

CALB Group Co., Ltd.

ARTICLES OF ASSOCIATION

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CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of CALB Group Co., Ltd. (the “**Company**”), the Shareholders and Creditors of the Company, and to regulate the organization and activities of the Company, these Articles of Association of CALB Group Co., Ltd. (the “**Articles of Association**”) have been hereby established 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 Provisions of the State Council on the Offering and Listing of Shares Overseas by Joint Stock Limited Companies (the “**Special Provisions**”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (the “**Mandatory Provisions**”), the Letter of Opinions on Supplementary Amendments to the Articles of Association of Companies to be Listed in Hong Kong, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and other relevant laws, administrative regulations, departmental rules and normative documents.

In accordance with the regulations of the Constitution of the Communist Party of China, the Company shall establish an organization of the Communist Party of China. The Party Committee shall take a leading role in guiding the direction, managing the overall situation, and ensuring implementation. The Company shall set up an institution of the Party, allocate enough staffs for party affairs and guarantee operating funds are provided to the party committee.

Article 2 The Company is a joint stock company with limited liability established by converting from 中航鋰電科技有限公司 based on the audited book net assets into shares as a whole in accordance with the Company Law, the Special Provisions and other relevant regulations. The Company was registered with and obtained a business license in accordance with the laws from Changzhou Municipal Administration for Market Regulation. The unified social credit code of the Company is 91320413MA1MCGA52K.

Article 3 Registered name of the Company:

Chinese name: 中創新航科技集團股份有限公司

English name: CALB Group Co., Ltd.

Article 4 Company address: No. 1, Jiangdong Avenue, Jintan District, Changzhou City.

Article 5 The organizational form of the Company is a joint stock company with limited liability, and is an independent legal entity; the business period of the Company is long-term.

Article 6 The Chairman of the board of directors of the Company is the Legal Representative of the Company. The Legal Representative shall exercise the following functions and powers:

- (I) Sign relevant external documents for and on behalf of the Company;
- (II) Monitor status of implementation of the resolutions of the Shareholders’ general meetings and report to the Shareholders’ general meetings;
- (III) Under the premise of being in the interests of the Company, in case of emergencies such as wars and large scale natural disasters, exercise special adjudication powers on Company’s affairs, and report to the Shareholders’ general meeting in arrears.

Article 7 The entire capital of the Company is divided into equal shares, the Shareholders are responsible for the Company to the extent of the Shares they subscribe for, and the Company is responsible for the Company's debts with all its assets. The legitimate rights and interests of the Company and all business activities are governed and protected by the PRC laws, regulations and rules, and shall not be violated or illegally interfered by any organization or individual.

Article 8 This Articles of Association, being the code of conduct for the Company, are passed by a special resolution at the Shareholders' general meeting of the Company and shall become effective on the date when the overseas listed foreign shares of the Company, with the approvals by the relevant departments of the PRC and the relevant regulatory authorities, are listed and traded on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), and shall replace the articles of association of the Company originally filed with the State Administration for Market Regulation.

Article 9 From the date when these Articles of Association take effect, these Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each Shareholder and among the Shareholders *inter se*. These Articles of Association are binding on the Company and its Shareholders, Directors, Supervisors and senior management. Pursuant to these Articles of Association, a Shareholder may take legal actions against another Shareholder; a Shareholder may take legal action against any Director, Supervisor and senior management of the Company; a Shareholder may take legal actions against the Company; and the Company may take legal actions against any Shareholder, Director, Supervisor and senior management.

The legal action referred to in the preceding paragraph includes legal proceedings filed with courts or applications made to arbitral bodies.

Disputes between the Company, any Shareholder, Director, Supervisor, and senior management involving the provisions of these Articles of Association shall be resolved through negotiation first; and then through litigation if the negotiation fails.

Article 10 The term senior management as mentioned in these Articles of Association refers to the general manager, deputy general manager, secretary of the Board of Directors, and person in charge of finance of the Company.

Article 11 The Company may invest in other company with limited liability or joint stock company with limited liability, and be liable for any invested company to the extent of the capital contribution or shares subscribed for.

Article 12 Following the trends of the market economy and the trends of enterprise development, the Company shall implement commercial operation and self-management in accordance with the requirements of marketization.

Article 13 The Company shall implement a differentiated and market-oriented remuneration system that is in line with the Company's industry status and market competitiveness, and shall establish a medium-to-long term incentive mechanism including equity incentives.

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE

Article 14 Business objectives of the Company: with sincerity, efficiency, and win-win as the core values, and the mission of transcending business and benefiting mankind, to make the Company a leading enterprise in the new energy field that is respected by the society and loved by employees.

Article 15 With legal registration, business scope of the Company: research and development, production, sales and market application development of lithium-ion power batteries, battery management systems (BMS), energy storage batteries and related integrated products and lithium battery materials; sales of new energy vehicles and spare parts; vehicle rental services; sales, installation and maintenance of charging piles and charging equipment; construction and operation of new energy vehicle charging and swapping facilities; research and development of lithium-ion battery recycling technology; development of battery recycling, sales and market application technology; research and development of battery energy storage technology as well as design, manufacture, construction, sales and leasing of energy storage power stations; road general cargo transportation; self-operated and agency import and export business of various commodities and technologies.

The business scope referred to in the preceding paragraph is subject to the approval by the authority that the Company is registered with.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 16 The Company shall have ordinary shares at all times. The Company may, according to its needs and subject to the approval by company approving department authorized by the State Council, create other classes of shares.

Article 17 The Company's shares shall be in the form of share certificates. All shares issued by the Company are denominated in RMB, with a par value of RMB1 per share.

RMB referred to in the preceding paragraph refers to the legal currency of the PRC.

Article 18 The Company shall issue shares in an open, fair and just manner, and each share of the same class shall have the same right.

All shares of the same class issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for all shares of the same class issued at the same time.

Domestic shares and overseas listed foreign shares issued by the Company shall have the same right in any distribution of dividend or other forms of distributions. The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his/her equity to the Company.

Article 19 The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.

“Foreign investors” as referred to in the preceding paragraph shall mean the investors in foreign countries and Hong Kong, Macau or Taiwan Region who subscribe for shares of the Company. “Domestic investors” shall mean the investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 20 Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares that are listed overseas shall be known as overseas listed foreign shares.

“Foreign currency” aforementioned refers to the legal currency, other than RMB, of another country or region, which is recognised by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of domestic shares and holders of foreign shares are ordinary Shareholders and shall have the same rights and obligations.

