the Company's website and related websites of stock exchanges. Creditors shall, within 30 days of receiving written notice, or within 45 days of the date of the public announcement for those who have not received written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding security for repayment.

The reduced registered capital of the Company shall not be less than the statutory minimum.

Article 33 The Company may, in the following circumstances, repurchase its own outstanding shares by the procedures provided for in laws, administrative regulations, departments rules and these Articles of Association:

- (I) cancelation of shares in order to reduce its capital;
- (II) merger with another company holding shares of the Company;
- (III) to grant the shares for employee shareholding scheme or as share incentives;
- (IV) a shareholder opposes a resolution on the merger or division of the Company adopted at a general meeting and requests that the Company purchase his or her shares;
- (V) to use the shares for the purpose of conversion of bonds convertible to shares;
- (VI) where it is necessary to safeguard company's value and shareholders' interests;
- (VII) other circumstances approved in laws or administrative regulations or by the approval authority authorized by the State Council.

Except under the above circumstances, the Company shall not trade in its own shares.

Where the Company repurchases its shares, it shall perform its information disclosure obligations in accordance with the Securities Law and the Listing Rules of the Hong Kong Stock Exchange.

Article 34 The Company may repurchase its own shares by any of the following methods:

- (I) issuance to all of the shareholders of a repurchase offer on a pro rata basis;
- (II) repurchase through open transactions on a stock exchange;
- (III) repurchase by agreements outside a stock exchange;
- (IV) another method approved in laws, administrative regulations or by the approval authority authorized by the State Council.

If the Company intends to repurchase its shares in the situations set out under items (III), (V) and (VI) of Clause 1 of Article 33 of these Articles of Association, the repurchase shall be conducted through public and centralized trading.

Article 35 If the Company is to repurchase shares by agreements outside a stock exchange, prior approval shall be obtained from the general meeting in accordance with these Articles of Association. Upon the prior approval by the general meeting obtained in the same manner, the Company may terminate or vary a contract concluded in the manner set forth above or waive any of its rights under such contract.

For the purposes of the preceding paragraph, “contract to repurchase shares” shall include but not be limited to agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not transfer a contract for the repurchase of its own shares or any of its rights thereunder.

With respect to redeemable shares which the Company has the right to repurchase, if the repurchase is to be made in a manner other than through the market or by tender, the repurchase price must be limited to a maximum price; if the repurchase is to be made by tender, tenders shall be available to all shareholders on the same conditions.

Article 36 The purchase of its own shares by the Company for a reason specified in items (I) and (II) of Article 33 of these Articles of Association shall require a resolution of the general meeting. The purchase of its own shares by the Company for a reason specified in items (III), (V), and (VI) of Article 33 of these Articles of Association shall require a resolution of the meeting of the Board attended by two thirds of the directors. Where the Company purchases its shares for the reason specified in item (I) of Article 33, it shall cancel such shares within 10 days from the date of the purchase. For the reason specified in item (II) or item (IV), the Company shall transfer or cancel such shares within six months. For the reason specified in item (III), item (V), or item (VI), the Company shall not hold in aggregate more than 10% of the Company’s shares in issue, and shall transfer or cancel such shares within three years.

The repurchase of H shares by the Company shall be subject to relevant provisions of the Listing Rules of Hong Kong Stock Exchange.

If the Company cancels shares, it shall carry out the registration of the change in its registered capital with the original registrar and make relevant announcement in accordance with the law.

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

Article 37 Unless the Company has already entered the liquidation stage, it must comply with the following provisions in repurchasing its outstanding shares:

- (I) if the Company repurchases shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and/or from the proceeds of the new share offer made to repurchase the old shares;

- (II) if the Company repurchases shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of the Company's distributable profit and/or from the proceeds of the new share offer made to repurchase the old shares; and the portion in excess of the par value shall be handled according to the following methods:
- (i) if the shares being repurchased were issued at their par value, the amount shall be deducted from the book balance of the Company's distributable profit;
 - (ii) if the shares being repurchased were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and/or the proceeds of the new share offer made to repurchase the old shares; however, the amount deducted from the proceeds of the new share offer may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in the Company's premium account (or capital reserve account) (including the premiums from the new share offer) at the time of the repurchase;
- (III) the sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profit:
- (i) acquisition of the right to repurchase its own shares;
 - (ii) amendment to any contract for the repurchase of its own shares;
 - (iii) release from any of its obligations under a repurchase contract.
- (IV) after the par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profit for the repurchase of shares which corresponds to the par value of the shares shall be credited to the Company's premium account (or capital reserve account).

CHAPTER V FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY SHARES

Article 38 Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to purchasers or prospective purchasers of shares of the Company. Purchasers of shares of the Company as referred to above shall include persons that directly or indirectly assume obligations (the "**obligor**") as a result of purchasing shares of the Company.

Neither the Company nor its subsidiaries shall at any time provide any financial assistance in any form to the above obligors in order to reduce or release them from their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 40 of this Chapter.

Article 39 For the purposes of this Chapter, the term “financial assistance” shall include but not be limited to financial assistance in the forms set forth below:

- (I) gift;
- (II) security (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligation by the obligor), advancement, indemnity (not including, however, indemnity arising from the Company’s own fault), release or waiver of rights;
- (III) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the obligations of the other party to the contract, or the change of parties to the contract, or the transfer of rights under such loan or contract;
- (IV) financial assistance in any other forms if the Company is insolvent or has no net assets or if such assistance would lead to a major reduction in the Company’s net assets.

The expression “undertaking of liability” referred to in this Chapter includes the incurring of obligations by the change of the obligor’s financial position by way of a contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article 40 The acts listed below shall not be regarded as acts prohibited under Article 38 of this Chapter:

- (I) where the Company provides the relevant financial assistance genuinely for the benefit of the Company and the main purpose of the financial assistance is not to purchase the shares of the Company, or the financial assistance is an incidental part of some overall plan of the Company;
- (II) lawful distribution of the Company’s property in the form of dividends;
- (III) distribution of dividends in the form of shares;
- (IV) reduction of registered capital, repurchase of shares, adjustment of the equity structure, etc. in accordance with these Articles of Association;
- (V) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company’s distributable profit);

- (VI) the provision of money by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance is paid out of the Company's distributable profit).

CHAPTER VI SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 41 The Company's shares shall be registered shares.

In addition to those provided in the Company Law and the Special Regulations, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all of the listing documents (including the H share certificates) contain the following statements, and shall instruct and procure the shares registrars not to register any subscription, purchase or transfer of share in the name of any individual holder unless and until he/she submits such properly executed forms to the share registrars which shall include the following statements:

- (I) the share purchaser agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the requirements of Company Law, other relevant laws, the Special Regulations, and these Articles of Association;
- (II) the share purchaser agrees with the Company, each shareholder, director, supervisor, general manager and other senior management members of the Company and the Company acting for itself and for each director, supervisor, general manager and other senior management members agrees with each shareholder to refer all any disputes or claims in relation to the rights or obligations conferred or imposed by these Articles of Association, the Company Law or other relevant PRC laws and administrative regulations and concerning the affairs of the Company, to arbitration in accordance with these Articles of Association, and any submission to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award; such arbitration shall be final and conclusive;
- (III) the share purchaser agrees with the Company and each shareholder of the Company that the shares of the Company are freely transferable by the holder thereof;
- (IV) the share purchaser authorizes the Company to enter into a contract on his or her behalf with each director, general manager and other senior management members whereby such directors, general manager and other senior management members undertake to observe and comply with their obligations to the shareholders stipulated in these Articles of Association.

Article 42 Share certificates shall be signed by the chairman of the Board. If the signatures of other senior management members of the Company are required by the stock exchange on which the Company's shares are listed, the share certificates shall also be signed by such other senior management members. The share certificates shall become effective after the Company's seal is affixed thereto or printed thereon. The affixing of the Company's seal or printed seal on the share certificates shall require the authorization of the Board. The signature of the chairman of the Board or of other relevant senior management members on the share certificates may also be in printed form.

If the Company's shares are issued and traded in paperless form, the regulations of the securities regulator of the place where the shares of the Company are listed shall apply.

Article 43 The Company shall keep a register of shareholders, in which the following particulars shall be recorded:

- (I) the name, address (domicile), profession or nature of each shareholder;
- (II) the class and quantity of shares held by each shareholder;
- (III) the amount paid or payable for the shares held by each shareholder;
- (IV) the serial numbers of the shares held by each shareholder;
- (V) the date on which each shareholder is registered as such;
- (VI) the date on which each shareholder ceases to be a shareholder.

The register of shareholders shall be sufficient evidence of holding the Company's shares by a shareholder, unless there is evidence to the contrary.

All movements or transfer of overseas listed foreign shares shall be recorded in the register of holders of overseas listed foreign shares of the Company which is required to be kept in the place where such shares are listed pursuant to these Articles of Association. That transfers and other documents relating to or affecting the title to any H shares shall be registered and where any fee or fees is/are charged, such fee or fees shall not exceed the maximum fees prescribed by the Hong Kong Stock Exchange from time to time.

If two or more persons are registered as the joint shareholders of any shares, they shall be deemed to be joint holders of such shares and be subject to the following provisions:

- (I) the Company is not obliged to register more than four persons as the joint shareholders of any shares;
- (II) all the joint shareholders of any shares shall jointly and severally assume the liability to pay all amounts payable for the relevant shares;

- (III) if one of the joint shareholders deceased, only the surviving joint shareholders shall be deemed by the Company to be the persons owning the relevant shares. Nevertheless, the Board shall, for the purpose of revising the register of shareholders, have the right to demand evidence of death of such shareholder where it deems appropriate; and
- (IV) as to the joint shareholders of any shares, only the joint shareholder whose name appears first in the register of shareholders is entitled to receiving the share certificate for the relevant shares and the notices of the Company, attending the Company's general meeting, or exercising all voting rights in relation to relevant shares. Any notice served on the aforesaid person shall be deemed to have been served on all joint shareholders of the relevant shares.

Article 44 The Company may, pursuant to an understanding or agreement reached between the CSRC and foreign securities regulators, keep its register of holders of overseas listed foreign shares outside the PRC, and appoint an overseas agent to administer the same. The original copy of register of holders of H shares shall be maintained in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of overseas listed foreign shares. The appointed overseas agent shall ensure that the register of holders of overseas listed foreign shares and its duplicate are consistent at all times.

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

Article 45 The Company shall keep a complete register of shareholders. The register of shareholders shall include the following parts:

- (I) a register of members kept at the Company's domicile other than those provided for under items (II) and (III) of this paragraph;
- (II) the register of holders of overseas listed foreign shares kept in the place of the overseas stock exchange on which the shares are listed; the original of the register of holders of overseas listed shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong;
- (III) registers of shareholders kept in such other places as the Board may decide necessary for listing of the Company's shares.

Article 46 The various parts of the register of shareholders shall not overlap. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register of members.

Changes to and corrections of each part of the register of shareholders shall be carried out in accordance with the laws of its situs.

Article 47 Unless otherwise provided by laws and regulations as well as the relevant rules and regulations of the securities regulatory authorities of the place where the Company's shares are listed, all overseas listed foreign shares listed in Hong Kong for which the share capital has been paid in full may be transferred freely in accordance with these Articles of Association. The Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer is carried out in compliance with the following conditions:

- (I) The transfer document and other documents relating to or affecting the ownership of any shares shall be registered; should any fee be required for such registration, the fee shall be HK\$2.5 (for each of transfer instrument) or the fee required by the Hong Kong Stock Exchange (if higher);
- (II) the instrument of transfer only involves overseas listed foreign shares listed in Hong Kong;
- (III) the stamp duty payable on the instrument of transfer as required by Hong Kong laws has been paid;
- (IV) relevant share certificates and evidence that the transferor has the right to transfer such shares as reasonably required by the Board have been provided;
- (V) if the shares are to be transferred to joint holders, the number of registered joint holders may not exceed four; and
- (VI) the relevant shares are not encumbered by any lien of the Company.

If the Company refuses to register a share transfer, the Company shall send the transferor and the transferee a notice of refusal to register the said share transfer within 2 months after the application for transfer is submitted.

All transfers of overseas listed foreign shares shall be effective with a written instrument of transfer in general or ordinary form or such other form as acceptable to the Board. The said transfer documents may be signed by hand without seal. If the transferor or transferee of the Company's shares is a recognized clearing house as defined in the Laws of Hong Kong (the "**recognized clearing house**") or an agent thereof, the signature on the written instrument of transfer may be signed by hand or in mechanically-printed form. All instruments of transfer must be kept at the legal address of the Company, the share registrar, or other place as may be designated by the Board from time to time.

Article 48 Where laws, regulations and competent securities regulatory authorities where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of a general meeting or before the record date for the Company's distribution of dividends, such provisions shall prevail.

Article 49 When the Company is to convene a general meeting, to distribute dividends, to be liquidated or to carry out other acts requiring confirmation of equity interests, the Board shall decide upon a date as the date of record. Shareholders whose names appear on the register of members at closing on the date of record shall be the shareholders of the Company.

Article 50 Any person that challenges the register of shareholders and requests that his or her name be entered into or removed from the register of members may apply to the competent court for rectification of the register of members.

Article 51 Any shareholder who is registered in the register of shareholders or any person who requests that his or her name be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares (the “**relevant shares**”) if his or her share certificate (the “**original share certificate**”) is lost.

Applications for the replacement of share certificates from holders of domestic shares who have had their certificates stolen or damaged, or who have lost the same shall be handled in accordance with relevant provisions of the Company Law.

Applications for the replacement of share certificates from holders of overseas listed foreign shares who have had their certificates stolen or damaged, or who have lost the same may be handled in accordance with the laws, rules of stock exchange or other relevant regulations of the place where the original of the register of holders of overseas listed foreign shares is kept.

Where a holder of H shares who has lost his or her share certificate applies for replacement thereof, such replacement shall comply with the following requirements:

- (I) the applicant shall submit the application in the standard form prescribed by the Company accompanied by a notarial certificate or statutory declaration; the notarial certificate or statutory declaration shall include the applicant’s reason for the application, the circumstances and evidence of the loss of the share certificate and a declaration that no other person may request registration as a shareholder in respect of the relevant shares;
- (II) the Company has not received any declaration requesting registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;
- (III) if the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the Board; the period of the public announcement shall be 90 days, during which its publication shall be repeated at least once every 30 days;

(IV) before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the stock exchange where it is listed and may proceed with such publication after having received a reply from the stock exchange confirming that the announcement has been displayed in the stock exchange. The announcement shall be displayed in the stock exchange for a period of 90 days;

If the application for issuance of a replacement share certificate was made without the consent of the registered holder of the relevant shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish;

(V) if, at the expiration of the 90-day periods provided for in items (III) and (IV) hereof, the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate in accordance with the application of the applicant;

(VI) when the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders;

(VII) all expenses of the Company for the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant has provided reasonable security.

Article 52 After the Company has issued a replacement share certificate in accordance with these Article of Association, it may not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he or she is a bona fide purchaser).

Article 53 The Company shall not be liable for damages in respect of any damage suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraud on the part of the Company.

CHAPTER VII RIGHTS AND OBLIGATIONS OF THE SHAREHOLDERS

Article 54 The Company's shareholders are persons that lawfully hold shares of the Company and whose names are entered in the register of shareholders.

Shareholders shall enjoy rights and bear obligations according to the class and quantity of shares held by them. Holders of shares of the same class shall enjoy equal rights and bear equal obligations.

In addition to the holders of other classes of shares, the holders of domestic shares and H shares are shareholders of different classes. Holders of each class of shares of the Company shall enjoy equal rights in any distribution of dividends or otherwise. Where the share capital of the Company includes shares which do not carry voting rights, the designation of such shares shall bear the wording “non-voting”. Where the share capital of the Company includes shares with different voting rights, the designation of each class of shares (except shares with the most privileged voting rights) shall bear the wording “restricted voting” or “limited voting”.

A legal person that is a shareholder of the Company shall have its rights exercised by its legal representative or the person resolved or authorized by its Board or other decision-making body.

When the Company is to convene a general meeting, to distribute dividends, to be liquidated or to carry out other acts requiring confirmation of shareholders’ identities, the Board or the convener of the general meeting shall decide the date of record. Shareholders whose names appear on the register of members on the date of record shall be the shareholders entitled to the relevant rights and interests.