Article 21 Overseas listed foreign shares issued by the Company and listed on the Stock Exchange are referred to as “H shares”. The par value of H shares is denominated in RMB, and are subscribed for and traded in Hong Kong dollars.

Article 22 The Company was incorporated by means of sponsorship, and changed from a company with limited liability into a joint stock company with limited liability. On November 10, 2021 when the Company was established, the number of shares subscribed by the promoters, the proportion and the method of capital contribution were as follows:

No.	Names of the promoters	Number of shares subscribed (10,000 shares)	Shareholding proportion	Method of capital contribution
1.	Changzhou Jinsha Technology Investment Co., Ltd.* (常州金沙科技投資有限公司)	25,213.0281	21.01%	Share capital converted from net assets
2.	Sichuan Chengfei Integration Technology Co., Ltd* (四川成飛集成科技股份有限公司)	15,114.5867	12.60%	Share capital converted from net assets
3.	Xiamen Lihang Jinzhi Equity Investment Partnership (Limited Partnership)* (廈門鋰航金智股權投資合夥企業(有限合夥))	14,186.6141	11.82%	Share capital converted from net assets
4.	Changzhou Huake Engineering Construction Co., Ltd.* (常州華科工程建設有限公司)	9,865.8313	8.22%	Share capital converted from net assets
5.	Changzhou Huake Technology Investment Co., Ltd.* (常州華科科技投資有限公司)	7,778.5163	6.48%	Share capital converted from net assets

No.	Names of the promoters	Number of shares subscribed (10,000 shares)	Shareholding proportion	Method of capital contribution
6.	Guangdong Guangqi Ruidian Equity Investment Partnership (Limited Partnership)* (廣東廣祺瑞電股權投資合夥企業(有限合夥))	6,391.2844	5.33%	Share capital converted from net assets
7.	China Insurance Investment (Shenzhen) Advanced Manufacturing Investment Partnership (Limited Partnership)* (中保投(深圳)先進製造投資合夥企業(有限合夥))	5,204.3316	4.34%	Share capital converted from net assets
8.	Xiamen Jinyuan Investment Group Co., Ltd.* (廈門金圓投資集團有限公司)	3,758.0435	3.13%	Share capital converted from net assets
9.	Xiamen Jinyuan Industry Development Company Limited* (廈門金圓產業發展有限公司)	3,758.0435	3.13%	Share capital converted from net assets
10.	Hongshan Kaichen (Xiamen) Equity Investment Partnership (Limited Partnership)* (紅杉凱辰(廈門)股權投資合夥企業(有限合夥))	3,652.1625	3.04%	Share capital converted from net assets
11.	Wuxi Guolian Tongjin Equity Investment Partnership (Limited Partnership)* (無錫國聯通錦股權投資合夥企業(有限合夥))	3,524.3368	2.94%	Share capital converted from net assets
12.	Jiaxing Chenyi Pengqi Equity Investment Partnership (Limited Partnership)* (嘉興晨壹鵬騏股權投資合夥企業(有限合夥))	3,140.8598	2.62%	Share capital converted from net assets
13.	China Insurance Investment No. 1 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership)* (中保投壹號(深圳)新能源汽車產業投資合夥企業(有限合夥))	2,830.4260	2.36%	Share capital converted from net assets
14.	Hubei Xiaomi Changjiang Industry Fund Partnership (Limited Partnership)* (湖北小米長江產業基金合夥企業(有限合夥))	2,739.1219	2.28%	Share capital converted from net assets
15.	Chuanghe Xincai (Xiamen) Manufacturing Transform and Upgrade Fund Partnership* (創合鑫材(廈門)製造業轉型升級基金合夥企業(有限合夥))	1,879.0217	1.57%	Share capital converted from net assets
16.	Shenzhen City Linghui Cornerstone Equity Investment Fund Partnership (Limited Partnership)* (深圳市領匯基石股權投資基金合夥企業(有限合夥))	1,643.4731	1.37%	Share capital converted from net assets

No.	Names of the promoters	Number of shares subscribed (10,000 shares)	Shareholding proportion	Method of capital contribution
17.	Ma'anshan Cornerstone Intelligent Manufacturing Industry Fund Partnership (Limited Partnership)* (馬鞍山基石智能製造產業基金合夥企業(有限合夥))	1,333.0393	1.11%	Share capital converted from net assets
18.	Xiamen Jinli Equity Investment Partnership (Limited Partnership)* (廈門金鋰股權投資合夥企業(有限合夥))	1,278.2569	1.07%	Share capital converted from net assets
19.	Wuxi Guolian Tongwu Equity Investment Partnership (Limited Partnership)* (無錫國聯通鋁股權投資合夥企業(有限合夥))	1,068.2575	0.89%	Share capital converted from net assets
20.	Wuxi Guolian Tongkun Equity Investment Partnership (Limited Partnership)* (無錫國聯通鋁股權投資合夥企業(有限合夥))	1,031.7359	0.86%	Share capital converted from net assets
21.	China Insurance Investment No. 2 (Shenzhen) New Energy Automobile Industry Investment Partnership (Limited Partnership)* (中保投貳號(深圳)新能源汽車產業投資合夥企業(有限合夥))	913.0406	0.76%	Share capital converted from net assets
22.	China Insurance Investment (Shenzhen) Strategic Emerging Industry Investment Partnership (Limited Partnership)* (中保投(深圳)戰略新興產業投資合夥企業(有限合夥))	913.0406	0.76%	Share capital converted from net assets
23.	Xiamen Lihang Kaibo No. 1 Equity Investment Partnership (Limited Partnership)* (廈門鋰航凱博壹號股權投資合夥企業(有限合夥))	574.3026	0.48%	Share capital converted from net assets
24.	Ma'anshan Shengtuo Equity Investment Partnership (Limited Partnership)* (馬鞍山盛拓股權投資合夥企業(有限合夥))	365.2163	0.30%	Share capital converted from net assets
25.	Shenzhen Getian Star Management Partnership (Limited Partnership)* (深圳市格天思達管理合夥企業(有限合夥))	310.4338	0.26%	Share capital converted from net assets
26.	Changzhou Lihang Kaibo No. 5 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博伍號實業投資合夥企業(有限合夥))	241.9558	0.20%	Share capital converted from net assets

No.	Names of the promoters	Number of shares subscribed (10,000 shares)	Shareholding proportion	Method of capital contribution
27.	Changzhou Lihang Kaibo No. 8 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博捌號實業投資合夥企業(有限合夥))	200.8689	0.17%	Share capital converted from net assets
28.	Guangzhou Huaxian Automobile Co., Ltd.* (廣州華現汽車有限公司)	182.6081	0.15%	Share capital converted from net assets
29.	Changzhou Lihang Kaibo No. 1 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博壹號實業投資合夥企業(有限合夥))	167.0864	0.14%	Share capital converted from net assets
30.	Changzhou Lihang Kaibo No. 6 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博陸號實業投資合夥企業(有限合夥))	161.6082	0.13%	Share capital converted from net assets
31.	Changzhou Lihang Kaibo No. 2 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博貳號實業投資合夥企業(有限合夥))	128.7387	0.11%	Share capital converted from net assets
32.	Changzhou Lihang Kaibo No. 4 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博肆號實業投資合夥企業(有限合夥))	126.9126	0.11%	Share capital converted from net assets
33.	Changzhou Lihang Kaibo No. 3 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博叁號實業投資合夥企業(有限合夥))	104.9997	0.09%	Share capital converted from net assets
34.	Changzhou Lihang Kaibo No. 9 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博玖號實業投資合夥企業(有限合夥))	86.7389	0.07%	Share capital converted from net assets
35.	Changzhou Lihang Kaibo No. 10 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博拾號實業投資合夥企業(有限合夥))	71.2172	0.06%	Share capital converted from net assets
36.	Changzhou Lihang Kaibo No. 7 Equity Investment Partnership (Limited Partnership)* (常州鋰航凱博柒號實業投資合夥企業(有限合夥))	60.2607	0.05%	Share capital converted from net assets
	Total	120,000	100.00%	–

Article 23 With the approval of the securities regulatory authority under the State Council, the Company shall issue overseas listed foreign shares not more than 303,063,500 shares. The par value of each share is RMB1. All Shares are ordinary shares.

The share capital structure of the Company is as follows: 1,772,301,858 ordinary shares, including 1,506,456,558 domestic shares and 265,845,300 overseas listed foreign shares. The number of overseas listed foreign shares issued by the Company and listed on the Stock Exchange for the first time is 265,845,300, accounting for 15% of the total share capital after the issuance.

Article 24 The board of directors of the Company may make arrangements for separate issuance of overseas listed foreign shares and domestic shares in accordance with the issuance scheme approved by the securities regulatory authority under the State Council. The Company issues separate schemes for overseas listed foreign shares and domestic shares; it may issue the shares within 15 months after approval by the securities regulatory authorities under the State Council or within the validity period of the documents approved thereby.

Article 25 If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the scheme for issuance, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued by several times upon approval by the securities regulatory authorities under the State Council.

Article 26 The registered capital of the Company is RMB1,772,301,858.

Article 27 Unless otherwise stipulated by the PRC laws, administrative regulations and the securities regulatory authority where the Company's shares are listed, fully paid shares of the Company can be freely transferred without any lien attached. The transfer of overseas listed foreign shares which were listed in Hong Kong shall be registered with the share registrar in Hong Kong engaged by the Company.

The Company does not accept the share certificate of the Company as the subject of the pledge.

CHAPTER 4 INCREASE, REDUCTION AND REPURCHASE OF SHARES

Article 28 The Company may increase or reduce its registered capital according to law upon resolutions being passed at the Shareholders' general meetings.

Article 29 The Company may, based on its business and development needs and in accordance with laws and regulations, increase its registered capital in the following manners upon respective resolutions being passed at Shareholders' general meetings:

- (I) by public offering of shares;
- (II) by non-public offering of shares;
- (III) by placing new shares to its existing Shareholders;
- (IV) by allotting bonus shares to its existing Shareholders;
- (V) by capitalizing its capital common reserve;
- (VI) by any other means which is permitted by laws and administrative regulations.

Article 30 The Company may dispose of the shares of any untraceable Shareholder and retain the proceeds if:

- (I) during a period of 12 years, at least three times that dividends in respect of the shares in question have become payable but not received by Shareholders; and
- (II) on expiration of the 12-year period, the Company shall give notice of its intention to sell the shares by way of publishing an announcement in newspapers upon approval from the securities regulatory authority of the State Council, and notify such authority and relevant overseas stock exchanges and securities regulatory authorities where the shares of the Company are listed on of such intention.

Article 31 The Company may reduce its registered capital in accordance with the procedures provided in the Company Law and other relevant requirements and these Articles of Association.

Article 32 The Company may not repurchase the shares of the Company, except in any of the following situations:

- (I) its registered capital is reduced;
- (II) merging with another company that holds shares of the Company;
- (III) the shares are used for the employee share scheme or equity incentives;

- (IV) when requested by any Shareholder to purchase his shares because this Shareholder objects to any resolution of merger or division made by the Company at general meetings;
- (V) the shares are used for conversion of convertible corporate bonds issued by the listed company;
- (VI) any necessary action is taken to protect the value of the listed company and Shareholders' interests;
- (VII) other circumstances permitted by laws, administrative regulations or regulatory authorities.

If the Company repurchases its own shares under the circumstances set out in items (1) and (2) of the preceding paragraph, resolutions related thereto shall be adopted at a Shareholders' general meeting. If the Company repurchases its own shares under the circumstances set out in items (3), (5) and (6) of the preceding paragraph, resolutions related thereto shall be adopted at the meeting of Board of Directors with more than two-thirds of the Directors attending in accordance with the Articles of Association or as authorized in the Shareholders' general meeting.

If the Company repurchases its own shares in accordance with paragraph one under the circumstances set forth in item (1), the shares so repurchased shall be cancelled within 10 days of the repurchase and shall proceed to registration of the change in the registered capital with the competent Administration for Industry and Commerce; in the event of the circumstances set forth in items (2) and (4), the shares so repurchased shall be transferred or cancelled within 6 months; in the event of the circumstances set forth in items (3), (5) and (6), the repurchase shall be carried out through open and centralised transactions, the aggregate number of shares of the Company held by itself shall not exceed 10% of its total shares in issue, and the shares so repurchased shall be transferred or cancelled within three years.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 33 The Company may repurchase its shares in one of the following manners with the approval from relevant national competent authorities:

- (I) by making a general offer for the repurchase of shares to all its Shareholders on a pro-rata basis;
- (II) by repurchasing shares through public dealing on a stock exchange;
- (III) by repurchasing shares by means of an off-market agreement; or
- (IV) in other circumstances permitted by laws, administrative regulations and regulatory authorities.