Article 55 Holders of ordinary shares of the Company are entitled:

- (I) to collect dividends and other distributions in other forms in proportion to the number of shares held by them;
- (II) to request, convene, preside over, attend or appoint a proxy to attend general meetings in accordance with the law and to exercise the corresponding voting rights;
- (III) to oversee the business activities of the Company, and to make recommendations or inquiries;
- (IV) to transfer, gift or pledge shares held by them in accordance with laws, administrative regulations, relevant regulations of the securities regulator of the place where the Company’s shares are listed and these Articles of Association;
- (V) to obtain relevant information in accordance with these Articles of Association, which shall include:
 - 1. obtaining a copy of these Articles of Association of the Company after payment of a charge to cover costs;
 - 2. being entitled, after payment of reasonable charges, to examine and copy:
 - (1) all parts of the register of shareholders;
 - (2) personal data of directors, supervisors, general manager and other senior management of the Company, including:

- (a) present and former names and aliases;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and positions;
 - (e) documents of identity and their numbers.
- (3) the report of the state of the Company's issued share capital;
 - (4) reports containing details of the aggregate par value, quantity, and highest and lowest prices of each class of shares repurchased by the Company since the last accounting year as well as all the expenses paid by the Company therefor (separated by domestic shares and foreign shares);
 - (5) meeting minutes of the shareholders' general meeting (for inspection by shareholders only) and copies of special resolutions of the Company and resolutions at meetings of the Board and Supervisory Committee;
 - (6) the latest audited financial statements, reports of the Board, accountant's report and the Supervisory Committee's report of the Company;
 - (7) if applicable, a copy of the latest return filed with the State Market Supervision Administration or other competent authorities of the PRC;
 - (8) stubs of corporate bonds.

The Company shall make the foregoing documents of (1), (3), (4), (5), (6) and (7) available at its domicile and at its place of business in Hong Kong for review by the public and shareholders for free (provided that the minutes of the general meeting is available for shareholders only) pursuant to the requirements of the Listing Rules of the Hong Kong Stock Exchange. The Company may refuse to provide any of the aforementioned documents if the documents to be inspected or photocopied contain the Company's trade secrets and inside information.

- (VI) in the event of the termination and liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;
- (VII) shareholders having objection to resolutions of the general meeting concerning merger or division of the Company may require the Company to buy the shares held by them;

(VIII) other rights conferred by laws, administrative regulations, department rules and these Articles of Association.

Article 56 If a shareholder requests to review the information mentioned in Article 55 or makes a request for information, he or she shall submit to the Company written documents evidencing the class and number of shares he or she holds. The Company shall provide the same as requested by the shareholder after authenticating his or her identity.

Article 57 The Company may not exercise any power to freeze or otherwise impair any of the rights attaching to any share by reason only that the person who is interested directly or indirectly therein has failed to disclose his interests to the Company.

Article 58 If a resolution of the general meeting or Board of the Company violates a law or administrative regulation, shareholders have the right to petition a court to invalidate the resolution.

If the procedure of convening or the method of voting at a general meeting or a Board meeting of the Company violates the laws, administrative regulations or these Articles of Association, or if the content of a resolution is in breach of these Articles of Association, shareholders shall have the right to petition court to revoke such resolution within 60 days from the date on which the resolution is adopted.

Article 59 Subject to the provision of Article 264 hereof, in the event of any loss caused to the Company as a result of violation of laws or the regulations of these Articles of Association by the directors or senior management when performing their duties, any of the shareholders who holds 1% or more of the shares individually or jointly for no less than 180 consecutive days shall have the right to request the Supervisory Committee in writing to initiate litigation before the People's Court. In the event of any loss caused to the Company as a result of violation of laws, administrative regulations or these Articles of Association by the Supervisory Committee when performing its duties, any of the shareholders may request the Board in writing to initiate litigation before the People's Court.

In the event that the Supervisory Committee or the Board dismisses the written request of any of the shareholders as specified in the preceding paragraph, or withholds from instituting litigation within 30 days of the receipt of the request, or that the failure to institute litigation immediately may otherwise cause irreparable damage to the interest of the Company in an urgent circumstance, such shareholder(s) as mentioned in the preceding paragraph shall have the right to initiate litigation before the People's Court in the name(s) of such shareholder(s) in the interest of the Company.

If a third party infringes on the lawful rights and interests of the Company, thereby causing the Company to sustain a loss, the shareholders mentioned in the first paragraph of this Article may initiate litigation before the People's Court pursuant to the preceding two paragraphs.

Article 60 In the event that any director or senior management violates laws, administrative regulations or these Articles of Association to the detriment of the interest of the shareholders, the shareholders may initiate litigation before the People's Court.

Article 61 The holders of ordinary shares of the Company shall be subject to the following obligations:

- (I) to comply with the laws, administrative regulations and these Articles of Association;
- (II) to pay subscription moneys according to the shares subscribed for by them and the method of acquiring such shares;
- (III) to be liable to the Company to the extent of the shares they subscribed;
- (IV) save as stipulated by laws or regulations, no share refund is allowed;
- (V) not to abuse their rights as shareholders to jeopardize the Company's or other shareholder's rights; not to abuse of the Company's status as an independent legal person or any abuse of the limited liability of a shareholder to jeopardize the interests of the Company's creditors;

In the event of any damage caused to the Company or other shareholders arising from any abuse of the shareholder's right, such shareholder shall be liable for compensation in accordance with laws.

In the event of any material damage caused to the interest of the creditors of the Company arising from any abuse of the Company's independent legal person status and the limited liability of the shareholders by any shareholder to evade from debts, such shareholder shall be jointly and severally liable for the Company's debts.

- (VI) other obligations imposed by laws, administrative regulations and these Articles of Association.

Unless otherwise specified, shareholders are not liable for making any further contribution to the share capital other than as agreed by the subscribers of the relevant shares on subscription.

If a holder of at least 5% of the voting shares of the Company wishes to create a pledge over his or her shares, he or she shall report the same in writing to the Company on the date such pledge is created.

Article 62 The controlling shareholder and de facto controller of the Company may not take advantage of their connected relationships to harm the interests of the Company, and they shall be held liable for damages if, as a result of violating a regulation, they cause the Company to sustain a loss.

The controlling shareholder and the de facto controller of the Company bear a fiduciary duty toward the Company and public shareholders. The controlling shareholder shall exercise its rights as an investor in strict accordance with the laws. The controlling shareholder may not use such means as profit distribution, asset restructuring, investment in a third party, appropriation of funds, loan security, etc. or use its controlling position to harm the lawful rights and interests of the Company and the public shareholders.

In addition to the obligations imposed by laws and the listing rules of the stock exchange on which the Company's shares are listed, the controlling shareholder of the Company may not, in exercising its powers as shareholders, make decisions prejudicial to the interests of all or some of the shareholders due to the exercise of its voting rights on the issues set forth below:

- (I) relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;
- (II) approving that a director or supervisor (for his or her own or another person's benefit) deprive the Company of its property in any way, including but not limited to any opportunities that are advantageous to the Company;
- (III) approving that a director or supervisor (for his or her own or another person's benefit) deprive other shareholders of their individual rights or interests, including but not limited to the rights to distributions and voting rights, but excluding a restructuring of the Company submitted to the general meeting for adoption in accordance with these Articles of Association.

CHAPTER VIII GENERAL MEETING

Article 63 The general meeting shall be the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 64 The general meeting shall exercise the following functions:

- (I) to determine the operating policies and investment plans of the Company;
- (II) to elect or remove non-employee representatives directors and supervisors, and to determine the remuneration of such directors and supervisors;
- (III) to consider and approve reports of the Board;
- (IV) to consider and approve reports of the Supervisory Committee;
- (V) to consider and approve the proposed annual financial budgets and final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;

- (VII) to decide on any increase or reduction of registered capital of the Company;
- (VIII) to decide on the issue of corporate bonds;
- (IX) to decide on matters such as merger, division, dissolution, liquidation or change of corporate form of the Company;
- (X) to amend and modify these Articles of Association;
- (XI) to decide on the engagement, dismissal or non-renewal of the engagement of accounting firms by the Company;
- (XII) to consider proposals raised by a shareholder alone or shareholders together holding at least 3% of the Company's voting shares;
- (XIII) to consider and approve matters relating to the purchase and/or sale by the Company within one year of material assets valued at more than 30% of the Company's audited total assets as at the most recent period;
- (XIV) to consider and approve stock incentive plan;
- (XV) to consider and approve matters relating to connected transactions and the provision of security for third parties, which need to be approved at general meeting;
- (XVI) to consider other matters which require approval by the general meeting as stipulated by the laws, administrative regulations, departmental rules, regulatory documents, regulations of securities regulatory authorities of the locality where the Company's shares are listed and of these Articles of Association.

Subject to the laws, regulations and mandatory provisions of the listing rules of the listing place, a shareholders' general meeting may authorize or entrust the Board to handle the matters authorized or entrusted by it.

Article 65 The provision of external guarantees by the Company shall be considered and approved by the Board. The guarantee offered by the Company to a shareholder or de facto controller of the Company shall be resolved by the general meeting.

When the general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller, the said shareholder or the shareholders controlled by the said de facto controller shall be abstained from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

If a director, the general manager, and other senior management member violate the provisions on the approval authority or consideration procedure of guarantee to third parties as specified in laws, administrative regulations, or these Articles of Association, thereby causing the Company to sustain a loss, he or she shall be liable for the damages and the Company may institute a legal action against him or her in accordance with the law.

Article 66 Unless in a crisis or under other special circumstances, the Company shall not, without prior approval from a general meeting by special resolution, enter into a contract with a person other than a director, supervisor, general manager or other senior management members whereby the management of all or a material part of the business of the Company is delegated to such person.

Article 67 The general meetings are classified into annual general meetings and extraordinary general meetings. The general meeting is convened by the Board. The annual general meeting shall be held once a year within six months after the end of the previous accounting year.

The Company shall convene an extraordinary general meeting within two months upon the occurrence of any of the following events:

- (I) the number of directors is less than the minimum quorum stipulated in the Company Law or less than two-thirds of the number prescribed in these Articles of Association;
- (II) the uncovered loss of the Company reaches one-third of the total paid-in share capital;
- (III) upon request in writing by shareholders individually or jointly holding more than 10% of the Company's shares (the number of shares shall be calculated based on the date of the written request by the shareholder);
- (IV) the Board may deem necessary;
- (V) upon request by the Supervisory Committee;
- (VI) at least one-half of all of the independent non-executive directors agree to propose that such a meeting be held;
- (VII) other circumstance as specified by laws, administrative regulations, department rules, the listing rules, and these Articles of Association.

Article 68 The Company shall hold general meetings at its domicile or other specific location as notified in the notice of the general meeting.

A meeting venue will be established for general meetings and meetings shall be held on site. The Company will also enable shareholders to have access to the general meeting by other means as permitted by the listing rules of the place where the shares of the Company are listed. The shareholders that have participated in the meeting through access of any aforesaid means shall be deemed as present at the meeting.

Article 69 Independent non-executive directors accounting for at least one-half of the Company's independent non-executive directors shall have the right to propose to the Board in writing that they call an extraordinary general meeting. The Board shall, in accordance with laws and these Articles of Association, give a written response on whether or not it agrees to call such an extraordinary general meeting within 10 days after receipt of the proposal from the independent non-executive directors aforesaid.

If the Board agrees to call an extraordinary general meeting, it shall issue a notice calling such meeting within 5 days after the resolutions are made; if the Board does not agree to call such meeting, it shall give the reasons therefor in writing and publish the same in a public announcement.

Article 70 The Supervisory Committee shall have the right to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give a written response on whether it agrees or disagrees to the convening such meeting within 10 days after receipt of the proposal.

If the Board agrees to convene an extraordinary general meeting, it shall issue a notice on convening such shareholders' general meeting within five days after passing the board resolutions. Changes to the original proposal as stated in the notice shall obtain the consent of the Supervisory Committee.

If the Board does not agree to convene such meeting, or fails to give a response within 10 days after receipt of the proposal, it shall be deemed that the Board cannot perform or has failed to perform the duties to convene the general meeting, and the Supervisory Committee may itself convene and preside over such meeting.

Article 71 Shareholders who request an extraordinary general meeting or a class meeting shall comply with the following procedures:

- (I) two or more shareholders individually or jointly holding more than 10% of the voting shares at the proposed meeting can request the Board to convene a class meeting by signing one or several same written request(s), and stating the subjects to be considered at the meeting. The Board shall convene the class meeting as specified in the request as soon as possible. The shareholdings referred to above shall be calculated as at the date of request made.

- (II) if no notice of convening a general meeting was issued within 30 days after the Board receiving the abovementioned written request(s), the shareholders making the request(s) can request the Supervisory Committee to convene an extraordinary general meeting or a class meeting;
- (III) if the Supervisory Committee fails to issue a notice on the convening of meeting within 30 days after receiving the aforesaid written request, the shareholders individually or collectively holding more than 10% of the Company's voting shares at the proposed meeting for at least consecutive 90 days may convene the meeting on their own within four months after the Board receives the request. The convening procedures shall be the same as the procedures for the convening of general meeting by the Board.

The reasonable expenses arising from the convening and holding of meeting by shareholders due to the failure of the Board and the Supervisory Committee in response of the aforesaid request shall be assumed by the Company, and deducted from the amount payable to the directors or supervisors committing dereliction of duty.

Article 72 If the Supervisory Committee or the shareholders decide to convene the general meeting on their own initiative, they shall notify the Board in writing. Where the shareholders convene the general meeting, the shareholding of the convening shareholder prior to the resolution of the general meeting shall not be less than 10% of the shares with voting rights of the Company. When the Supervisory Committee or shareholders themselves convene a general meeting, the Board and the secretary to the Board shall cooperate. The Board shall provide the register of shareholders as of the date of record. If the Board fails to provide the register of shareholders, the convener may apply to the securities depository or the agency to obtain the same on the strength of the relevant notice or announcement convening the general meeting. The register of shareholders obtained by the convener may not be used for any purpose other than to hold the general meeting.

Article 73 When the Supervisory Committee or shareholders themselves convene a general meeting, the necessary expenses shall be borne by the Company.

Article 74 When the Company is to hold an annual general meeting, it shall notify all the shareholders by means of public announcement at least 20 clear business days before the date of the meeting. When the Company is to hold an extraordinary general meeting, it shall notify all the shareholders by means of public announcement at least 10 clear business days or 15 days (whichever is longer) before the date of the meeting. Regarding the calculation of the notice period, the date of the meeting shall not be included. For notices given under this article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar appointed by the Company.

The above-mentioned business days refer to the days when the Hong Kong Stock Exchange opens for securities trading.

Article 75 The contents of proposals before the general meeting shall fall within the authority of the general meeting, contain a clear topic and a specific resolution and comply with relevant provisions of laws, administrative regulations and these Articles of Association.

Proposal before the general meeting shall be in writing.

Article 76 The Board, Supervisory Committee and shareholders individually or jointly holding more than 3% of shares in the Company are entitled to make proposals at the general meeting.

Shareholders individually or jointly holding at least 3% of the shares of the Company may submit extempore proposals in writing to the convener 10 days prior to the date of such meeting. The convener shall issue a supplementary notice of the general meeting and make a public announcement of the contents of such extempore proposal within two days after receipt of the proposal, and submit such extempore proposal to the general meeting for consideration. The contents of such an extempore proposal shall fall within the scope of the functions and powers of the general meeting, and contain a clear topic and a specific resolution.

Except as provided in the preceding paragraph, the convener shall not make any changes to the proposals set forth in the notice of the general meeting or add any new proposals once the notice and announcement of the general meeting have been issued.

Any proposals which are not stated in the notice of shareholders' general meeting or not in compliance with Article 75 of these Articles of Association shall not be voted and passed as resolutions at the shareholders' general meeting.

Article 77 No extraordinary general meeting shall resolve matters not stipulated in its notice.

Article 78 The notice of a general meeting shall:

- (I) be made in writing;
- (II) specify the date, place and duration of the meeting;
- (III) the matters and proposals submitted to the meeting for consideration;
- (IV) provide to the shareholders the information and explanations necessary to make informed decisions on the matters to be discussed, which include but not limited to, when the Company proposes a merger, repurchase of shares, restructuring of share capital or other reorganization, the specific conditions and contract (if any) of the transaction contemplated and earnest explanation of the cause and effect of the transaction;
- (V) contain a disclosure of the nature and extent of the material interests, if any, of any director, supervisor, general manager or other senior management members in any matter to be discussed; and an explanation of the difference, if any, between the

way in which the matter to be discussed would affect such director, supervisor, general manager or other senior management members in his capacity as shareholder and the way in which such matter would affect other shareholders of the same class;

- (VI) contain the full text of any special resolution proposed to be approved at the meeting;
- (VII) contain conspicuously a statement that all shareholders are entitled to attend and vote, that they may appoint proxies in writing to attend and vote at such meeting on their behalves and that such proxies need not be the shareholders of the Company;
- (VIII) state the time and place for serving the instruments of appointment for voting at the meeting;
- (IX) the date of record for the shareholders who are entitled to attend the meeting;
- (X) the name and contact information of the contact person for the meeting.