Article 34 The Company must obtain the prior approval of the Shareholders at a general meeting in accordance with the Articles of Association before it can repurchase shares by means of an off-market agreement. The Company may, upon the prior approval of the Shareholders at a general meeting, release or vary any contract which has been entered into by the Company in a manner set forth above, or waive its rights thereunder.

The agreement for the repurchase of shares referred to in the preceding paragraph includes, but not limited to, an agreement to assume the obligations of repurchasing shares or acquire the rights of repurchasing shares.

The Company may not assign an agreement for the repurchase of its shares or any right contained in such agreement.

Article 35 For the purpose of the redeemable shares which the Company has the right to repurchase, the repurchase prices shall be limited to a certain maximum price if they are not repurchased through the market or by tender. In case of repurchase by tender, tenders shall be offered to all Shareholders on equal conditions and a relevant announcement shall be made.

Article 36 Unless the Company is in the course of liquidation, it must comply with the following provisions in relation to repurchase of its issued shares:

- (I) where the Company repurchases shares at par, payment shall be made out of book surplus of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose;
- (II) where the Company repurchases shares at a premium to par value, payment up to the par value shall be made out of the book surplus of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - 1. if the shares being repurchased were issued at par value, payment shall be made out of the book surplus of distributable profits of the Company;
 - 2. if the shares being repurchased were issued at a premium to par value, payment shall be made out of the book surplus of distributable profits of the Company and out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate premiums received on the issue of the shares repurchased, or the amount of the Company's capital reserve fund account, including the premiums on the fresh issue;
- (III) payment by the Company in consideration of the following shall be made out of the Company's distributable profits:
 - 1. acquisition of rights to repurchase shares of the Company;
 - 2. variation of any contract to repurchase shares of the Company;
 - 3. release of any of the Company's obligation under any contract to repurchase shares of the Company.

- (IV) after the Company's registered capital being reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve fund account.

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

CHAPTER 5 FINANCIAL ASSISTANCE FOR THE ACQUISITION OF THE COMPANY'S SHARES

Article 37 The Company or its subsidiaries shall not, by any means at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.

The Company or its subsidiaries shall not, by any means at any time, provide financial assistance to the said acquirer for the purpose of reducing or discharging the obligations assumed by that person.

This Article shall not apply to the circumstances referred to in Article 39 in this Chapter.

Article 38 "Financial assistance" referred to in this chapter includes (but not limited to) the following:

- (I) gift;
- (II) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), release, or waiver of any rights;
- (III) provision of loan or any other contract under which the obligations of the Company are to be fulfilled before the obligations of another party, and a change in the parties to, or the assignment of rights arising under, such loan or contract;
- (IV) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

"Assuming any obligations" referred to in this chapter includes the assumption of obligations by the changing of the obligor's financial position by way of 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 39 The following activities shall not be deemed to be prohibited by Article 37 of the Articles of Association:

- (I) the provision of relevant financial assistance by the Company is given in good faith in the interest of the Company, and the principal purpose in giving the financial assistance is not for the acquisition of shares, or the giving of the financial assistance is an incidental part of some master plan of the Company;
- (II) the lawful distribution of the Company's assets by way of dividend;
- (III) the allotment of bonus shares as dividends;
- (IV) among others, reduction of registered capital, repurchase of shares or reorganization of shareholding structure of the Company effected in accordance with the Articles of Association;
- (V) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that they are thereby reduced, the financial assistance is provided out of distributable profits);
- (VI) the provision of money by the Company for contributions to employee stock ownership plans (provided that the net assets of the Company are not thereby reduced or that, to the extent that they are thereby reduced, the financial assistance is provided out of distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 40 The share certificates of the Company shall be in registered form.

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

During the period when H shares are listed on the Stock Exchange, the Company must ensure that the following particulars are specified in all title documents (including H shares certificates) relating to its securities listed on the Stock Exchange:

- (I) The share purchasers and the Company and each of the Shareholders, and the Company and each of the Shareholders shall observe and comply with the requirements of the Company Law, the Special Regulations, the Articles of Association and other relevant laws, administrative regulations;

- (II) The share purchasers and the Company, each of the Shareholders, Directors, Supervisors, general manager and other senior management members of the Company shall agree, and the Company acting on its own behalf and for the benefit of each director, Supervisor, general manager and other senior management member shall agree with each Shareholder, that all disputes or claims incurred as a result of rights or obligations provided by the Articles of Association or the Company Law or other relevant law or administrative regulations or in relation to the affairs of the Company shall be submitted to arbitration in accordance with the Articles of Association, and any reference 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 purchasers and the Company and each of the Shareholders agree that the shares of the Company may be freely transferred by the holder thereof;
- (IV) The share purchasers authorize the Company to enter into a contract on their behalf with each of the directors, general manager and other senior management members. Pursuant to the contract, the directors, general manager and other senior management members undertake to observe and fulfil their responsibilities to the Shareholders under the Articles of Association.

The Company shall instruct and cause each of its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any individual holder unless and until such holder delivers to such share registrar a completed and signed form in respect of such shares bearing the aforesaid statements.

The Company may issue certificates of overseas listed foreign shares in the form of foreign depository receipts or other derivatives in accordance with the laws and the practice of registration and deposit of securities in the place of its listing.

Article 41 The shares of the Company may be transferred, donated, inherited and pledged in accordance with the relevant laws, administrative regulations and the Articles of Association. Transfer instruments and other documents in relation to the ownership of shares shall be registered with the share registrar entrusted by the Company.

Article 42 The share certificates shall be signed by the Chairman. Where the stock exchanges of the place where the shares of the Company are listed requires the share certificates to be signed by other senior management members of the Company, such share certificates shall also be signed by other relevant senior management members. The share certificates shall be effective after being affixed or printed with the seal of the Company. The share certificates shall only be affixed with the company seal with the authorization of the Board. The signatures of the Chairman or other relevant senior management members on the share certificates may also be in printed form.

Under the circumstance that the shares of the Company are issued and traded in a paperless manner, such provisions as provided by the securities regulatory authorities or the stock exchange(s) at the place where the shares of the Company are listed shall apply.

Article 43 The Company shall keep a register of members which shall contain the following particulars:

- (I) the name, address (place of domicile), occupation or nature of business of each Shareholder;
- (II) the class and number of shares held by each Shareholder;
- (III) the amount paid-up or payable in respect of shares held by each Shareholder;
- (IV) the share certificate numbers of the shares held by each Shareholder;
- (V) the date on which each Shareholder was entered in the register as a Shareholder;
- (VI) the date on which any Shareholder ceased to be a Shareholder.

Unless there is evidence to the contrary, the register of members shall be the sufficient evidence of the Shareholders' shareholding in the Company.

Article 44 Subject to these Articles of Association and other applicable requirements, upon transfer of the Company's shares, the transferees of the shares will become the holders of such shares with their names being entered in the register of members.

All instruments of transfer and other documents related to the ownership of any H shares or affecting the ownership of any H shares shall be registered. If any fees are charged in respect of such registration, such fees shall not exceed the highest fees as prescribed by the Stock Exchange.

Where two or more than two persons are registered as joint holders of any share(s), they should be deemed as joint owners of such share(s) and subject to the following restrictions:

- (I) the Company shall register no more than four persons as the joint holders of any share(s);
- (II) all joint holders of any shares shall jointly and severally assume obligation for all amounts payable for relevant shares;
- (III) if one of the joint holders dies, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. The Board shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of the relevant Shareholder where it deems appropriate to do so; and
- (IV) for joint holders of any shares, any of joint holders may attend a general meeting of the Company or exercise the voting rights of the shares (regardless of attendance in person or by proxy). In case more than one joint holder attends the general meeting in person or by proxy, only the attender whose name appears first in the register of members among such joint holders is entitled to vote for such shares.

Article 45 The Company may, in accordance with the mutual understanding and agreements made between the competent securities regulatory authorities of the State Council and overseas securities regulatory authorities, keep its register of holders of overseas listed foreign shares outside of the PRC and appoint overseas agent(s) to manage such register. The Company's original register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a duplicate of the register of holders of overseas listed foreign shares at its place of domicile. The appointed overseas agent(s) shall ensure consistency between the original version and the duplicate register of holders of overseas listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate register of holders of overseas listed foreign shares, the original version shall prevail.

Article 46 The Company shall maintain a complete register of members. The register of members shall include the following parts:

- (I) the register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (2) and (3) of this Article);
- (II) the register of members in respect of the holders of overseas listed foreign shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located; the original register of holders of overseas listed foreign shares listed on the Stock Exchange shall be kept in Hong Kong;
- (III) the register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 47 Different parts of the register of members shall not overlap with one another. No transfer of the shares registered in any part of the register shall, during the existence of share registration, be registered in any other parts of the register of members. This Article shall not be applicable to the registration of changes in the register of Shareholders during the issuance of new shares by the Company in accordance with Article 29 of these Articles of Association.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where that part of the register of members is maintained.

Article 48 All overseas listed foreign shares shall be transferred in ordinary or common form of transfer or in written documents of transfer of any other form acceptable to the Board of Directors (including standard transfer form or other form of transfer as prescribed by the Stock Exchange from time to time); the written transfer instrument may be signed under hand, or (if the transferor or the transferee is a company) by the corporate seal. If the transferor or transferee of the Company's shares are the recognised clearing house ("**Recognised Clearing House**") as defined in the relevant ordinance enacted from time to time in Hong Kong or its agent, the written documents of transfer can be signed by hands or in machine printed form. All transfer documentaries must be put in the legal address of the Company or address of the share registrar or other places as the Board of Directors may designate from time to time.

All fully paid-up shares are freely transferable pursuant to the Articles of Association subject to other restrictions of the Stock Exchange. The Board may refuse to recognize any instrument of transfer without explanation, unless such transfer is in compliance with the following conditions:

- (I) the registration fee for each instrument of transfer (subject to the maximum amount stipulated by the Stock Exchange in the Listing Rules from time to time) which represents the maximum amount according to the then requirements of the Listing Rules has been paid to the Company for the purpose of registering the instruments of transfer and other documents relating to or affecting the title to shares;
- (II) the transfer instrument only involves H Shares;
- (III) the stamp tax payable on the transfer instrument has been paid;
- (IV) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided;
- (V) if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four; and
- (VI) the Company does not have any lien over the relevant shares.

Where the Company refuses to register any transfer of shares, the Company shall provide the transferor and the transferee with a written notification of refusal in relation to registration of transfer of shares within 2 months from the date on which the application for the transfer is officially made.

Article 49 Shares of the Company held by promoters shall not be transferred within 1 year from the date of establishment of the Company. Shares previously issued by the Company prior to the public offering shall not be transferred within 1 year from the date on which the shares of the Company are listed and traded on a stock exchange.

The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total number of the shares of the Company held by them per annum during their terms of office; the aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Such restrictions shall comply with the relevant provisions of the Listing Rules of the Stock Exchange if H shares are involved.

Article 50 Subject to approval of the securities regulatory authority under the State Council, holders of domestic shares of the Company may transfer their shares to foreign investors and have their shares listed and traded on an overseas stock exchange and may convert all or part of the domestic shares into foreign shares, and these transferred foreign shares can be listed traded on an overseas stock exchange. The transferred or converted shares shall also comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded on an overseas stock exchange. The Company does not need to hold a general meeting or a class Shareholders' meeting to vote for the listing and trading of the transferred shares on an overseas stock exchange or the conversion of domestic shares into foreign shares for listing and trading on an overseas stock exchange. Overseas listed foreign shares converted from domestic shares shall be of the same class as the overseas listed foreign shares.

Article 51 No changes resulting from share transfers may be made to the register of Shareholders within 20 days prior to a Shareholders' general meeting or 5 days prior to the record date set by the Company for the purpose of distribution of dividends. Where otherwise provided by the listing rules of the place where the Company's shares are listed and laws and regulations, such provisions shall apply.

Article 52 If the Company convenes a Shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholdings, the Board shall fix a date for ascertainment of the shareholding. Upon the close of such date, the Shareholders who remain on the register shall be deemed as the Shareholders of the Company.

Article 53 Any person who objects to the register of Shareholders and asks to have his/her name entered into or removed from the register of Shareholders may apply to the court of competent jurisdiction for rectification of the register of Shareholders.

Article 54 Any Shareholder who is registered in, or any person who requests to have his/her name entered in, the register of Shareholders may, if his/her share certificates (the "**Original Certificates**") are lost, apply to the Company for replacement share certificates in respect of such shares (the "**Relevant Shares**").

If a holder of domestic shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of the Company Law.

If a holder of overseas listed foreign shares loses his/her share certificates and applies for their replacement, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas listed foreign shares is maintained.