The interval between the shareholding record date of a general meeting and the date of the meeting shall not exceed 7 working days. Once the shareholding record date is confirmed, it shall not be altered.

Article 79 Unless otherwise stipulated herein, notice of a general meeting shall be delivered to the shareholders (whether or not entitled to vote thereat) by hand or prepaid mail at the recipient's address shown in the register of shareholders. For holders of domestic shares, notice of a general meeting may be given by way of a public announcement.

The "public announcement" referred to in the preceding paragraph shall, for holders of domestic shares, be published on the Company's website and the website of the stock exchange with reference to the notice period requirements for convening an annual general meeting and an extraordinary general meeting specified in the Article 74 hereof. Once the announcement is made, all holders of domestic shares shall be deemed to have received notice of the relevant general meeting.

For holders of H shares, subject to the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed and these Articles of Association, the notice of a general meeting, circular of shareholders and relevant documents may be published on the websites of the Company and the Hong Kong Stock Exchange. Once the announcement is made, all holders of overseas listed shares shall be deemed to have received notice of the relevant general meeting.

Article 80 A meeting and the resolutions adopted thereat shall not be invalidated due to the accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, a person entitled to receive the notice.

Article 81 All holders of ordinary shares registered on the record date or their proxies shall have the right to attend a general meeting and exercise their voting rights in accordance with relevant laws, regulations and these Articles of Association.

Shareholders may attend general meetings in person or, appoint a proxy to attend and vote at the meeting on their behalves.

Article 82 An individual shareholder who attends a meeting in person shall produce his or her own identity card or other valid document or proof evidencing his or her identity and his or her share account card. If he or she appoints a proxy to attend the meeting on his or her behalf, such proxy shall produce his or her own valid proof of identity and the instrument of appointment from the shareholder.

Shareholders that are legal persons shall be represented at a meeting by their legal representative or a proxy appointed by their legal representative. If the legal representative attends the meeting, he or she shall produce his or her own identity card and valid proof of his or her legal representative status. If a proxy has been appointed to attend the meeting, such proxy shall produce his or her own identity card and the lawful written instrument of appointment issued by the legal representative of the legal person shareholder.

Article 83 Any shareholder entitled to attend and vote at a shareholders' meeting shall have the right to appoint one or more persons (who need not be shareholders) as his or her proxies to attend and vote on his or her behalf. Such proxy may exercise the following rights in accordance with his or her appointment by the shareholder:

- (I) the shareholder's right to be heard at the general meeting;
- (II) the right to demand or join in the demand for a ballot; and
- (III) unless as otherwise required by the laws, the securities regulatory authorities or the stock exchange where the shares of the Company are listed, the right to vote by show of hands or by ballot, except that if a shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by ballot.

Article 84 Shareholders shall appoint their proxies by written instruments, which shall be signed by the principals or their agents appointed in writing. If the principal is a legal person, the instrument shall be under the seal of the legal person or signed by its director(s) or duly authorized agent(s).

The instrument of appointment by which a shareholder appoints another person to attend a general meeting shall specify the following particulars:

- (I) the names and other identification information of the principal and of the proxy;
- (II) the number of shares of the principal that the proxy represents;
- (III) whether the proxy has the right to vote;

- (IV) separate instructions as to whether to vote for, vote against, or abstain from voting on, each item on the agenda of the general meeting as an item for consideration thereat;
- (V) whether the proxy has the right to vote on extempore proposals that may be added to the agenda of the meeting and the specific instructions as to what vote to cast if he or she has such right to vote;
- (VI) the date of issuance and term of validity of the instrument of appointment;
- (VII) the signature (or seal) of the principal. If the principal is a legal person shareholder, the power of attorney shall be under the seal of the legal entity or signed by its director(s) or duly authorized agent(s).
- (VIII) if several persons are authorized as the proxy of the shareholder, the letter of authorization shall specify the number of shares to be represented by each proxy.

Article 85 The instrument appointing a voting proxy shall be deposited at the domicile of the Company or at such other place as specified in the notice of the meeting at least 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. If the instrument is signed by another person authorized by the principal, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be deposited together with the instrument appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

If the principal is a legal person, its legal representative or the person resolved and authorized by the Board or other decision-making body shall attend the general meeting of the Company on its behalf.

If the shareholder in question is a recognized clearing house (or its proxy), it may appoint one or more person(s) as it thinks fit to act as its representative(s) at any general meeting or any class meetings. However, if more than one proxy obtain the authorization, the instrument of appointment shall specify the number and class of shares that each proxy represents. Such duly authorized person may represent the recognized clearing house (or its proxy) to exercise the same power (without producing the share certificates, notarized power of attorney and/or further proof of due authorization thereof), as if he/she is an individual shareholder of the Company.

Article 86 Any instrument of appointment issued by the Board of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted on in connection with each topic of the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote as he or she thinks fit.

Article 87 A vote made in accordance with the terms of an instrument of appointment shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authorization under which the proxy was executed, or the transfer of relevant shares, as long as the Company did not receive written notice of the event before the relevant meeting commenced.

Article 88 If the Company convenes a general meeting, all directors, supervisors, and the secretary to the Board of the Company shall attend the meeting. The general manager who is not a director of the Company and other senior management members shall be present at the meeting unless there are good causes.

Article 89 If a general meeting is convened by the Board, the chairman of the Board shall serve as host and preside over the meeting. If the chairman of the Board fails or is unable to perform his or her duties, the meeting shall be presided over by the vice chairman (or the vice chairman jointly determined by all vice chairmen where there are two or more vice chairmen) of the Board. If both the chairman and the vice chairman of the Board fail or are unable to perform his or her duties, the meeting shall be presided over by the director jointly elected by at least one half of the directors.

At a general meeting convened by the Supervisory Committee, the chairman of the Supervisory Committee shall preside. If the chairman of the Supervisory Committee is unable or fails to perform his or her duties, a supervisor jointly elected by at least one half of the supervisors shall preside over the meeting.

If a general meeting is convened by a shareholder himself/herself or shareholders themselves, the meeting shall be presided over by the representative selected by the convener(s).

When a general meeting is held, if the chairman of the meeting violates the rules of procedure, making continuance of the general meeting impossible, with the consent of shareholders holding more than one half of the voting rights present at the meeting, the general meeting may elect a person to serve as the chairman of the meeting and the meeting shall continue. If, for any reason, the shareholders are unable to elect a meeting chairman, the shareholder (including his or her proxy) (except HKSCC Nominees Limited) present who holds the greatest number of voting shares shall serve as the meeting chairman.

Article 90 The Company shall formulate the Rules of Procedure for General Meetings which shall specify in detail the procedures for calling and voting at general meeting, and cover notification, registration, consideration of proposals, voting, vote counting, announcement of voting results, adoption of meeting resolutions, keeping and signing of meeting minutes, announcement, etc., as well as the principles for the authorization of the Board by the general meeting. The contents of the authorization shall be clear and specific.

Article 91 The Board and the Supervisory Committee shall report on their work during the past year to the general meeting at annual general meetings. Each independent non-executive director shall also give a report on the performance of his or her duties.

Article 92 The directors, supervisors and senior management members shall provide explanations in response to the queries and suggestions made by shareholders at a general meeting, unless the matter involves trade secrets of the Company that cannot be disclosed at a general meeting.

Article 93 The chairman of the meeting shall announce the number of shareholders and proxies present at the meeting in person and the total number of voting shares that they hold before a vote is held. The meeting registration shall prevail in respect of the number of shareholders and proxies present at the meeting in person and the total number of voting shares held by them.

Minutes shall be kept of general meetings and the secretary to the Board shall be responsible therefor. The meeting minutes shall include:

- (I) time, place and agenda of the meeting and name of the convener;
- (II) name of the chairman of the meeting and directors, supervisors, general manager and other senior management members present or in attendance at the meeting;
- (III) number of the present shareholders and proxies, the total number of voting shares they represent and the percentage of the total shares of the Company they represent;
- (IV) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the voting results;
- (V) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;
- (VI) the name of counting officers and scrutinizers;
- (VII) such other matters which shall be recorded in the meeting minutes in accordance with the provisions of the laws and regulations.

Article 94 The convener shall ensure that the meeting minutes are true, accurate and complete. The directors, supervisors and secretary to the Board who attended the meeting, the convener or his/her representative and the chairman of the meeting shall sign the minutes. The meeting minutes shall be kept together with the sign-in register of the shareholders present in person, the instruments of appointment of proxies and valid information on votes cast online or by other means for a period of not less than 10 years.

Article 95 The convener shall ensure that the general meeting continues until the final resolution has been adopted. If a general meeting is suspended or is unable to reach a resolution due to force majeure or other such special reason, necessary measures shall be taken to resume the general meeting as soon as possible or the general meeting shall be directly adjourned and the same announced in a timely manner.

Article 96 Resolutions of a general meeting are classified into ordinary resolutions and special resolutions.

Ordinary resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding more than half of the voting rights.

Special resolutions of a general meeting shall be passed by shareholders in attendance (including proxies) holding more than two-thirds of the voting rights.

Article 97 When a shareholder (or a proxy) exercises his or her voting rights based on the number of voting shares which he or she represents, each share shall entitle him or her to one vote.

No voting rights shall attach to the Company's shares held by the Company, and such shares shall not be counted among the total number of voting shares present at a general meeting.

Where any shareholder is, under applicable laws and regulations and the listing rules of the stock exchange where the Company's shares are listed, required to abstain from voting on any particular matter being considered or restricted to voting only for or only against any particular matter being considered, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

The Board, independent non-executive directors and shareholders who are qualified under the relevant conditions may make public solicitation of the shareholders' right to vote. Such information as the specific vote intention shall be sufficiently disclosed to the solicited persons in respect of solicitation of the shareholders' right to vote. It is not permitted to solicit the shareholders' right to vote in a chargeable or disguised chargeable manner. The Company shall not require the minimum shareholding limitation on the solicitation of the right to vote.

Article 98 Votes at a general meeting shall be taken by a show of hands, unless otherwise provided in laws and regulations, or the regulations of the securities regulator of the place where shares of the Company are listed or the stock exchange or unless a vote by ballot is demanded before or after any vote by show of hands by:

- (I) the chairman of the meeting;
- (II) at least two shareholders with voting rights or proxies with voting rights;
- (III) one or several shareholders (including proxies) holding, alone or together, at least 10 percent of the shares carrying the right to vote at the general meeting.

Unless otherwise required by the laws, the securities regulatory authorities or the stock exchange where the shares of the Company are listed, or a vote is held by ballot in accordance with the preceding paragraph, the chairman of the meeting shall announce whether the proposal has been passed in accordance with the results of the vote by show of hands, and

shall record the same in the minutes of the meeting (without need to evidence the number of votes for or against the resolutions adopted at the meeting, or the percentages thereof), which shall be conclusive evidence.

The demand for a vote by ballot may be withdrawn by the person who made it.

Article 99 If the matter demanded to be voted upon by ballot is the election of the chairman or the adjournment of the meeting, a ballot shall be taken immediately. If a ballot is demanded for any other matter, such ballot shall be taken at the time decided upon by the convener of the meeting and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at that meeting.

Article 100 When a ballot is held, shareholders (including proxies) having the right to two or more votes need not use all of their voting rights in the same way.

Article 101 When the numbers of votes for and against are equal, regardless of whether the vote was taken by show of hands or by ballot, the chairman of the meeting shall be entitled to one additional vote.

Article 102 The following matters shall be passed as ordinary resolutions at a general meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and plans for making up losses drafted by the Board;
- (III) the appointment, dismissal and remuneration of the members of the Board and the Supervisory Committee (other than the employee representative directors and supervisors) and the method of payment of the remuneration;
- (IV) annual financial budgets and final accounts of the Company;
- (V) balance sheets, income statements and other financial statements;
- (VI) annual report of the Company;
- (VII) the appointment or removal of an accounting firm;
- (VIII) matters other than those which laws, administrative regulations, the listing rules of stock exchanges on which the Company's shares are listed or these Articles of Association require to be adopted by special resolution.

Article 103 The following matters shall be passed as special resolutions at a general meeting:

- (I) the increase or reduction of the registered capital and issuance of any class of shares, warrants or other similar securities by the Company;

- (II) the issuance of corporate bonds;
- (III) the division, merger, dissolution, liquidation or change in the corporate form of the Company;
- (IV) the amendment of these Articles of Association of the Company;
- (V) the purchase or sale by the Company within one year of (a) material asset(s) exceeding 30% of the audited total assets of the Company at latest period;
- (VI) equity incentive plans;
- (VII) other matters required by laws, administrative regulations, the listing rules of stock exchanges on which the Company's shares are listed or these Articles of Association, or resolved by the shareholders at a shareholders' general meeting, by an ordinary resolution, to be of a nature that may have a material impact on the Company and should be adopted by special resolution.

Article 104 The chairman of the meeting shall decide, based on the voting results, whether or not a resolution of the general meeting has been passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 105 When the general meeting considers matters relating to a connected transaction, the connected shareholders shall not participate in the vote, and the number of voting shares represented by them shall not be counted toward the total number of valid voting shares. The announcement of the resolutions of the general meeting shall fully disclose the way the unconnected shareholders voted.

Article 106 The list of candidates for the position of director or supervisor shall be put in the form of a proposal before the general meeting for voting.

When the general meeting votes on the election of directors or supervisors, it may, pursuant to these Articles of Association or a resolution of the general meeting, do so by cumulative voting.

For the purposes of the preceding paragraph, the term "cumulative voting" means that, when the general meeting votes to elect directors or non-employee representative supervisors, each share carries a number of voting rights equivalent to the number of directors or supervisors to be elected, and a shareholder may cluster his or her voting rights.

The Board shall announce the biographies and basic information of candidates for directors and supervisors to shareholders, which shall include at least the following:

- (I) personal particulars such as educational background, working experience and part-time job;

- (II) whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;
- (III) disclose the number of shares of the Company held by the candidate;
- (IV) whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchange;
- (V) other matters required to be disclosed by the listing rules of the place where the shares of the Company are listed.

Article 107 The method of, and procedure for, nominating directors and supervisors are as set forth below:

- (I) a shareholder alone or shareholders together holding at least 3 percent of the total outstanding voting shares of the Company may propose to the general meeting candidates for the position of director or supervisor who is not a representative of the employees in the form of a written proposal, provided that the number of persons nominated complies with these Articles of Association and is not greater than the number of persons to be elected; the aforementioned proposal submitted to the Company by (a) shareholder(s) shall be served on the Company at least 7 days before the date the general meeting is to be held;
- (II) the Board or the Supervisory Committee may, to the extent of the number of persons specified in these Articles of Association, propose a list of recommended director candidates or supervisor candidates consistent with the number of persons to be elected, and submit the same to the Board or the Supervisory Committee, as the case may be, for review; once the Board or the Supervisory Committee has conducted its review and adopted a resolution determining the director or supervisor candidates, it shall bring the same before the general meeting in the form of a written proposal. The nomination of candidates for independent non-executive directors shall be carried out in accordance with laws and regulations and the regulatory requirements of the places where the Company's shares are listed;
- (III) the written notices of the intention to nominate director or supervisor candidates and of the nominees indicating their willingness to accept the nomination as well as relevant written materials on the nominees shall be dispatched to the Company not earlier than the date after the notice of the general meeting is dispatched and not later than the date of the meeting; the term of the nomination and the acceptance of the nomination shall be no less than seven days. The Board or the Supervisory Committee shall provide to the shareholders the biographies and basic particulars of the director or supervisor candidates;
- (IV) the general meeting votes on each of the director or supervisor candidates;

(V) if the need arises for an additional or replacement of director or supervisor at short notice, the same shall be proposed by the Board or the Supervisory Committee, recommending that the general meeting elect or replace the same.

Article 108 With the exception of the cumulative voting system, the general meeting will hold a vote on each proposal. If there are different proposals concerning a certain matter, the votes thereon shall be taken in the order the proposals were proposed. The general meeting will not set aside or not vote on a proposal, unless the general meeting is suspended or if it is unable reach a resolution due to force majeure or other such special reason.

Article 109 When considering a proposal, the general meeting may not revise it, and should it do so, such amendment shall be deemed as a new proposal and may not be voted on at the current general meeting.

Article 110 The same voting right shall only be exercised by one means, either through on-site voting or via internet or other voting means. If the same voting right is exercised by more than one means, the result of the first vote cast shall prevail.

Article 111 Votes at general meeting shall be cast by disclosed ballot.

Article 112 Before the general meeting votes on proposals, it shall elect two shareholder representatives to count the votes and scrutinize the voting. If any shareholder is interested in the matter to be discussed, the relevant shareholder and his proxy shall not participate in vote counting or scrutinize the voting.

When a general meeting vote on proposals, the counting of votes and scrutinizing of voting shall be conducted together by lawyers, shareholder representatives and supervisor representatives. The voting results shall be announced during the meeting. The voting results shall be contained in the meeting minutes.