If a holder of H shares loses his/her share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:

- (I) the applicant shall submit an application in the standard format designated by the Company accompanied by a notarized document or statutory declaration, containing the grounds on which the application is made, the circumstances and evidence of the loss of the share certificates and the declaration that no other person may request to be registered as a Shareholder in respect of the Relevant Shares.
- (II) no statement has been received by the Company from a person other than the applicant for having his/her name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.
- (III) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board. The announcement shall be made at least once every 30 days in a period of 90 days. The newspapers and periodicals designated by the Board shall be at least one Chinese and one English newspaper recognised by the Stock Exchange.
- (IV) the Company shall, prior to the publication of its announcement of intention to issue a replacement certificate, deliver to the Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the Stock Exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of the Stock Exchange for a period of 90 days. In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.
- (V) if, upon expiration of the 90-day period referred to in (III) and (IV) of this Article, the Company has not received any objection from any person to the issue of replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his/her application.
- (VI) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of Shareholders accordingly.
- (VII) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 55 Where the Company issues a replacement certificate pursuant to these Articles, the name of a bona fide purchaser who obtains the aforesaid new share certificate or a Shareholder who is thereafter registered as the owner of such shares (in the case where he/she is a bona fide purchaser) shall not be removed from the register of Shareholders.

Article 56 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Certificate or the issue of the replacement certificate, unless the claimant proves that the Company has acted fraudulently.

CHAPTER 7 PARTY COMMITTEE

Article 57 The Company shall set up the Party Committee consisting of one secretary, one deputy secretary and several other members. The positions of the chairman of the Board and secretary of the Party Committee shall, in principle, be assumed by the same person. Eligible members of the Party Committee are allowed to join the Board, the Supervisory Committee and senior management through legal procedures. Eligible members in the Board, the Supervisory Committee and senior management are allowed to join the Party Committee in accordance with relevant provisions and procedures. Meanwhile, the Commission for Discipline Inspection shall be established in accordance with provisions.

Article 58 The Party Committee of the Company shall discharge its duties in accordance with the provisions under the Constitution of the Communist Party of China and the internal laws and regulations of the Party.

- (I) Guarantee and supervise the implementation of policies and guidelines of the Party and the State in the Company, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as make deployment for the relevant material works of the higher-level Party organizations;
- (II) Insist on the integration of the principle that the Party manages the officials with the function of the Board of Directors in the lawful selection of the management and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the management. The Party Committee of the Company shall consider and propose opinions and suggestions on the candidates as nominated by the Board or the general manager, or nominate candidates to the Board or the general manager; and, together with the Board, conduct investigations on the candidates to be appointed and collectively research to raise opinions and suggestions;
- (III) Study and discuss reform, development and stability of the Company, material operation and management issues and material issues concerning employees' immediate interests, and propose opinions and suggestions thereon;
- (IV) Assume the primary responsibility to run the Party comprehensively with strict disciplines, lead the Company's ideological and political work, the United Front work, the cultural and ethical progress, corporate culture cultivation as well as the work of groups such as the Labor Union of the Company and the Communist Youth League, lead the construction of the Party's working style and its clean and honest administration, and earnestly perform its supervisory responsibilities.

CHAPTER 8 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 59 A Shareholder of the Company is a person who lawfully holds shares of the Company and has his name recorded in the register of members.

A Shareholder of the Company shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

All classes of Shareholders of the Company shall have equal rights in any distribution in the form of a dividend or any other forms.

Where legal persons become Shareholders of the Company, their legal representatives or nominees of their legal representatives shall exercise relevant rights on their behalf.

The Company shall not exercise its rights to freeze or otherwise impair any of the rights attached to the shares based on the ground that the person who is interested directly or indirectly therein has failed to disclose his interests to the Company.

Article 60 The ordinary Shareholders of the Company shall enjoy the following rights:

- (I) the right to receive dividends and other distributions in proportion to their shareholdings;
- (II) the right to request, convene, chair, attend or appoint a proxy to attend general meetings and to exercise corresponding voting rights in accordance with laws;
- (III) the right to supervise the Company's operations, to present proposals or to raise enquiries;
- (IV) the right to transfer, bestow or pledge the shares held by them in accordance with laws, administrative regulations and the Articles of Association;
- (V) the right to obtain relevant information in accordance with the Articles of Association, including:
 - 1. the right to obtain a copy of the Articles of Association, subject to payment of cost;
 - 2. the right to inspect and copy, subject to payment of a reasonable charge:
 - (1) all parts of the register of members;
 - (2) personal particulars of each of the Company's Directors, Supervisors and senior management officers, including:
 - (a) present and former name or alias;
 - (b) principal address (place of residence);

- (c) nationality;
 - (d) full-time and all other part-time occupations and duties;
 - (e) identification document and its number;
- (3) reports on the status of the Company's issued share capital;
 - (4) latest audited financial statements of the Company and the reports of the Board of Directors, auditors and the Supervisory Committee;
 - (5) special resolutions of the Company;
 - (6) reports showing the number and par value of each class of shares repurchased by the Company since the last financial year, total amount paid therefor, and the highest and lowest prices paid for each class of securities repurchased (breakdown by domestic shares and foreign shares);
 - (7) minutes of general meetings;
 - (8) counterfoils of corporate bonds, resolutions of the Board of Directors and the Supervisory Committee;
 - (9) annual report/inspection form of the previous year that has been filed with the Administration for Market Regulation or other competent authorities.

The above documents of items (3), (4), (5), (6) and (9) shall be published by the Company on the websites of the Stock Exchange and the Company.

The above documents of item (1) and (7) and other applicable documents shall be kept by the Company, according to the requirements of the Listing Rules of the Stock Exchange, at a place in Hong Kong for inspection by Shareholders free of charge, and for copying by Shareholders at reasonable charges.

If the information to be inspected and photocopied involves trade secrets or inside information of the Company and the personal privacy of relevant personnel, the Company may refuse to provide the same;

- (VI) in the event of the termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the shareholdings;
- (VII) with respect to Shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to buy back their shares;
- (VIII) Shareholders who individually or collectively hold more than 3% of the Company's shares shall have the rights to propose interim resolutions and submit them in writing to the Board of Directors 10 days prior to the general meeting;
- (IX) other rights conferred by the laws, administrative regulations, departmental rules and the Articles of Association.

Article 61 When a Shareholder requests to inspect the relevant information mentioned in the preceding Article or obtain such materials, he shall provide the Company with such written documents evidencing the class and amount of his shareholding in the Company. The Company may provide such information per the Shareholder's request after verifying his identity. Shareholders shall keep the confidentiality of the information and materials to be inspected.