A shareholder of the Company or its proxy, who uses the internet or other voting methods, shall be entitled to verify his voting results through relevant voting system.

Article 113 The conclusion of the general meeting on-site cannot be earlier than voting by internet or other methods. The chairman of the meeting shall announce the voting circumstances and results of each resolution, and shall also announce whether the resolutions have been passed according to the voting results.

Before the voting results are officially announced, the companies, counting officers, scrutinizers, major shareholders, the internet service provider and all relevant parties in relation to voting on-site, by internet and otherwise shall be obligated to keep confidential the voting results.

Article 114 If the chairman of the meeting has any doubts concerning the result of the vote on any resolution, he or she may organize a recount of the number of votes cast. If the chairman of the meeting does not conduct a recount of the votes and an attending shareholder

or proxy challenges the result of a vote announced by the chairman of the meeting, he or she has the right to demand a vote recount immediately following the announcement of the result, in which case the chairman of the meeting shall promptly organize a recount of the votes.

Article 115 If a vote recount is conducted at a general meeting, the result thereof shall be recorded in the minutes of the meeting.

The minutes of meetings together with the sign-in register of attending shareholders and the proxy forms shall be kept at the Company's domicile.

Article 116 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours without charge. If any shareholder demands from the Company a photocopy of relevant minutes of meetings, the Company shall send such photocopies within seven days after verifying the identity of the shareholder and receiving payment of reasonable charges.

Article 117 Resolutions of general meetings shall be promptly announced. The announcement shall include the number of the present shareholders and proxies, the total number of voting shares they represent and the percentage of the total voting shares of the Company they represent, the voting method, the voting results of each proposal, and the particulars of each passed resolutions.

Article 118 If any proposal is not adopted, or the current general meeting amends the resolution of the last general meeting, special reminder thereof shall be given in the announcement of the resolutions of the general meeting.

Article 119 If the proposal on election of new directors and supervisors for a new session is passed at the general meeting, the new directors and supervisors shall take office from the date when the resolution is passed at the general meeting.

Article 120 If any proposal for a cash dividend, share allocation, or conversion from capital reserves to share capital is adopted at the general meeting, the Company shall implement detailed plans within 2 months after the conclusion of the general meeting.

CHAPTER IX SPECIAL VOTING PROCEDURES FOR CLASS SHAREHOLDERS

Article 121 Shareholders that hold different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and bear obligations in accordance with laws, administrative regulations and these Articles of Association.

In addition to the holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be deemed to be different classes of shareholders.

Article 122 If the Company intends to vary or abrogate rights of class shareholders, it may do so only after such variation or abrogation has been approved by way of a special resolution of the general meeting and by a separate class meeting convened by the affected class shareholders in accordance with Articles 124 to 128.

Neither the approval of the general meeting nor a class meeting shall be required if a variation or abrogation of the rights of class shareholders arises due to a change in domestic or foreign laws or the listing rules of the place of listing, or due to a decision made in accordance with the law by the domestic or foreign regulator.

The transfer by the Company's holders of all or part of domestic shares held thereby to foreign investors for listing and trading overseas, or the conversion of all or part of domestic shares into overseas listed foreign shares for listing and trading on overseas stock exchange(s), shall not be deemed as the Company's intention to vary or abrogate the rights of any class of shareholders.

Article 123 The rights of a certain class of shareholders shall be deemed to have been changed or nullified in the following circumstances:

- (I) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of other class which enjoy the same or more voting rights, distribution rights or other privileges;
- (II) to convert part or whole of the shares of that class into another class, convert part or whole of the shares of another class into that class, or grant such conversion rights;
- (III) to nullify or reduce the rights of that class of shares to receive payable dividends or cumulative dividends;
- (IV) to reduce or nullify the privileged rights of that class of shares to acquire dividends or to obtain distribution of assets during liquidation of the Company;
- (V) to increase, nullify or reduce the conversion, option, voting, transfer or privileged allotment rights of that class of shares or the rights of such class of shares to obtain securities issued by the Company;
- (VI) to nullify or reduce the rights of that class of shares to receive amounts payable by the Company in a particular currency;
- (VII) to create a new class of shares which enjoys the same or more voting rights, distribution rights or other privileges as compared with that class of shares;
- (VIII) to restrict the transfer and ownership of that class of shares, or increase the restrictions;

- (IX) to grant the share subscription options or share conversion options of that class or another class of shares;
- (X) to increase the rights or privileges of another class of shares;
- (XI) any restructuring scheme of the Company that may result in the assumption of disproportionate responsibilities by different classes of shareholders during the restructuring;
- (XII) to revise or nullify the provisions in the Article of Association.

Article 124 Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at shareholders' class meetings in respect of matters referred to in items (II) to (VIII) and (XI) to (XII) of Article 123, but interested shareholders shall not be entitled to vote at such shareholders' class meetings.

For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meaning:

- (I) if the Company is to issue a repurchase offer to all of the shareholders in the same proportion or is to repurchase its own shares through open transactions on a stock exchange in accordance with Article 33 of these Articles of Association, the controlling shareholder as defined in Article 267 of these Articles of Association shall be an "interested shareholder";
- (II) if the Company is to repurchase its own shares by agreements outside a stock exchange in accordance with Article 33 of these Articles of Association, holders of shares to which such agreements relate shall be "interested shareholders";
- (III) in the Company's restructuring, "interested shareholders" are those who bear a proportionately lower level of obligation compared with other class shareholders, or enjoy different rights from other shareholders in the same class.

Article 125 Resolutions of a class meeting may be passed only by shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 124.

Article 126 When the Company is to hold a class meeting, it shall inform all the registered shareholders of that class of the matters to be considered at and the date and place of the meeting by means of public announcement with reference to the notice period requirements for convening an annual general meeting and an extraordinary general meeting specified in the Article 74 hereof.

The quorum for any class meetings (except for adjourned meetings) convened for the purposes of considering a variation of rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.

Article 127 Notice of class meeting needs to be delivered only to the shareholders entitled to vote thereat.

The procedure according to which class meetings are held shall, to the extent possible, be identical to the procedure according to which general meetings are held. Provisions of these Articles of Association relevant to procedures for the holding of general meetings shall be applicable to class meetings by means of public announcement with reference to the notice period requirements for convening an annual general meeting and an extraordinary general meeting specified in the Article 73 hereof. The quorum for any class meetings (except for adjourned meetings) convened for the purposes of considering a variation of rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.

Article 128 The special voting procedures for class shareholders shall not apply to the following circumstances:

- (I) the Company independently or simultaneously, upon the approval by way of special resolution by general meeting, issues domestic shares and overseas listed foreign shares every 12 months, provided that the amount of each of the domestic shares and overseas listed foreign shares intended to be issued is not more than 20% of the issued and outstanding shares of the respective class;
- (II) the Company's plan on issuing domestic shares and overseas listed foreign shares at time of its incorporation, which is completed within 15 months upon the date of approval from the CSRC;
- (III) subject to the approval from the CSRC, shareholders of domestic shares of the Company may transfer their shares to foreign investors and have the shares listed and traded on overseas stock exchanges.

CHAPTER X BOARD

Section 1 Director

Article 129 The Company shall have a Board which shall be accountable to the general meetings. The Board shall consist of nine directors, including three independent non-executive directors, one employee representative director. The Board have one chairman and where it's necessary, shall have vice chairman.

The general manager or other senior management members may concurrently serve as a director, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management members shall not exceed half of all the directors of the Company.

The number of senior management members of the controlling shareholder also holding the office of the chairman and executive directors of the Company shall not exceed two.

Article 130 The non-employee representative directors shall be elected or replaced at general meeting, while employee representative directors shall be elected or replaced at the general meeting of employees' representatives, staff meeting or otherwise by democratic election. Directors have a term of office of three years. Upon the expiry of the term of office, a director shall be eligible to offer himself for re-election. Prior to the expiry of the term of office of the director, he/she shall not be removed by the shareholders' general meeting without appropriate reasons.

The chairman and vice chairman of the Board shall be elected and removed by more than one-half of all directors with the term of office of three years, and shall be eligible to offer himself for re-election. Directors are not required to hold shares of the Company.

Article 131 A director may resign before the expiry of his/her term of office. The resigning director shall submit to the Board a written resignation. Further details shall be disclosed by the Board as soon as possible.

In case that the number of Board of the Company falls below the quorum as a result of the resignation of a director, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules from regulatory authorities and these Articles of Association until the re-elected directors assume their office.

Other than the circumstances specified in the preceding paragraph of this Article, the resignation of a director shall take effect upon receipt of the resignation by the Board.

Subject to the applicable laws and regulations and the regulatory rules of the place where the share of the Company are listed, if the Board appoints a new director to fill up the temporary vacancy of the board of director, the director so appointed shall accept the election by shareholders at the first general meeting after acceptance of appointment.

Article 132 When a director resigns or his or her term of office expires, he or she shall duly carry out all handover procedures with the Board. His or her fiduciary duty to the Company and the shareholders shall not, as a matter of course, terminate at the end of his or her term of office and shall continue in effect for another three years after the end of the term. The director's obligation to maintain the confidentiality of the Company's trade secrets shall survive the end of his or her term, until such secrets enter the public domain instead of being limited to three years. The terms for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time which has elapsed between the termination of tenure and the occurrence of the matter and the circumstances and conditions under which the relationship with the Company is terminated.

Article 133 In case a director has failed to be present in person twice consecutively or failed to be present in person twice in one year without authorizing another director to be present at the board meeting on his behalf, he shall be considered unable to fulfill his duties as a director, and the Board shall accordingly suggest the shareholders' meeting making replacement. This article does not apply to independent non-executive directors.

Article 134 No director may act on behalf of the Company or the Board in his or her own name unless these Articles of Association specify that he or she may do so or he or she is lawfully authorized to do so by the Board. A director shall declare his position and capacity in advance if, when such director is acting in his or her private capacity, a third party would reasonably assume him or her to be acting on behalf of the Company or the Board.

Article 135 A director who causes the Company to sustain a loss as a result of a violation of a law or a breach of these Articles of Association by him or her during the performance of his or her duties shall be liable for damages.

Article 136 A director who causes the Company to sustain a loss due to his or her unauthorized departure from office prior to the end of his or her term shall be liable for damages.

Subject to applicable laws, administrative regulations, the listing rules of the stock exchange in the place where the Company's securities are listed, the general meeting may remove any director who is not a representative of employees by ordinary resolution before the expiration of his/her term of office without prejudice to any claim for damages by such director pursuant to any contract.

The term of office of a director shall be calculated from the date when he takes office, until expiration of the term of office of the Board of the session. In case of failure to timely elect a director upon expiration of the director's term of office, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules from regulatory authorities and these Articles of Association until the new directors assume their office.

Section 2 Independent Non-Executive Directors

Article 137 The Company shall establish an independent non-executive director system. The term "independent non-executive director of the Company" means a director who does not hold any position in the Company other than director and who has no relationship with the Company or its substantial shareholder(s) (only provided under this Article that substantial shareholders are those shareholders individually or jointly holding more than 5% of total number of the Company's shares with voting rights) that could hinder his or her making independent and objective judgments, and who is in compliance with independence provisions of the listing rules in the place where the Company's shares are listed. Independent non-executive directors shall account for more than one third of the members of the Board of the Company and shall not be less than three, at least one of whom shall be a financial or accounting professional. Moreover, at least one of the independent non-executive directors of the Company must be ordinarily resident in Hong Kong. Independent non-executive directors shall faithfully fulfill their duties and protect the Company's interests, and in particular prevent the legal interests of public shareholders from being harmed, so as to ensure that the interests of all shareholders are fully represented.

The term of office for independent non-executive directors shall be three years, and eligible to offer himself for re-election, but shall not exceed nine years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

If an independent non-executive director fails to meet the conditions of independence or other circumstance arises which makes it inappropriate for him or her to perform his or her duties and responsibilities as an independent non-executive director, thereby causing the failure of the Company to meet the requirements of these Articles of Association concerning the number of independent non-executive directors, the Company shall make up the number of independent non-executive directors in accordance with regulations.

Article 138 A person holding the position of independent non-executive director shall satisfy the basic conditions set forth below:

- (I) to be qualified for directors of a listed company as provided in laws, administrative regulations, listing rules of the stock exchange where the Company's shares are listed and other relevant regulations;
- (II) to comply with the requirements on independence as stipulated in the listing rules of the stock exchange where the Company's shares are listed;
- (III) to possess the basic knowledge of the operations of listed companies, and be familiar with relevant laws, administrative regulations, and rules and regulations;
- (IV) having at least five years of working experience in legal or economic areas, or other experience indispensable for performing the duties as independent non-executive directors; and
- (V) other requirements provided in these Articles of Association.

Article 139 Before expiration of their terms of office, independent non-executive directors shall not be dismissed without proper reasons. In case of an independent non-executive director being dismissed before expiration of his term of office, the Company shall disclose it as a special discloseable matter.

Should an independent non-executive director fail to attend in person the meetings of the Board for three times in succession, the Board may propose to the general meeting for replacing such director.

Article 140 All matters not prescribed in this section for the independent non-executive director system shall be dealt with pursuant to relevant laws, regulations, rules and listing rules of the stock exchange where the Company's shares are listed.

Section 3 Board

Article 141 The Board shall be accountable to the general meeting and perform the following duties and powers:

- (I) to convene the general meeting and report its performance at the general meetings;
- (II) to implement resolutions adopted at the general meetings;
- (III) to make decisions on the Company's business plans and investment plans;
- (IV) to formulate the Company's annual financial budgets and annual final accounting plans;
- (V) to formulate the Company's profit distribution plans and loss recovery plans;
- (VI) to formulate the proposals on the increase or reduction of the Company's registered capital, the issuance of shares, bonds or other securities, and listing plans;
- (VII) to formulate plans for major acquisition, repurchase of the shares of the Company or the merger, division, dissolution or change of the nature of incorporation of the Company;
- (VIII) to decide on such matters as the Company's investments in third parties, purchase and sale of assets, asset mortgages and connected transactions, etc., to the extent authorized by the general meeting;
- (IX) to decide on the provision of security for third parties, entrustment of financial services, bank credit, etc.;
- (X) to determine on the establishment of the Company's internal management bodies and on the establishment or closing of the Company's branches or representative offices;
- (XI) to engage or dismiss the Company's general manager and secretary to the Board; to engage or dismiss such senior management members as deputy general manager, financial officer and etc., as proposed by the general manager, and deciding on matters relating to their remuneration, rewards and punishments;
- (XII) to formulate the basic management system of the Company;
- (XIII) to formulate proposals for amendments to these Articles of Association;
- (XIV) to manage the information disclosure of the Company;
- (XV) to propose to the general meeting the appointment or replacement of an accounting firm that provides audit service of annual financial statement to the Company;

- (XVI) to listen to the work reports of the Company's general manager and inspect his or her work;
- (XVII) to decide the establishment of special committees of the Board and their compositions;
- (XVIII) to consider the acquisition of shares of the Company in accordance with the conditions stipulated in items (III), (V) and (VI) of Clause I of Article 33 of these Articles of Association;
- (XIX) to exercise other functions and powers conferred by the laws, regulations and the listing rules of the stock exchange on which the shares of the Company are listed, at general meetings and these Articles of Association.

Resolutions relating to the preceding paragraph, with the exception of items (VI), (VII), (XIII) and (XVIII) above which shall be approved by more than two thirds of the directors, shall be approved by more than half of the directors. Where the Board considers guarantee-related matters within the scope of its authority, the resolutions shall be subject to the approval of more than two thirds of directors attending the Board meeting and that of half of all directors.

Resolutions made by the Board with respect to connected transactions shall not come into force unless they are signed by independent non-executive directors.

The reasonable expenses incurred in engaging a professional, such as a lawyer, certified public accountant, professional auditor, etc., by the Board in exercising its functions and powers shall be borne by the Company.

Article 142 The Board shall also be responsible for the followings:

- (I) to formulate, review and improve the corporate governance system and condition of the Company;
- (II) to review and supervise the training and continuing professional development of directors and senior management;
- (III) to review and supervise the compliance of the Company's policies with laws and relevant regulations of the securities regulatory authority where the shares are listed and to make the relevant disclosure;
- (IV) to formulate, review and supervise the code of conduct and relevant compliance manual of employees and directors of the Company;
- (V) the Board shall decide the authority of foreign investment, acquisition and disposal of assets, asset mortgages, the provision of security for third parties, entrustment of financial services and connected transactions, and set up strict review and decision-

making procedures; for important investment projects, the Board shall organize the relevant experts and professionals for review and report at general meeting for approval.

The Board shall be responsible for the aforementioned corporate governance functions. It may also delegate the duties to one or more of its special committees of the Board.

Article 143 The Board shall give explanations to the general meeting in respect of audit reports with non-standard audit opinions issued by certified public accountants in respect of financial reports of the Company.

Article 144 The Board shall formulate the rules of procedures of meetings of the Board to ensure the implementation of the resolutions of the general meeting, its work efficiently and decision making in proper manner. The rules of procedures shall be formulated by the Board and approved at the general meetings.

Article 145 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet reviewed by the general meetings, the Board shall not dispose or consent to dispose such fixed assets without prior approval at the general meetings.

The term “fixed assets disposal” referred to in this Article represents (among other things) transferring certain interests in assets, but not including provision of guarantees with fixed assets.

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

Article 146 The chairman of the Board shall perform the following duties and powers:

- (I) to preside over the general meetings, and to convene and preside over Board meetings;
- (II) to supervise and inspect the execution of the resolutions of the Board;
- (III) to sign the securities issued by the Company;
- (IV) to sign the important documents of the Board and other documents required to be signed by the legal representative of the Company and to exercise the powers of legal representative;
- (V) when the chairman of the Board is unable to convene a Board meeting in time in case of force majeure or emergency, he/she shall exercise special right of disposal of the Company’s affairs that conform to laws as well as the Company’s interests and report to the Board timely afterwards;

- (VI) to define the systems necessary for the operation of the Board, and coordinate its operation;
- (VII) to hear regular and non-regular performance reports from the Company's senior officers, and to provide the Board with steering comments on the implementation of board resolutions;
- (VIII) to nominate candidates for the general manager of the Company and the secretary of the Board;
- (IX) to exercise other powers required by the laws, regulations or these Articles of Association or authorized by the Board.

The Board may authorize the chairman to exercise part of the powers of the Board during the closing of meeting when necessary.

Article 147 The vice chairman shall assist the chairman. And in case the chairman is unable or rejects to fulfill his or her duties, the vice chairman shall take the place (provided that there are two or more vice chairman, the vice chairman elected by all vice chairmen); if the vice chairman is unable or rejects to fulfill his or her duties, the director elected by more than half of the directors shall take the place.

Article 148 Meetings of the Board are classified into regular meetings and interim meetings. The Board shall hold at least four regular meetings each year. Meetings shall be convened by the chairman of the Board.

An interim board meeting may be convened upon the proposal of chairman of the Board, shareholders holding more than one tenth of the total number of shares carrying voting rights of the Company, more than one third of the Board or the Supervisory Committee, more than a half of the independent non-executive directors or general managers. Chairman of the Board shall convene and chair the board meeting within five days after receiving such proposal or requirement of security regulator.

Article 149 The notice of board meeting and interim board meeting shall be served in writing to all directors, supervisors, the general manager and the secretary to the Board by hand, facsimile, express delivery service or other electronic means (in case of indirect delivery, telephone acknowledgement shall be made and properly recorded) 14 days (for regular meetings) or five days (for interim meetings) before the date of the meeting.

If an interim meeting of the Board needs to be held quickly due to urgent circumstances, a meeting notice may be given at any time by telephone or other oral method, provided that the convener gives an explanation thereof at the meeting and the same is entered into the meeting minutes.

Article 150 A notice of a meeting of the Board shall include the following particulars:

- (I) the date and venue of the meeting;

(II) the duration of the meeting;

(III) the reasons for holding the meeting and the topics to be discussed thereat;

(IV) the date of issuance of the notice;

(V) the mode of meeting.

A notice given orally shall, at minimum, include the particulars set forth in items (I), (II) and (V) above and an explanation to the effect that circumstances are urgent and an interim meeting of the Board needs to be held as soon as possible.

If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.

Article 151 Meetings of the Board may be held only if more than half of the directors are present.

Supervisors may attend meetings of the Board. The general manager and the secretary to the Board, if they do not concurrently serve as directors, shall attend meetings of the Board. When he or she deems it necessary, the meeting convener may notify other relevant persons to attend a meeting of the Board.

Directors shall attend meetings of the Board in person. In the event of a director is unable to attend a meeting in person for any reason, he may appoint in writing another director to attend the meeting on his behalf. The power of attorney shall contain the name of proxy, subject matters of representation, the scope of the authorization and validity, and signed by the appointer. The proxy shall exercise the rights of a director within the scope of the authorization. A director failing to attend the board meeting in person or by proxy shall be deemed as having waived his voting rights at such meeting.

Article 152 Once each proposal has been fully discussed, the chairman shall propose that the directors present at the meeting vote thereon.

When voting on board resolutions, each director shall have one vote.

The voting options open to directors are consent, opposition and abstention. The directors present at a meeting shall select one from among the foregoing options. If a director fails to select any of the options or selects two or more of the options, the chairman of the meeting shall require him or her to select again. If he or she refuses to make a selection, he or she shall be deemed to abstain. If a director leaves the venue during the course of a meeting without returning to make a selection, he or she shall be deemed to abstain.

Article 153 Votes at meetings of the Board held in person (including meetings held by video conference) shall be held by disclosed ballot. If a director attends a meeting held in person by telephone conference or by way of other such communication equipment, so long

as the directors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the directors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the directors of their opinions at a meeting of the Board, votes may be held and resolutions may be adopted by means of correspondence, and such resolutions shall be signed by the directors in attendance, but a regular meeting of the Board, a meeting at which a major shareholder (for the purpose of this section only, substantial shareholders refer to shareholders who individually or jointly hold more than 10% of total voting shares of the Company) or a director has a conflict of interest in a matter to be considered which the Board has determined to be material and a meeting held to discuss the appointment and dismissal of the company secretary shall not be held by means of correspondence. A deadline shall be set for votes held by means of correspondence, and if a director fails to express his or her opinion by the specified deadline, he or she shall be deemed to abstain.

For a proposal deliberated on at a meeting of the Board to be carried and constituted the corresponding resolution, more than half of all of the Company's directors must cast an affirmative vote therefore. When the numbers of votes for and against are equal, the chairman of the meeting is entitled to cast an additional vote. If laws and these Articles of Association require the consent of a larger number of directors for the adoption of a resolution, such provisions shall prevail.

In the event of a conflict between the content and import of different resolutions, the resolution adopted the later in time shall prevail.

Article 154 If a director has a connected relationship with an enterprise involved in a matter on which a resolution is to be made at a meeting of the Board, he or she shall not exercise his or her right to vote regarding such resolution, nor shall he or she the voting right of another director as such director's proxy thereon. Such a Board meeting may be held only if more than half of the directors without a connected relationship are present, and the resolutions made at such a Board meeting shall require adoption by more than half of the directors without a connected relationship. If the Board meeting is attended by less than three directors without a connected relationship, the matter shall be submitted to the general meeting for consideration.

The definition and scope of associated directors shall be determined in accordance with the requirements of the securities regulator and the stock exchanges where the shares of the Company are listed.

Article 155 For any important matter subject to decision by the Board, all directors must be given advance notice by the time as stipulated in the Articles and Association and provided with sufficient information, which shall be conducted in strict compliance with the prescribed procedures. The directors are entitled to request supplementary information. If at least one-quarter of the directors in attendance or at least two independent non-executive directors believe that they are unable to reach a determination on a relevant matter because the proposal before the Board is unclear or unspecific, the meeting materials are insufficient or other such reason, they may jointly propose that discussion of the proposal in question be postponed to a later time. In such circumstances the Board shall accept the proposal.

The directors who proposed postponement of the discussion shall put forth clear requirements in respect of the conditions that are to be satisfied for the proposal to be submitted again for consideration.

Article 156 The Board may accept the Board meetings in the form of written resolutions in lieu of meetings on site. However, draft proposals of the meeting must be delivered to each director by hand, post, fax or e-mail. If the proposal has been sent to all the directors by the Board, and the number of the directors who have signed the proposal sent to the secretary to the Board by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles of Association. The Board shall keep minutes of its decisions on the matters considered at its meetings. The directors and secretary to the Board attending a meeting shall sign the minutes of the meeting. The directors shall be liable for the resolutions of the Board. If a resolution of the Board is in violation of laws, administrative regulations or these Articles of Association, thereby causing the Company to sustain a material loss, the directors who took part in the resolution shall be liable to the Company for damages. However, if a director is proved to have expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, such director may be released from such liability. The minutes of Board meetings shall be kept in corporate archives for a period of no less than ten years.

Article 157 The minutes of meetings of the Board shall consist of the following:

- (I) the date and venue for the convention of meeting and name of person summoning the meeting;
- (II) the name of the director present and name of director (proxy) being appointed to attend on the other's behalf;
- (III) the agenda;
- (IV) the main point of director's speech;
- (V) the method of voting and the result (the result shall state the number of votes for, against or abstention) of each resolution;
- (VI) other issues that the attending directors think should be recorded.

Article 158 Where necessary, the Board establishes five special committees including the strategy committee, nomination committee, audit committee, remuneration and evaluation committee, and risk management and control committee to provide advice and suggestions for the material decisions of the Board and the exercise of duties by the chairman of the Board within the scope of authorization of the Board. The Board may establish other special committees as required. The Board shall formulate separate terms of reference for each of the special committees of the Board to determine the composition, duties and procedures of

meetings of such special committees. These special committees shall not make any decision in the name of the Board. However, the committees may exercise the right to make decision according to the special authorization of the Board.

CHAPTER XI SECRETARY TO THE BOARD

Article 159 Where necessary, the Company shall have one or two secretary(ies) to the Board, who shall be engaged and dismissed by the Board. The secretary to the Board shall be a member of the senior management members of the Company and be accountable to the Company and the Board.

Article 160 The secretary to the Board shall be a natural person with the necessary professional knowledge and experience. He or she shall be appointed by the Board. His or her main duties shall be as set forth below:

- (I) to prepare and deliver reports and documents issued by the Board and general meetings as required by competent authorities;
- (II) to prepare and deliver reports and documents of the Board and general meetings;
- (III) to prepare the Board and general meetings according to legal procedures, attend the Board meeting and take minutes, and sign on the minutes of meeting to ensure its accuracy;
- (IV) to be responsible for the confidentiality of information and draw up security measures. Take timely remedial measures to explain and clarify it upon divulging of insider information;
- (V) to be responsible for coordination and organization of company information disclosure matters, establish and improve the information disclosure system, to participate in all relevant disclosure of information meeting, aware of the company's major business decisions and relevant information in a timely manner;
- (VI) to be responsible for keeping the register of the shareholders, the register of directors, the materials on the holding of shares by substantial shareholders and directors, and the seals of the Board, and keeping documents and minutes of the Board of the Company and general meetings;
- (VII) to help directors, supervisors, senior management members of the Company to understand their responsibilities conferred by laws, regulations, these Articles of Association and regulations;
- (VIII) to assist the Board in exercising its powers legally, and where the resolution of the Board violates the laws and regulations, this Articles of Association and relevant stipulations, raise a timely objection, and if the Board insists on making such resolution, take minutes about such situation and submit it immediately to all the directors and supervisors of the Company;

(IX) to provide advices and suggestion for making significant decisions;

(X) to perform other duties as stipulated in laws, regulations and these Articles of Association, and as required by security regulator of locality on which the Company's shares are listed.

Article 161 A director or senior management member of the Company other than the general manager and chief financial officer may also act as the secretary to the Board of the Company. Any accountant from accountancy firm or lawyer from law firm which has been appointed by the Company shall not act as the secretary to the Board.

Where the office of secretary is held concurrently by a director, and an act is required to be done by a director and a secretary separately, the person who holds the office of director and secretary shall not perform the act in a dual capacity.

CHAPTER XII GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS

Article 162 The Company shall have a General Manager, several Deputy General Managers (including executive deputy general manager), a Chief Financial officer, Chief Economist and Chief Engineer, and Secretary to the Board.

All senior management members above, other than general manager, are called other senior management members, which are nominated by general manager. General manager and other senior management members are appointed or dismissed by the Board and shall be accountable to the Board and general manager. A director may concurrently serve as general manager or other senior management members.

The general manager and other senior management members shall serve terms of three years and may serve consecutive terms if reappointed.

Article 163 Persons who hold any position other than that of director with the Company's Controlling Shareholder or De facto controller may not serve in senior management members positions of the Company.

Article 164 The general manager shall be accountable to the Board and exercise the following functions and powers:

- (I) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board, and to report on his or her work to the Board;
- (II) to arrange for the implementation of the Company's annual business plans and investment plans;
- (III) to draft the plan for establishment of the Company's internal management organization;

- (IV) to draft the Company's basic management system;
- (V) to formulate the basic rules and regulations of the Company;
- (VI) to request the Board to engage or dismiss other senior management members;
- (VII) to appoint or dismiss management personnel and general staff other than those to be engaged or dismissed by the Board;
- (VIII) to propose the holding of interim meetings of the Board;
- (IX) to decide on other matters of the Company within the scope authorized by the Board;
- (X) to decide on investment, acquisition or sale, financing or other projects other than those subject to the decision of the Board and general meeting; and
- (XI) other functions and powers granted by these Articles of Association or the Board.

Other senior management members excepting for general manager shall assist the general manager and can exercise part of his or her functions and powers according to his or her delegation.

Article 165 The general manager shall attend meetings of the Board. If the General manager is not also a director, he shall not have the right to vote at Board meetings.

Article 166 The general manger shall formulate Detailed Rules for the Work of the General Manger and implement the same after obtaining approval of the Board.

Article 167 The Detailed Rules for the Work of the General Manger shall cover the following:

- (I) the conditions and procedures for the holding of meetings by the general manger, and the attendees thereof;
- (II) the respective specific duties and responsibilities of, and the division of work between, the general manger and other senior management members;
- (III) the authority to apply Company funds and assets and execute material contracts, and the system for reporting to the Board and the Supervisory Committee; and
- (IV) other matters considered necessary by the Board.

Article 168 The general manger may tender his or her resignation before the expiry of his or her term of office. The specific procedure and method for resignation of the general manger shall be provided for in the engagement contract between the general manger and the Company.

Article 169 In the exercise of his or her functions and powers, the general manger shall perform his or her fiduciary duty and obligation of diligence in accordance with laws and these Articles of Association. The general manger and other members of the management who cause the Company to sustain a loss as a result of a violation of the law or a breach of these Articles of Association by him or her during the performance of his or her duties shall be liable for damages.

CHAPTER XIII SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 170 Directors, the general manger and other senior management members may not concurrently serve as supervisors.

Article 171 Supervisors shall serve terms of three years. Upon expiration of their term, supervisors may serve consecutive terms if re-elected.

Article 172 Supervisors may not be removed from office during their term of office without cause.

A supervisor may tender his or her resignation before the expiry of his or her term of office. The supervisors who resign shall submit a written resignation to the Supervisory Committee.

Article 173 If the number of members of the Supervisory Committee falls below the statutory number due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his or her term of office, the former supervisor shall continue to perform his or her duties as supervisor in accordance with laws, regulations, and these Articles of Association until the reelected supervisor takes up his or her position.

Article 174 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 175 Supervisors may attend meetings of the Board as non-voting delegates and raise queries and make suggestions in respect of matters that are the subjects of resolutions of the Board.

Article 176 A supervisor may not use his or her connected relationships to harm the interests of the Company and shall be liable for damages if the Company suffers loss as a result thereof.

Article 177 Supervisors shall perform their supervisory duties faithfully and diligently in accordance with laws, administrative regulations and these Articles of Association and may not use their authority to accept bribes or other illegal income or misappropriate Company property.

If a supervisor violates a law, administrative regulations, department rules or these Articles of Association in performing his or her duties, thereby causing the Company to sustain a loss, he or she shall be liable for damages.

Section 2 Supervisory Committee

Article 178 The Company shall have a Supervisory Committee, which shall consist of five supervisors. The Supervisory Committee shall have one chairman, whose appointment and dismissal shall be subject to the affirmative vote of more than two-thirds of the members of the Supervisory Committee.

The Supervisory Committee shall comprise the shareholder representative and an appropriate ratio of the employee representative of the Company, including three shareholder representatives and two employee representatives. The supervisor served by people other than employee representative shall be elected and removed at the general meeting, while staff representative supervisor at the general meeting of employees' representatives, staff meeting or otherwise by democratic election. The number of employee representative supervisor of the Company shall be not less than one third of the Supervisory Committee total.