Article 62 If a Director or any other senior management officer has violated the laws, administrative regulations or the Articles of Association in the course of performing his duties to the Company, and thereby caused the Company to incur loss, Shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days may request in writing the Supervisory Committee to initiate proceedings in the people's court in respect thereof. If the Supervisory Committee has violated the laws, administrative regulations or the Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, Shareholders may request in writing the Board of Directors to initiate proceedings in the people's court in respect thereof.

If the Supervisory Committee or the Board of Directors refuses to initiate proceedings after receipt of a written request from the Shareholders as mentioned in the preceding paragraph, or fails to initiate proceedings within 30 days of the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to the Company's interests, the Shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the people's court in their own name in the interests of the Company.

If any third party infringes the lawful rights of the Company and has caused a loss to the Company, the Shareholders mentioned in the first paragraph of this Article may initiate proceedings in the people's court according to the provisions of the two preceding paragraphs.

Article 63 If a Director and any other senior management officer violates laws, administrative regulations or the Articles of Association and prejudices the interests of the Shareholders of the Company, the Shareholders may initiate proceedings in the people's court in respect thereof.

Article 64 The Shareholders of ordinary shares of the Company shall assume the following obligations:

- (I) to comply with the laws, administrative regulations and Articles of Association;
- (II) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (III) be liable to the Company to the extent of the shares held by the Shareholders;
- (IV) not to withdraw their capital contribution after approval and registration by the Company, except under the circumstances as stipulated in laws and regulations;

- (V) not to abuse their Shareholders' rights to harm the Company's or other Shareholders' interests; not to abuse the status of the Company as an independent legal person or the limited liability of Shareholders to harm the interests of the Company's creditors. If any Shareholder abuses the Shareholders' rights and causes losses to the Company or other Shareholders, such Shareholder shall be held liable for damages in accordance with laws. If any Shareholder abuses the status of the Company as an independent legal person or his limited liability as a Shareholder to evade debts and thereby seriously harms the interests of the Company's creditors, such Shareholder shall bear joint and several liability for the debts of the Company;
- (VI) other obligations imposed by laws, administrative regulations and the Articles of Association.

Article 65 In addition to the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling Shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the Shareholders of the Company:

- (I) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;
- (II) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (without limitation) opportunities which are beneficial to the Company;
- (III) to approve the expropriation by a Director or Supervisor (for his own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation) rights to distributions and voting rights (save for the Company restructuring which has been approved by the Shareholders in a general meeting in accordance with the Articles of Association).

Article 66 Where a Shareholder who holds 5% or more of the voting shares of the Company pledges the shares he holds, such Shareholder shall report in writing to the Company on the date on which the pledge happens.

Article 67 The controlling Shareholder and the de facto controller of the Company shall not take advantage of their affiliated relationship to harm the interests of the Company, and shall be held liable for damages if they cause any loss to the Company in violation of the preceding provisions.

Article 68 Controlling Shareholder referred to in these Articles of Association means a person who satisfies one of the following conditions:

- (I) a person who, acting alone or in concert with others, has the power to elect more than half members of the Directors;
- (II) a person who, acting alone or in concert with others, has the power to exercise 30% or more of the voting right of the Company or control the exercise of 30% or more of the voting right of the Company;
- (III) a person who, acting alone or in concert with others, holds 30% or more of the outstanding shares of the Company;
- (IV) a person who, acting alone or in concert with others, has de facto control of the Company by any other means.

The phrase “acting in concert” referred to in this Article means two or more persons reaching an agreement (either orally or in writing), pursuant to which any one of them shall obtain voting rights of the Company for control or consolidation of control over the Company.

CHAPTER 9 GENERAL MEETINGS

Article 69 The Shareholders’ general meeting of the Company is the organ of authority of the Company, which is comprised of all Shareholders of the Company. The Shareholders’ general meeting shall exercise its powers in accordance with the laws, administrative regulations and the Articles of Association.

Article 70 The Shareholders’ general meeting shall exercise the following functions and powers:

- (I) to decide the business operation guidelines and investment plans for the Company;
- (II) to elect and change Directors and Supervisors who are not employees’ representatives, and decide on the remunerations of Directors and Supervisors;
- (III) to consider and approve reports of the Board of Directors and the Supervisory Committee;
- (IV) to consider and approve the annual financial budgets and final accounting proposals of the Company;
- (V) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (VI) to resolve on the increase or reduction of the registered capital of the Company;
- (VII) to resolve on the issuance of bonds of the Company;
- (VIII) to resolve on matters such as the merger, division, dissolution, liquidation or change in the form of the Company;

- (IX) to amend the Articles of Association;
- (X) to determine the appointment, dismissal or non-reappointment of accounting firms;
- (XI) to consider proposals raised by Shareholders who represent 3% or more of the total number of voting shares of the Company;
- (XII) to consider matters relating to the purchase and disposal of material assets by the Company, within one year and with value exceeding 30% of the latest audited total assets of the Company;
- (XIII) to consider share incentive schemes;
- (XIV) other matters required to be resolved by the Shareholders' general meeting pursuant to laws, administrative regulations and the Articles of Association;
- (XV) other matters required by the listing rules of the stock exchange where the shares of the Company are listed.

The abovementioned functions and powers of the Shareholders' general meeting may not be exercised by the Board of Directors or other bodies and individuals on its behalf by delegation.

Article 71 The guarantee offered by the Company to a Shareholder or de facto controller of the Company shall be resolved by the Shareholders' general meeting.

When the Shareholders' general meeting is considering a proposal to provide guarantee for any Shareholder, de facto controller and its affiliates, such Shareholder or the Shareholder controlled by the de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to approval by more than half of the voting rights of the other Shareholders attending the Shareholders' general meeting.

If any Director, general manager or other senior management officer violates the approval authority and review procedures on external guarantees specified in the laws, administrative regulations or the Articles of Association, the aforesaid person shall be liable for compensating the Company for any loss incurred thereto, and the Company may pursue action against the said person pursuant to law.

Article 72 The Company shall not enter into contracts with a party (other than a Director, Supervisor, the general manager and other senior management officer) in relation to handover of the administration of all business or the important business of the Company to that party without prior approval of the Shareholders' general meeting by special resolution.