Article 179 The Supervisory Committee shall be accountable to the general meeting and exercise the following functions and powers in accordance with the law:

- (I) to review the regular reports of the Company prepared by the Board and to submit written review opinions thereon;
- (II) to check Company finance; to verify financial information such as financial reports, business reports, profit distribution plans, etc. that the Board intends to submit to the Shareholders' General Meeting and, if in doubt, to be able to appoint, in the name of the Company, a registered accountant or practicing auditor to assist in reviewing such information;
- (III) to supervise the directors, the general manager and other senior management members in the performance of their Company duties and to propose the removal of directors or senior management members who violate laws, administrative regulations or these Articles of Association or resolutions of the general meeting;
- (IV) if an act of a director, the General manager and other senior management officers is detrimental to the Company's interests, to require him or her to correct such act;
- (V) to propose the holding of extraordinary general meetings and, in the event that the Board fails to perform its duty of convening and presiding over a general meeting, to convene and preside over such a meeting in accordance with the law;
- (VI) to submit proposals to the general meeting;
- (VII) to propose the holding of interim meetings of the Board;

- (VIII) to sue directors or senior management members in accordance with relevant laws;
- (IX) to conduct an investigation and, if necessary, engage professional organizations, such as accounting firms and law firms, to assist it in its work in the event that it discovers any irregularities in the Company's operations; and
- (X) other functions and powers as stipulated in laws and regulations and these Articles of Associations.

The reasonable expenses incurred in engaging a professional, such as a lawyer, certified public accountant, professional auditor, etc., by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

Article 180 Regular meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee fails to or is unable to perform and exercise his functions and powers, a meeting of the Supervisory Committee shall be convened and presided over by a supervisor jointly nominated by more than half of all supervisors.

Supervisors may propose the calling of interim meetings of the Supervisory Committee.

In convening the regular or interim meetings of the Supervisory Committee, the staff member of the Supervisory Committee shall give a written notice of the meeting a reasonable period before the meeting date. The notice of meeting shall be given to all supervisors by hand, facsimile, email or other means. If a notice is not given by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an interim meeting of the Supervisory Committee is required to be convened as soon as possible, the notice of such meeting shall be given by telephone communication or other verbal means at any time provided that the convener of the meeting gives relevant explanation at the meeting.

Article 181 The Supervisory Committee shall formulate the Rules of Procedure for the Supervisory Committee, which shall specify the procedures for the discussion of matters and voting of the Supervisory Committee so as to ensure the efficiency of work and rationality of the decisions of the Supervisory Committee.

Article 182 Votes at meetings of the Supervisory Committee shall be held by disclosed ballot and each supervisor shall have one vote.

Votes at meetings of the Supervisory Committee held in person (including meetings held by videoconference) may be conducted by a show of hands or disclosed ballot. If a supervisor attends a meeting held in person by telephone conference or by way of other such communication equipment, so long as the supervisors attending the meeting in person can clearly hear what he or she says and communicate with him or her, all the supervisors in attendance shall be deemed to have attended the meeting in person. Subject to ensuring the full expression by the supervisors of their opinions at a meeting of the Supervisory

Committee, votes may be held and resolutions adopted by means of communication, and such resolutions shall be signed by the supervisors in attendance. A deadline shall be set for votes held by means of communication, and if a supervisor fails to express his or her opinion by the specified deadline, he or she shall be deemed to abstain.

The voting options open to supervisors are consent, opposition or abstention. The supervisors present at a meeting shall select one from among the foregoing options. If a supervisor fails to select any of the options or selects more than two of the options, the chairman of the meeting shall require him or her to select again. If he or she refuses to make a selection, he or she shall be deemed to abstain.

The resolution made by the Supervisor Committee shall be passed by more than two thirds of all supervisors.

When voting by way of telecommunications, supervisors shall, after confirming their votes by signing a written opinion on the matter considered and his/her voting intention, fax the same to the ordinary office of the Supervisory Committee. Supervisors who cast votes by way of telecommunications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the meeting notice.

Article 183 The Supervisory Committee shall record the decisions of all matters considered at the meeting into the meeting minutes. Participating supervisors shall sign the meeting minutes for confirmation. A supervisor is entitled to request for some descriptive record to be made with regard to his speech in the meeting. If a supervisor has different opinions on the meeting minutes, he or she may give a written explanation thereof at the time of signing.

If a supervisor fails to sign the meeting minutes for confirmation in accordance with the preceding paragraph, and does not give a written explanation of his or her objections, he or she shall be deemed as being in full agreement with the meeting minutes.

Article 184 The minutes of meetings of the Supervisory Committee, together with the meeting notice, meeting materials, meeting sign-in register, the instruments of appointment of supervisor proxies, the sound recording of the meeting and the vote ballots shall serve as Company files and be kept by relevant departments of the Company (such as the office of the Supervisory Committee) for a period of not less than 10 years.

Article 185 A notice of a meeting of the Supervisory Committee shall include the following particulars:

- (I) the date, venue and duration of the meeting;
- (II) the reasons for holding the meeting and the topics to be discussed thereat;
- (III) the date of issuance of the notice.

CHAPTER XIV PARTY COMMITTEE AND COMMISSION FOR DISCIPLINE INSPECTION OF THE COMPANY

Article 186 Holding high the great banner of socialism with Chinese characteristics, guided by Marxism-Leninism, Mao Zedong Thought, Deng Xiaoping Theory, the “Theory of Three Represents”, the Scientific Outlook on Development, Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhering to the basic theory, the basic path and the basic strategy of the Party, enhancing the “Four Consciousness”, persisting with “Four Confidences”, endeavoring to “Upholding in the Two Aspects”, asserting and strengthening the Party’s overall leadership over enterprises.

Article 187 In accordance with the Constitution of the Communist Party of China, the Regulations on the Work of Communist Party Grassroots Organizations of the State-owned Enterprises (Trial Implementation) and the relevant requirements and with the approval of senior Party organizations, the Company has established the Committee of the Communist Party of China of YCIH Green High-Performance Concrete Company Limited (the “**Party Committee**”). Meanwhile, the Company has also established the Commission for Discipline Inspection of the Communist Party (the “**Discipline Inspection Commission**”) according to the relevant requirements.

Article 188 The Party Committee of the Company shall be elected by the Party member congress or the Party member representative congress and each term of office is five years. Re-election shall be conducted periodically upon the expiration of the term of office. Each term of office of the Discipline Inspection Commission shall be the same as the Party Committee.

Article 189 The Party Committee of the Company shall generally consist of five to nine members, with a maximum number of eleven. There shall be one party secretary, and one to two deputy party secretaries. The positions of secretary, deputy secretary and members of the Discipline Inspection Commission of the Company shall be set up in accordance with the decision(s) made by the senior Party Committee, and be elected or appointed pursuant to relevant rules such as the Constitution of the Party.

Article 190 By insisting on and improving the leadership mechanism of “Dual Entry and Cross Appointment”, eligible members of the Party Committee are entitled to be admitted to the Board, the Supervisory Committee and the management according to legal procedures, while eligible members of the Board, the Supervisory Committee and the management who are also Party members are entitled to be admitted to the Party Committee in accordance with relevant regulations and procedures. Generally, the positions of secretary of the Party Committee and the chairman of the Board are held by the same person. The chairman of the Board and the general manager who are Party members shall serve as the deputy secretaries if the secretary of the Party Committee and the chairman of the Board are appointed separately due to work needs.

Article 191 The Party Committee of the Company shall play a leading role in supervising the Company's direction of development, monitoring the whole picture and ensuring the implementation, discussing and making decisions on significant matters of the Company in accordance with the regulations. The main responsibilities are:

- (I) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;
- (II) to thoroughly study and implement Xi Jinping Thought on Socialism Ideology with Chinese Characteristics for a New Era, learn and propagate the Party's theory, thoroughly implement the Party's guidelines, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the senior Party organisation in the Company;
- (III) to study and discuss the significant operation and management matters of the Company and support the Board, the Supervisory Committee and the management to exercise their rights and perform their duties in accordance with the laws;
- (IV) to strengthen the leadership and gatekeeper's role in selecting and using personnel of the Company, and the building of the leading team, the cadres team and the talents team of the Company;
- (V) to undertake the main responsibility in improving Party conduct and upholding integrity, lead and support discipline inspection institutions to perform their supervisory and disciplining responsibilities as well as exercise strict administrative discipline and political rules and promote the comprehensively strict Party self-governance into the grassroots level;
- (VI) to strengthen the building of grassroots-level Party organisations and the Party members team, unite and lead employees to devote themselves into the reform and development of the Company;
- (VII) to lead the Company's ideological and political work, the construction of spiritual civilization and the united front work, and lead the mass organisations such as the labour union, the Communist Youth League and the Women's Organisation of the Company.

Article 192 Major operation and management matters of the Company must be studied and discussed by the Party Committee before they are submitted to the Board or the management for determination. The main topics studied and discussed include:

- (I) thorough implementation of the decisions and deployments of the Party Central Committee and important measures of national development strategies;
- (II) the development strategies, medium and long term development plans and important reform proposals of the Company;
- (III) principal and directional matters in respect of the asset restructuring, asset transfer, capital operation and significant investment of the Company;
- (IV) the establishment of and adjustment to the Company's organizational structure and the formulation and amendment of the Company's important rules and systems;
- (V) important matters regarding the Company's safe production, maintenance of stability, interests of employees and social responsibilities;
- (VI) other material matters required to be studied and decided by the Party Committee.

The Party Committee of the Company shall, according to the scope of its responsibilities and powers, make a list of matters to be studied and discussed and clarify the powers and responsibilities between the Party Committee and the Board, the Supervisory Committee, the management and other governance bodies. If it is necessary to make amendments due to national policies, enterprise reform and development, etc., it shall be amended only after discussion and determination by the Party Committee.

Article 193 The Discipline Inspection Commission of the Company is a special organ for internal supervision of the Party of the Company. Its main tasks and responsibilities are as follows:

- (I) to safeguard the Constitution of the Communist Party of China and other Party laws and regulations;
- (II) to check the implementation of the Party's routes, guidelines, policies and decisions;
- (III) to assist the Party Committee of the Company in promoting comprehensive and strict governance of the Party, enhancing the construction of the Party conduct and organizing and coordinating anti-corruption work;
- (IV) to perform the responsibilities of supervision, discipline enforcement and accountability, carry out discipline observance education to Party members on a regular basis, and make relevant decisions to safeguard the Party's disciplines;

- (V) to supervise Party organizations and leading cadres of Party members in performing their duties and exercising their powers, accept and handle the complaints and reports made by Party members and the general public, and carry out conversation reminder, interview and letter inquiries;
- (VI) to supervise and handle the relatively important or complicated cases of Party organizations and Party members violating the Constitution of the Party and other internal Party laws and regulations, and make decisions on determination or cancellation of the punishments on those Party members involved in these cases;
- (VII) to pursue accountability or propose enforcing accountability;
- (VIII) to accept and hear the complaints and appeals from the Party members;
- (IX) to safeguard the rights of the Party members.

Article 194 The Party Committee of the Company must assume the leadership responsibility for strict self-governance in an all-round manner, enhance the education and management of Party members, seriously organize the Party's life, and do the best in daily management work such as development of Party members.

Article 195 The Party Committee of the Company shall establish the office, organizational department, publicity department and relevant working organizations based on actual needs. The Company shall designate certain full-time and part-time staff for Party affairs based on the number of employees and the actual needs of the Company. The same-level treatment policy should be strictly implemented so as to facilitate the two-way exchange between Party affairs staff and other management personnel. The Company shall ensure sufficient funds for the work of Party organizations through inclusion in management expenses and retention of Party fees and prioritize the frontline of the production and operation. The fee to be included in the management expenses is generally calculated as 1% of the total wages of employees of the Company in the previous year, and is included in the annual budget of the Company.

Article 196 Specialized departments shall be established under the Party Committee and the Discipline Inspection Committee of the Company, meanwhile mass organizations such as Labor Union and League Committee shall be established. The Labour Union has chairman and vice chairman. The Company shall satisfy the necessary conditions for its Labour Union's activities. The Labour Union shall, on behalf of the employees, conclude the collective contract with the Company with respect to the remuneration, working hours, welfare, insurance, work safety and sanitation and other matters. The Company shall improve the democratic management system taking the Workers' Congress as the basic form, put into practice the right to know, participation right, expression right and right of supervision of staff and workers, so as to fully motivate the enthusiasm, initiative and creativity of staff and workers.

CHAPTER XV QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 197 In the conditions as set out below, the following persons shall not serve as directors, supervisors, general manager or other senior management members of the Company:

- (I) persons without civil capacity or with limited civil capacity;
- (II) persons who have committed corruption, bribery, embezzlement, misappropriation of property or disruption of the order of socialist market economy and have been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, or who have been deprived of their political rights due to the commission of a criminal offense, where less than five years have elapsed since the date of restoring their political rights;
- (III) persons who were former directors, factory managers or managers of a company or enterprise which was declared bankrupt and was liquidated and who were personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) persons who were legal representatives of a company or enterprise which had its business license revoked and had been ordered to shut down due to violation of the laws and who were personally liable, where less than three years have elapsed since the date of the revocation;
- (V) persons who have a substantial amount of debts due and outstanding;
- (VI) persons who were investigated by judicial offices and the lawsuit is not settled yet;
- (VII) persons who cannot serve as corporate leaders according to laws and administrative regulations;
- (VIII) non-natural person;
- (IX) persons who have been convicted by the competent authority for violation of securities regulations and acting fraudulently or dishonestly, where less than five years have elapsed since the date of conviction;
- (X) the person is currently being prohibited from participating in securities market by the CSRC and such barring period has not elapsed; or
- (XI) circumstances as required by the relevant laws and regulations of a place where the Company's shares are listed.

If a director, supervisor, the general manager or other senior management members is elected or appointed in violation of this Article, such election, appointment or engagement shall be invalid.

Article 198 The validity of an act of a director, the general manager or other senior management members of the Company on behalf of the Company shall not, vis-a-vis a bona fide third party, be affected by any non-compliance in his/her holding of such office, election or qualifications.

Article 199 Besides the obligations as stipulated in the laws, administrative regulations or the listing rules of the stock exchanges where the stocks of the Company are listed, the Directors, Supervisors, general manager and other senior management of the Company shall perform the following obligations on each shareholder when exercising the powers conferred on them by the Company:

- (I) not to allow the Company to operate beyond the scope stated in the business license;
- (II) to act, bona fide, in the best interests of the Company;
- (III) not to deprive in any way the properties of the Company, including but not limited to opportunities advantageous to the Company;
- (IV) not to deprive the personal interests of shareholders, including but not limited to the right to distributions and the right to vote; however, company restructuring proposed to the general meeting for approval in accordance with these Articles of Association is excluded.

Article 200 The Company's directors, supervisors, general manager and other senior management members shall have an obligation, in the exercise of their rights or discharge of their obligations, to perform their acts with due care, diligence and skill that a reasonably prudent person should exercise in comparable circumstances.

Article 201 The directors, supervisors, general manager and other senior management members of the Company shall perform their duties in accordance with the principle of honesty and shall not put themselves in a position where their duties and their interests may conflict. These principles include but not limited to the following:

- (I) to act, bona fide, in the best interests of the Company;
- (II) to exercise powers within the scope of their powers;
- (III) to exercise their discretion vested in them and not to allow themselves to act under the control of another and, unless and to the extent permitted by the laws or with the informed consent of shareholders' general meeting, not to delegate others to exercise their discretion;

- (IV) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (V) not to enter into any contract, transaction or arrangement with the Company unless otherwise provided by these Articles of Association or with the informed consent of shareholders' general meeting;
- (VI) not to use the Company's property for their own benefit without the informed consent of shareholders' general meeting;
- (VII) not to exploit their positions to accept bribes or other illegal income or expropriate the property of the Company by any means, including but not limited to opportunities advantageous to the Company;
- (VIII) not to accept commissions in connection with the transactions of the Company without the informed consent of shareholders' general meeting;
- (IX) to abide by these Articles of Association, perform their official duties faithfully and protect the interests of the Company, and not to exploit their positions and powers in the Company for their own interests;
- (X) not to use the advantages of his or her office to appropriate for himself/herself or for others, business opportunities which rightly belong to the Company, operate a business for his own account or on behalf of others which is of the same type as the Company's business or compete with the Company in any way without the informed consent of the general meeting;
- (XI) not to misappropriate the Company's funds or loan the Company's funds to others, not to open accounts in their own names or other names for the deposit of the assets or funds of the Company; not to provide guarantees to the Company's shareholders' or other individual(s)' debts with the assets of the Company;
- (XII) unless otherwise permitted by shareholders' general meeting, to keep confidential the information acquired by them in the course of and during their tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other government authorities is permitted if the disclosure is:
 - 1. by order of the laws;
 - 2. in the interests of the public;
 - 3. in the interest of the relevant Director, Supervisor, general manager or other senior management.

Proceeds from violating the above persons shall belong to the Company; losses caused to the Company by such persons shall be indemnified by the same.

Article 202 Directors, supervisors, general manager or other senior management of the Company shall not direct the following persons or bodies (“**Relevant Person**”) to do anything to which the directors, supervisors, general manager or other senior management are not permitted:

- (I) the spouse or a minor child of such director, supervisor, general manager or other senior management members of the Company;
- (II) a trustee of such director, supervisor, general manager or other senior management members of the Company or of any person referred to in item (I) of this Article;
- (III) a partner of such director, supervisor, general manager or other senior management members of the Company or of any person referred to in items (I) and (II) of this Article;
- (IV) a company over which such director, supervisor, general manager or other senior management members of the Company, alone or jointly with any person referred to in items (I), (II) and (III) of this Article or any other director, supervisor, general manager or other senior management members of the Company, has de facto control;
- (V) a director, a supervisor, the general manager or other senior management members of a company being controlled as referred to in item (IV) of this Article.

Article 203 The fiduciary obligation of the Company’s directors, supervisors, general manager and other senior management members shall not necessarily cease upon the termination of their tenure. Their confidentiality obligation in relation to the Company’s trade secrets shall survive the termination of their tenure. The terms for which other obligations shall continue shall be decided upon in accordance with the principle of fairness, depending on the time which has elapsed between the termination of tenure and the occurrence of the matter and the circumstances and conditions under which the relationship with the Company is terminated.

Article 204 A director, a supervisor, the general manager or other senior management members of the Company may, with informed consent of the general meeting, be relieved of liability for a specific breach of his or her obligations, except in circumstances as specified in Article 62 of these Articles of Association.

Article 205 If a director, a supervisor, the general manager or other senior management members of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement concluded or planned by the Company (excluding his or her engagement contract with the Company), he or she shall disclose the nature and extent of his or her interest to the Board at the earliest opportunity, whether or not the matter is normally subject to the approval or consent of the Board.

If a director has a connected relationship (meaning that he or she serves as director or senior management member in the transaction counterparty, or directly or indirectly controls the entity with legal personality of the transaction counterparty, or serves as director or senior management member in the entity with legal personality that is directly or indirectly controlled by the transaction counterparty) with an enterprise involved in a matter on which a resolution is to be made at a meeting of the Board, he or she may not exercise his or her voting rights regarding such resolution, nor may he or she exercise voting rights thereon as the proxy of another director. Such a meeting of the Board may be held if more than one half of the directors without a connected relationship are present (directors with a connected relationship shall abstain from attending), and the resolutions made at such a meeting of the Board shall require adoption by more than one half of the directors without a connected relationship. If the meeting of the Board is attended by less than three directors without a connected relationship, the matter shall be submitted to the general meeting for consideration.

Other than exceptions otherwise approved by listing rules of the place where the Company's shares are listed, or by the Hong Kong Stock Exchange, a director may not vote on any contract, transaction or arrangement in which he or she or any person closely connected to him or her (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited valid from time to time) has a material interest and which is to be approved by the Board or any other proposals related thereto. Related director may also not be included in the quorum of meeting. Unless the interested director, supervisor, general manager or other senior management members of the Company has disclosed such interest to the Board as required under the first paragraph hereof and the matter has been approved by the Board at a meeting in which he or she was not counted in the quorum and had refrained from voting, the Company shall have the right to void the contract, transaction or arrangement, unless the other party is a bona fide party acting without knowledge of the breach of obligation by the director, supervisor, general manager or other senior management members concerned.

A director, a supervisor, the general manager or other senior management members of the Company shall be deemed to be interested in any contracts, transactions or arrangements in which a connected person of that director, supervisor, general manager or other senior management members is interested.

Article 206 If a director, a supervisor, the general manager or other senior management members of the Company gives a written notice to the Board before the conclusion of the contract, transaction or arrangement is first considered by the Company stating that, by reason of the contents of the notice, he is interested in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor, general manager or other senior management members of the Company shall be deemed for the purposes of the preceding Article of this Chapter to have declared his interest, to the extent stated in the notice.

Article 207 The Company may not in any manner pay tax on behalf of its directors, supervisors, general manager or other senior management members.

Article 208 The Company may not directly or indirectly provide a loan to, or loan guarantees for, its directors, supervisors, general manager and other senior management members or those of its parent company, or provide loans to or loan guarantees for connected persons of the above-mentioned persons.

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

- (I) the provision by the Company of a loan to or a loan guarantee for a subsidiary of the Company;
- (II) the provision by the Company of a loan to, a loan guarantee for or other moneys to a director, a supervisor, the general manager or other senior management members of the Company under an engagement contract approved by the general meeting, so as to enable him to meet the expenses incurred for the purposes of the Company or for the performance of his or her duties to the Company;
- (III) the provision by the Company of a loan or a loan guarantee to a relevant director, a supervisor, the general manager or other senior management members of the Company or to a connected person thereof on normal commercial terms, if the ordinary scope of business of the Company includes the lending of money or the provision of loan guarantees.

Article 209 A loan provided by the Company in breach of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 210 A loan guarantee provided by the Company in breach of the first paragraph of Article 208 shall be unenforceable against the Company, unless:

- (I) the loan was provided to a connected person of a director, a supervisor, the general manager or other senior management members of the Company or of its parent company, and at the time the loan was advanced the lender did not know the relevant circumstances;
- (II) the collateral provided by the Company has been lawfully sold by the lender to a bona fide purchaser.

Article 211 For the purposes of the preceding Articles of this Chapter, the term “guarantee” shall include an act whereby the guarantor assumes liability or provides property to guarantee or secure the performance of obligations by the obligor.

Article 212 If a director, a supervisor, the general manager or other senior management members of the Company breaches his or her obligations to the Company, the Company shall, in addition to any rights and remedies provided by law, administrative regulations, have the right to:

- (I) require the relevant director, supervisor, general manager or other senior management members to compensate for the losses sustained by the Company as a consequence of his or her dereliction of duty;
- (II) rescind any contracts or transactions concluded by the Company with the relevant director, supervisor, general manager or other senior management members and contracts or transactions with a third party (where such third party is well aware or should know that the director, supervisor, general manager or other senior management members representing the Company was in breach of his or her obligations to the Company);
- (III) require the relevant director, supervisor, general manager or other senior management members to surrender the gains derived from the breach of his or her obligations;
- (IV) recover any moneys received by the relevant director, supervisor, general manager or other senior management members that should have been received by the Company, including but not limited to commissions;
- (V) require the relevant director, supervisor, general manager or other senior management members to return the interest earned or possibly earned on the moneys that should have been given to the Company;
- (VI) recover any property obtained by the director, supervisor, general manager or other senior management member convicted of the breach of his duties by legal proceedings.

Article 213 The Company shall conclude written contracts with each director, supervisor and other senior management of the Company, which shall be approved by the general meeting before they are entered into.

Written contracts shall at least include the following provisions:

- (I) the directors, supervisors or senior management shall undertake to the Company to abide by the Company Law, the Special Regulations, these Articles of Association, Code on Takeovers and Mergers, Code on Share Buy-backs and other rules of Hong Kong Stock Exchange, and agree that the Company will be entitled to take remedies specified in these Articles of Association, and the contract and its position shall not be transferred;

(II) the directors, supervisors or senior management shall undertake to the Company on behalf of each shareholder, to abide by and perform their obligations to shareholders provided by these Articles of Association;

(III) arbitration provisions stipulated in Article 264 of these Articles of Association.

(IV) remuneration of the directors, supervisors or senior management.

The aforementioned remuneration shall include:

(I) remuneration in respect of his or her service as a director, supervisor or senior management members of the Company;

(II) remuneration in respect of his or her service as a director, supervisor or senior management members of a subsidiary of the Company;

(III) remuneration for other services provided toward the management of the Company or a subsidiary thereof; and

(IV) the payment by way of compensation for his or her loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him or her on the basis of the aforementioned matters, except under a contract as mentioned above.

The Company shall disclose to its shareholders on a regular basis the remuneration of its directors, supervisors and senior management given by the Company.

Article 214 The Company shall specify in the contract concluded with a director or supervisor of the Company concerning his or her remuneration that in the event of a takeover of the Company, a director or supervisor of the Company shall, subject to prior approval of the general meeting, have the right to receive the compensation or other moneys obtainable for loss of office or retirement.

For the purposes of the preceding paragraph, the term “a takeover of the Company” shall mean either of the following:

(I) anyone making a purchase offer to all of the shareholders; or

(II) anyone making a purchase offer such that the offeror will become a controlling shareholder. The definition of the controlling shareholder is the same as that defined in these Articles of Association.

If the relevant director or supervisor has failed to comply with this Article, any sums received by him or her shall belong to those persons that have sold their shares as a result of their acceptance of the aforementioned offer, and the expenses incurred in the pro rata distribution of such sums shall be borne by the relevant director or supervisor and may not be paid out of such sums.

CHAPTER XVI FINANCIAL AND ACCOUNTING SYSTEMS AND DISTRIBUTION OF PROFITS

Article 215 The Company shall formulate its financial and accounting systems in accordance with the laws, administrative regulations and the standards formulated by relevant state authorities.

Article 216 The Company shall prepare financial reports at the end of each fiscal year. Such reports shall be audited by an accounting firm in accordance with the law.

The Company shall adopt the Gregorian calendar year as its fiscal year, which shall commence on January 1 and end on December 31 of the same Gregorian calendar year. The Company shall adopt the Renminbi as its bookkeeping base currency and its account books shall be kept in Chinese.

Article 217 The Company shall publish financial reports twice every fiscal year, namely an interim financial report within 60 days after the end of the first six months of the fiscal year and an annual financial report within 120 days after the end of the fiscal year.

Article 218 The Board of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations require the Company to prepare.

Article 219 The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

The Company shall send the above report or the report of the Board together with the balance sheet (including all annexes to the balance sheet as prescribed by the applicable laws), profit and loss account or income and expenditure statement, or summary financial report to each holder of overseas listed foreign shares by pre-paid mail at least 21 days before the convening of the annual general meeting. The address of the recipient shall be the registered address as shown on the register of shareholders. Subject to the laws, administrative regulations and the listing rules of the place where the Company's shares are listed, the Company may do so by way of announcement (including publication on the Company's website).

Article 220 The Company shall prepare its financial statements in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas. In case

of any material difference between the financial statements respectively in accordance with the two accounting standards, explanations shall be made in the notes to the financial statements. Distribution of the profit after tax for the relevant fiscal year shall be based on the lesser of the profit after tax as shown in the two sets of financial statements.

Article 221 The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the place where the Company's shares are listed overseas.

Article 222 The Company shall not keep accounts other than those provided by law. Any assets of the Company shall not be kept under any account opened in the name of any individual.

Article 223 The capital reserve shall include the following funds:

- (I) the premiums obtained from the issue of shares above par;
- (II) other revenue required by the State Council's finance authority to be included in the capital reserve.

Article 224 During the distribution of its after-tax profit for the current year, the Company shall withdraw 10% after-tax profit as statutory common reserve fund.

The Company may not withdraw statutory common reserve fund if the cumulative amount has exceeded 50% of the Company's registered capital.

Where the statutory common reserve fund of the Company is not sufficient to recover its losses in the previous years, the profits of the current year shall be used to make up the loss before the withdrawing of the statutory common reserve fund in accordance with the above provisions.

After the withdrawing the statutory common reserve fund from the after-tax profit by the Company, the discretionary reserve may be withdrawn from the after-tax profit with the approval from the general meeting.

After the Company has made up its losses and made allocations to its common reserves, the remaining profits of the Company shall be distributed in proportion to the shareholdings of its shareholders, unless these Articles of Association provide that distributions are to be made otherwise than proportionally.

If the general meeting violates the preceding paragraph and distributes profits to shareholders before the Company recovers losses and withdraws statutory common reserve fund, the shareholders shall return the profits distributed in violation of the provisions to the Company.

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

Article 225 The Company's common reserves shall be used to make up the Company's losses, to expand the Company's production and operations or, through conversion into capital, to increase the Company's capital. However, the capital common reserve will not be used to make up the Company's losses.

When funds in the statutory common reserve are converted into capital, the funds remaining in such reserve will not be less than 25% of the Company's registered capital before the conversion.

Article 226 The Company may distribute dividends in either of the following manners (or both of them):

- (I) cash;
- (II) share certificates.

Article 227 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof in a dividend subsequently declared.

Article 228 The Company shall appoint one or more receiving agents for holders of overseas listed foreign shares in Hong Kong to collect on behalf of the relevant shareholders the dividends distributed and other moneys payable in respect of overseas listed foreign shares, and hold the same until they can be paid to the relevant shareholders.

The receiving agents appointed by the Company shall meet the requirements of the laws of the place, or the relevant regulations of the stock exchange, where shares are listed.

The receiving agents appointed by the Company for the holders of overseas listed foreign shares listed on the Hong Kong Stock Exchange shall be trust companies registered under the Trustee Ordinance of Hong Kong.

Subject to the laws of the PRC, the Company may exercise the power to forfeit unclaimed dividends, provided that it does so only after the expiration of the applicable relevant period.

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

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

- (I) the Company was, during a period of 12 years, required to pay at least three dividends in respect of the shares in question but no dividend during that period was claimed; and
- (II) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an announcement published in newspapers in the place where the Company's shares are listed and notifies the Hong Kong Stock Exchange of such intention.

Article 229 Dividend distribution policies of the Company are to be specified as follows:

- (I) the Board of the Company proposes the profit distribution plan to the general meeting for approval based on the Company's overall business position, operation results, financial results, operation capital, capital demand, future prospect, cash flows and any other factors deemed as relevant by the Board, taking full account of return to investors, provided that the earnings and accumulative undistributed dividends for the year are positive and the statutory common reserve and the surplus reserve are provided in full.
- (II) the profit distribution policy shall remain consistent and stable, and shall be in the interest of the Company in the long term in the interests of all Shareholders as a whole and in line with the sustainable development of the Company.
- (III) the Company shall distribute its profits in proportion to the shareholdings of its shareholders through cash, share certificates, or both, or other method appropriate. In principle, the Company will distribute profits once a year, which shall be no less than one third of distributable profits of the parent company reached during the same year, and shall be distributed in the next year.
- (IV) in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations, proposed by the Board and passed by the general meeting, the Company may adjust its profits distribution policy.
- (V) the profit distribution policy shall be formulated by the Board of the Company and be considered and approved at the general meeting. The adjusted profit distribution policies shall not violate the laws and regulations, department rules, regulatory documents and the relevant provisions of these Articles of Association.

Article 230 After the Company's general meeting has passed a resolution on the profit distribution plan, the Company's Board must complete the dividend (or share) distribution within two months after the general meeting.

Article 231 Cash dividends and other payments by the Company to holders of domestic shares shall be distributed and paid in Renminbi, whereas those to holders of overseas listed foreign shares shall be denominated and declared in Renminbi and paid in foreign currency. The foreign currency for the cash dividends and other payments by the Company to holders of overseas listed foreign shares and other holders of foreign shares shall be handled in accordance with state regulations on foreign exchange control.

Article 232 When distributing dividends to shareholders, the Company shall withhold and turn over the tax payable on the dividend income of shareholders based on the amount distributed and in accordance with PRC tax laws.

Article 233 The Company shall implement an internal auditing system and appoint dedicated auditing personnel to carry out internal auditing and supervision of the Company's financial revenues and expenditures, and economic activities.

Article 234 The Company's internal auditing system and the responsibilities of its auditing personnel shall be implemented after the approval thereof by the Board. The person in charge of auditing shall be accountable and report to the Board.

CHAPTER XVII ENGAGEMENT OF ACCOUNTING FIRMS

Article 235 The Company shall engage an independent accounting firm that complies with relevant provisions of PRC laws to audit the annual financial reports and review other financial reports of the Company.

The first accounting firm of the Company may be engaged by the inaugural general meeting prior to the first annual general meeting. Such accounting firm shall hold office until the conclusion of the first annual general meeting.

If the inaugural general meeting does not exercise its power under the preceding paragraph, the Board shall exercise such power.

Article 236 The term of engagement of an accounting firm engaged by the Company shall commence upon the conclusion of the annual general meeting of the Company and end upon the conclusion of the next annual general meeting.

Article 237 An accounting firm engaged by the Company shall have the following rights:

- (I) the right of accessing to the account books, records or vouchers of the Company and the right to require directors, the general manager or other senior management members of the Company to provide relevant information and explanations;

- (II) the right to require the Company to take reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties;
- (III) the right to attend shareholders' meetings in a non-voting capacity, to receive notice of or other information concerning any meetings of or concerning which shareholders have a right to receive notice or other information, and to be heard at any shareholders' meetings on any matter which relates to it as the accounting firm of the Company.

The Company must provide true and complete accounting vouchers, books and accounts, financial and accounting reports and other accounting data to the certified public accountants' firm engaged without any refusal, withholding and misrepresentation.

Article 238 If the position of accounting firm becomes vacant, the Board may appoint an accounting firm to fill such vacancy before a general meeting is held. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy persists, such accounting firms may continue to act.

Article 239 Notwithstanding the terms set out in the contract between the Company and the accounting firm, Shareholders at a shareholders' general meeting may, by way of ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the right of the firm to claim for damages in respect of such removal.

Article 240 The remuneration of the accounting firm or the way in which the firm is to be remunerated shall be determined by the shareholders' general meeting. The remuneration of the accounting firm appointed by the Board shall be determined by the Board.

Article 241 The engagement, dismissal or non-renewal of engagement of an accounting firm shall be decided upon by the general meeting and be reported to the State Council's securities authority for the record.

Where it is proposed that any resolution be passed at a general meeting concerning the appointment of a certified public accountants' firm, which is not an incumbent firm, to replace an existing accountants' firm or to fill a casual vacancy in the office of the certified public accountants' firm, or to reappoint a retiring certified public accountants' firm which

was appointed by the Board to fill a casual vacancy, or to remove the certified public accountants' firm before the expiration of its term of office, the following provisions shall apply:

- (I) the proposal of engagement or dismissal shall be sent, before issuance of the notice of the general meeting, to the accounting firm proposed to be appointed or the accounting firm proposing to leave its post or the accounting firm that has left its post in the relevant fiscal year. Leaving includes leaving by removal, resignation and retirement;
- (II) if the accounting firm leaving its post makes representations in writing and requests the Company to notify its shareholders of such representations, the Company shall (unless the representations are received too late):
 - (i) in any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm that is leaving its post; and
 - (ii) serve a copy of the representations as an attachment to the notice on the shareholders who are entitled to receive the notice of general meeting by the method specified in these Articles of Association.
- (III) if the accounting firm's representations are not sent under item (II) of this Article, the relevant accounting firm may require that the representations be read out at the general meeting and make further appeal;
- (IV) an accounting firm that is leaving its post shall be entitled to attend:
 - (i) the general meeting at which its term of office would otherwise have expired;
 - (ii) any general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (iii) any general meeting convened on its resignation.

The accounting firm that is leaving its post is entitled to receive all notices of, and other information relating to, any such meeting, and to be heard at any such meeting on matters which concern it as former accounting firm of the Company.

Article 242 Prior notice shall be given to the accounting firm if the Company decides to remove or not to renew the appointment. The accounting firm shall be entitled to make representations at the relevant shareholders' general meeting. If an accounting firm resigns from its position, it shall make representations to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

- (I) An accounting firm may resign its office by depositing a written resignation notice at the legal address of the Company. Resignation of the accounting firm shall become effective on the date of such deposit or on such later date stipulated in such notice. Such notice shall contain the following statements:
 - (1) a statement to the effect that there are no circumstances in connection with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
 - (2) a statement of any other circumstances requiring an explanation.
- (II) Where a notice is deposited under the paragraph (I) of this Article, the Company shall within 14 days send a copy of the notice to the competent authority. If the notice contains a representation referred to in item (II) of paragraph 2 of Article 241, a copy of such representation shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such representation to every shareholder entitled to the Company's report of financial position by prepaid post, and it shall be sent to the addresses recorded in the register of shareholders.
- (III) Where the notice of resignation of an accounting firm contains a statement of paragraph (I) (2) of this Article of any matters of which an account should be given, the accounting firm may require the Board to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER XVIII INFORMATION DISCLOSURE

Article 243 The Board of the Company shall formulate the criteria, method, means, etc. for the disclosure of information and establish and enhance the Company's information disclosure system in accordance with laws, relevant regulations of the securities regulator of the place where the Company's shares are listed and relevant provisions of these Articles of Association.

Article 244 The Company shall compliantly disclose information in accordance with the principles of truthfulness, accuracy, completeness and timeliness.

CHAPTER XIX MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 245 The merger or division of the Company shall require the preparation of a proposal by the Board. After such proposal has been adopted in accordance with the procedures specified in these Articles of Association, relevant approval procedures shall be carried out in accordance with the law. Shareholders that oppose the proposal for the merger or division of the Company shall have the right to require the Company or shareholders that are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

Holders of overseas listed foreign shares shall additionally be served copies of the aforementioned document by mail.

Article 246 If the Company is involved in a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. Within 10 days from the date of adoption of the merger resolution, the Company shall notify its creditors and within 30 days it shall make at least three announcements in newspapers. A creditor may, within 30 days from the date of receipt of the written notice or, if the creditor did not receive a written notice, within 45 days from the date of the announcement, require the Company to pay the debt in full or to provide commensurate security.

When the Company is merged, the claims and debts of each party to the merger shall be succeeded to by the company surviving the merger or the new company established subsequent to the merger.

Article 247 If the Company is divided, its property shall be divided accordingly.

When the Company is divided, it shall prepare a balance sheet and a property list. Within 10 days from the date of adoption of the division resolution, the Company shall notify its creditors and within 30 days it shall make at least three announcements in newspapers.

The surviving companies shall be jointly liable for the pre-division debts of the Company, unless provided otherwise in a written agreement on debt repayment reached between the Company and a creditor prior to the division.

Article 248 If a change occurs in the Company's registered particulars due to its merger or division, the change shall be registered with the Company's registrar in accordance with the law. If the Company is dissolved, de-registration of the Company shall be carried out in accordance with the law. If a new company is established, registration of the establishment of such company shall be carried out in accordance with the law.

Article 249 The Company shall be dissolved in accordance with the law if:

(I) the general meeting resolves to dissolve the Company;

- (II) merger or division of the Company entails dissolution;
- (III) the Company is legally declared insolvent due to its failure to repay due debts;
- (IV) the business license is revoked or it is ordered to close down or be dissolved in accordance with the law;
- (V) when serious difficulties occur to our Company's operation and management and significant losses will be incurred to the shareholders by its continuance, and such difficulties cannot be solved by other means, the shareholders holding more than 10% of the total voting rights of all the shareholders may request the people's court to dissolve our Company.
- (VI) the term of operation for the Company as specified in this Articles of Association expires;
- (VII) other circumstances in which the Company is required to dissolve according to laws and regulations.

Article 250 If the Company is dissolved pursuant to item (I), (IV), (V) or (VI) above, it shall establish a liquidation committee and liquidation shall commence within 15 days from the date on which the cause for dissolution arose. The liquidation committee shall be composed of directors or persons determined by the general meeting. If the Company fails to establish the liquidation committee and carry out the liquidation within the time limit, its creditors may petition a People's Court to designate relevant persons to form a liquidation committee and carry out the liquidation.

If the Company is to be dissolved pursuant to item (III) above, the People's Court shall, in accordance with relevant laws, arrange for the shareholders, relevant authorities and relevant professionals to establish a liquidation committee to carry out liquidation.

Article 251 If the Board decides to perform the liquidation, other than a liquidation due to the Company's declaration of bankruptcy, it shall state in the notice for convening the general meeting in this regard that a thorough inspection in respect of the Company's status has been made and that all the Company's debts can be settled by it within 12 months upon commencement of the liquidation.

The functions and powers of the Board shall terminate immediately upon the adoption by the general meeting of a resolution to carry out liquidation.

The liquidation committee shall take instructions from the general meeting, and not less than once a year make a report to the general meeting on the committee's receipts and expenditures, the business of the Company and the progress of the liquidation. It shall make a final report to the general meeting when the liquidation is completed.

Article 252 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make a public announcement in a newspaper within 60 days. Claims shall be registered by the liquidation committee.

The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice.

The creditors shall explain matters relating to their rights and provide relevant supporting documents. The liquidation committee shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

Article 253 The liquidation committee shall exercise the following functions and powers during liquidation:

- (I) to liquidate the Company's property, and to prepare a balance sheet and property list;
- (II) to notify creditors by notice and public announcement;
- (III) to dispose of unfinished business of the Company relating to the liquidation;
- (IV) to make full payment of taxes owed and of taxes incurred during the liquidation process;
- (V) to liquidate claims and debts;
- (VI) to dispose of the Company's property remaining after the debts are paid in full;
- (VII) to represent the Company in civil proceedings.

Article 254 After the Company has examined and taken possession of its assets and prepared a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan for approval of the shareholders' general meetings or relevant competent authorities.

The Company shall, in proportion to the shares held by the shareholders, distribute the properties of the Company remaining after successive payment of the liquidation expenses, employees' wages, social insurance expenses and statutory compensations, outstanding taxes, and the Company's debts.

During liquidation, the Company shall continue to exist but shall not engage in any business activities unrelated to the liquidation. The Company's property will not be distributed to the shareholders until it has been applied to the making of the payments mentioned in the preceding paragraph.

Article 255 If the liquidation committee, having inventoried the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall apply to the Peoples Court for a declaration of bankruptcy.

After the People's Court has ruled to declare the Company bankrupt, the liquidation committee shall turn over the liquidation matters to the People's Court.

Article 256 Following completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report, as well as a revenue and expenditure statement and financial account books in respect of the liquidation period, and, after verification thereof by a PRC certified public accountant, submit the same to the general meeting or the competent authorities for confirmation. Within 30 days from the date of confirmation of the aforementioned documents by the general meeting or the competent authorities, the liquidation committee shall submit the same to the company registrar, apply for cancelation of the Company's registration and publicly announce the Company's termination.

Article 257 The members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations in accordance with the law.

The members of the liquidation committee may not use their authority to accept bribes or other illegal income or misappropriate Company property.

If the Company or a creditor sustains a loss due to a willful act or gross negligence on the part of a member of the liquidation committee, such liquidation committee member shall be liable for damages.

CHAPTER XX AMENDMENT TO THE COMPANY'S ARTICLES OF ASSOCIATION

Article 258 The Company may amend these Articles of Association in accordance with laws, administrative regulations and these Articles of Association. The Company shall amend these Articles of Association if:

- (I) provisions of these Articles of Association conflict with the Company Law or related laws and administrative regulations after such laws and administrative regulations are amended;
- (II) a change occurs in the Company's situation and such change is inconsistent with the matters stated herein;
- (III) the general meeting decides to amend these Articles of Association.

Article 259 Except as otherwise provided in these Articles of Association, these Articles of Association shall be amended by the following procedure:

- (I) the Board adopts a resolution in accordance with these Articles of Association and drafts the amendments, or a shareholder puts forward a proposal to amend these Articles of Association;
- (II) the shareholders are notified of the amendments and a general meeting is convened to vote thereon;
- (III) the amendments submitted to the general meeting for a vote shall be adopted by a special resolution;
- (IV) The Company shall submit the amended Articles of Association to the company registration authority for record.

Article 260 If an amendment to these Articles of Association involves matters provided for in the Mandatory Provisions, it shall become effective upon approval by the authority that is authorized by the State Council to examine and approve companies. If an amendment to these Articles of Association involves a registered particular of the Company, registration of the change shall be carried out in accordance with the law.

CHAPTER XXI NOTICES AND ANNOUNCEMENTS

Article 261 Notices (for the purposes of this Chapter, the term “notice” includes Company communications and other written materials) of the Company shall be given or provided by one or more of the following means:

- (I) by hand;
- (II) by mail;
- (III) by such electronic means as e-mail, fax, etc. or on information media;
- (IV) by publishing on the websites designated by the Company and the Hong Kong Stock Exchange in accordance with laws, administrative regulations and the listing rules of the stock exchange where the Company’s shares are listed;
- (V) by way of a public announcement;
- (VI) by any other methods as agreed between the Company and the addressee or as accepted by the addressee after the notice is received;
- (VII) other ways as recognized by the securities regulatory authorities of the place where the Company’s shares are listed or as required by these Articles of Association.

Unless otherwise specified in these Articles, if a notice is issued by the Company to the shareholders of overseas listed foreign shares by way of announcement, the Company shall on the same day submit an electronic version of such announcement to the Hong Kong Stock Exchange through the electronic publishing system of the Hong Kong Stock Exchange for immediate release on the website of the Hong Kong Stock Exchange in accordance with the requirements of the local listing rules. Such announcement shall also be published on the website of the Company at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed foreign shares by way of personal delivery or pre-paid mail so as to give the shareholders sufficient notice and time to exercise their rights or take any action in accordance with the terms of the notice.

Holders of the Company's overseas listed foreign shares may elect in writing to receive corporate communication that the Company is required to deliver to shareholders either by electronic means or by post, and may also elect to receive either the Chinese or English version only, or both the Chinese and English versions. Such holders shall have the right to change their choices as to the manner of receiving and the language versions of the aforesaid information by giving a written notice to the Company in advance within a reasonable period in accordance with applicable procedures.

Article 262 For a Company notice given by hand, the person on whom it is served shall sign on (or affix his or her seal to) the note of receipt, and the date on which he or she signed in receipt shall be the date of service;

For a Company notice given by mail, the date of service shall be 48 hours from the date of consignment to the post office;

For a Company notice given by fax, e-mail or publication on a website, the date on which such notice is dispatched shall be the date of service;

For a Company notice given by way of a public announcement, the first day of publication shall be the date of service. Such announcement shall be published in a newspaper or periodical that satisfies relevant regulations or given by the method set forth in Article 261 of these Articles of Association.

Provided that there was no breach of laws, administrative regulations and other regulations set out in these Articles of Association on meeting resolution procedure and voting effectiveness, a meeting and the resolutions adopted thereat shall not be invalidated due to the accidental omission to give notice of the meeting to, or the non-receipt of notice of the meeting by, a person entitled to receive the notice.

Article 263 If the listing rules in the place of listing require the Company to send, mail, issue, dispatch, publish or otherwise provide relevant Company documents in both English and Chinese versions, the Company may, to the extent permitted by laws and regulations and in accordance with applicable laws and regulations, (if a shareholder has so indicated) only send him or her the English versions or Chinese versions of documents if the Company has made sufficient arrangements to ascertain whether its shareholders wish to only receive English versions or Chinese versions of documents.

CHAPTER XXII SETTLEMENT OF DISPUTES

Article 264 Unless otherwise provided in these Articles of Association, the Company shall comply with the following rules for dispute resolution:

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

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the claim or dispute must be referred to arbitration as a whole, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is our Company or our Company's shareholders, directors, supervisors, general manager or other senior management members, comply with the decisions made in the arbitration.

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

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

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

- (III) If any disputes or claims of rights as set out in (I) are referred to arbitration, the laws of the PRC shall apply, unless otherwise provided in the laws and administrative regulations.
- (IV) The arbitration award of an arbitral institution shall be final and conclusive and binding on parties thereto.

- (V) The arbitration agreement was entered into between directors, supervisors, general manager and other senior management members on one hand and the Company, on behalf of both itself and each shareholder, on the other.
- (VI) Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award.

CHAPTER XXIII SUPPLEMENTARY ARTICLES

Article 265 For the purposes of these Articles of Association, the term “accounting firm”, “auditors” shall have the same meaning as the term “auditor” used in the Listing Rules of the Hong Kong Stock Exchange.

Article 266 These Articles of Association are written in Chinese. In the event that there is a discrepancy between any other language version or different version hereof and these Articles of Association, the most recent Chinese version hereof registered with the company registration authority shall prevail. In case of any inconsistency between the Chinese version and other versions, the Chinese version shall prevail.

Article 267 Unless otherwise required by the context, the following terms used in these Articles of Association shall have the meanings assigned to them below:

- (I) “controlling shareholder” means a person that satisfies any of the following conditions:
- (i) he or she, acting alone or in concert with others, has the power to elect at least one half of the directors;
 - (ii) he or she, acting alone or in concert with others, has the power to exercise or to control the exercise of at least 30 percent of the Company’s voting rights;
 - (iii) he or she, acting alone or in concert with others, holds at least 30 percent of the outstanding shares of the Company;
 - (iv) he or she, acting alone or in concert with others, actually controls the Company in any other manner.
- (II) “acting in concert” means action taken by two or more persons pursuant to an agreement (whether oral or written) to obtain or consolidate control of the Company through the acquisition by any of them of voting rights of the Company.
- (III) “de facto controller” means a person who, although not a shareholder of the Company, is nevertheless able to actually direct the acts of the Company by virtue of an investment relationship, agreement or other arrangement.

(IV) “connected relationship” means the relationship between the Company’s controlling shareholder, de facto controller, a director, a supervisor or senior management members (including the associates of the above parties as defined in the Listing Rules of Hong Kong Stock Exchange) on the one hand and an enterprise he or she directly or indirectly controls on the other hand, as well as any other relationship that may result in a diversion of the Company’s interests. However, enterprises controlled by the state shall not be deemed to have a connected relationship merely by virtue of the fact that such enterprises are under the common control of the state.

Article 268 Unless otherwise provided in these Articles of Association, for the purposes of these Articles of Association, the terms “at least”, “within” and “not more than” shall include the number itself; and the terms “less than”, “lower than”, “other than”, “more than”, “over”, “exceed”, “before” and “after” shall not include the number itself.

Article 269 The Board shall be responsible for the interpretation of these Articles of Association. Any matters unspecified in these Articles of Association shall be decided by resolutions of the general meeting by the Board.

* *For identification purposes only*