Article 73 Shareholders' general meetings comprises annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year and within six months after the end of the previous financial year. The Company shall convene an extraordinary general meeting within two months upon occurrence of the following events:

- (I) when the number of Directors is less than the statutory minimum number required under the Company Law or two thirds of the number as specified in these Articles of Association;

- (II) the unrecovered losses of the Company amount to one third of the total amount of its paid-up share capital;
- (III) when any Shareholder severally or jointly holding 10% or more of the total voting shares of the Company requests in writing;
- (IV) the Board of Directors considers it necessary;
- (V) the Supervisory Committee proposes to convene such meeting;
- (VI) two or more Independent Directors propose to convene such meeting;
- (VII) any other circumstances stipulated in the laws, administrative regulations, departmental rules or the Articles of Association.

Article 74 For a Shareholder request to convene an extraordinary general meeting or a class meeting, the following procedures should be adopted:

Two or more Shareholders holding 10% or more of the Company's shares, either individually or jointly, with voting rights in such proposed meeting, may sign one or several written requests with the same format and content and submit to the Board to request convening an extraordinary general meeting or a class meeting and explain the agenda for the meeting. The Board shall convene an extraordinary general meeting or a class meeting as soon as possible after having received the above-mentioned written request. The number of shares for purpose of this paragraph shall be the number of shares held on the date on which the Shareholders put forward the written request.

Should the Board fail to issue a notice of such a meeting within 30 days from the date of receipt of the requisition(s), the Shareholders may submit in writing to the Supervisory Committee and convene an extraordinary general meeting or class meeting.

Should the Supervisory Committee fail to deliver the notice for convening the meeting within 30 days from the date of receipt of the abovementioned notice, Shareholders who hold more than 10% or more of the shares with voting rights on such meeting to be convened, either individually or jointly, for a consecutive period of more than ninety days may convene on their own within 4 months of the receipt of the request by the Board. The procedures for convening shall be the same, to the greatest possible extent, as those for convening a Shareholders' general meeting by the Board.

The Company shall be responsible for the reasonable fees incurred by the Shareholders in convening an extraordinary general meeting due to the failure of the Board to convene the meeting. The Company shall deduct such fees from the amount owed by the Company to the Directors and Supervisors who have neglected their duties.

Article 75 When the Company convenes a Shareholders' general meeting, Shareholders holding 3% or more of the Company's voting shares shall have the right to put forward new proposals in writing to the Company and submit the same to the convener of a Shareholders' general meeting ten days prior to the meeting. The convener shall issue a supplementary notice of the Shareholders' general meeting within 2 days after receipt thereof, notify other Shareholders, and include the proposed matters which are within the power of the Shareholders' general meeting as matters to be considered at the Shareholders' general meeting.

Article 76 When the Company convenes the annual Shareholders' general meeting, it shall notify Shareholders the date and the place and the matters to be considered 21 days prior to the meeting. For an extraordinary general meeting, the Company shall notify Shareholders 15 days prior to the meeting. A notice given in respect of this article shall be given on the date on which the Company or the share registry appointed by the Company serves the notice on the postal authority for posting.

Unless otherwise provided in the Articles of Association, the notice of the Shareholders' general meeting shall be served on each Shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail to the Shareholder at his/her address, as shown in the register of members. For holders of domestic shares, notices of the Shareholders' general meetings may be given by public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities authority of the State Council within the time limit specified in the first paragraph of this Article before the meeting is convened. Upon the publication of the announcement, all holders of domestic shares shall be deemed to have received the notice of the relevant Shareholders' general meeting.

The notice of the Shareholders' general meeting to the holders of overseas listed foreign shares may be published through the websites of the Stock Exchange and the Company. Upon the publication of the announcement, all holders of overseas listed foreign shares shall be deemed to have received the notice of the relevant Shareholders' general meeting.

Article 77 A Shareholders' general meeting shall not make resolutions on matters not stated in the notice mentioned in the Article 75 and 76 of the Articles of the Associations.

Article 78 A notice of Shareholders' general meetings:

- (I) shall be in writing;
- (II) shall specify place, the time and date of the meeting;
- (III) shall state the matters to be discussed at the meeting;
- (IV) shall provide such information and explanation as are necessary for the Shareholders to exercise an informed judgment on the proposals before them, including (but not limited to) where a proposal is made to amalgamate the Company with another company, to repurchase shares of the Company, to reorganize the share capital or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the reasons for and consequences of such proposal must be seriously explained;
- (V) shall contain a disclosure of the nature and extent, if any, of material interests of any director, Supervisor, general manager or other senior management members in the transaction proposed and the effect of the proposed transaction on them in their capacity as Shareholders in so far as it is different from the effect on the interests of other Shareholders of the same class;
- (VI) shall contain the text of any special resolution proposed to be passed at the meeting;

- (VII) shall expressly state that a Shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a Shareholder;
- (VIII) shall specify the time and place for lodging proxy forms for the relevant meeting;
- (IX) shall specify the record date for recording the shareholding interests of Shareholders who are entitled to attend the Shareholders' general meeting;
- (X) shall specify the name and telephone number of the contact person for the meeting;
- (XI) shall specify other matters prescribed by laws, administrative regulations, departmental rules, regulatory documents, the Articles of Association and securities regulatory authorities and stock exchange of the place where the shares of the Company are listed.

Article 79 The accidental omission to give the notice for the meeting to, or the non-receipt of the notice for the meeting by, any persons entitled to receive such notice shall not invalidate the meeting and the resolutions at that meeting.

Article 80 Any Shareholder entitled to attend and vote at a Shareholders' general meeting shall be entitled to appoint one or more persons (whether or not a Shareholder) as his proxy to attend and vote on his behalf. A proxy so appointed shall be entitled to exercise the following rights in accordance with the authorization from that Shareholder:

- (I) the Shareholder's right to speak at the meeting;
- (II) the right to demand, whether on his own or together with others, a poll;
- (III) the right to vote may be exercised either by a show of hands or by poll. However, if a Shareholder has appointed more than one proxy, such proxies may only exercise their voting rights by poll.

Article 81 Shareholders shall entrust their proxies by written instruments, which shall be made under the hand of the appointer or his agent entrusted in writing. Where the appointer is a legal person, the instrument shall be made additionally under the seal of a legal person or under the hand of its director or duly authorized agent.

Article 82 The proxy form shall be deposited at the address of the Company or such other place specified in the notice of the meeting not less than 24 hours prior to the meeting at which the proxy is authorized to vote, or not less than 24 hours prior to the time appointed for voting. Where the proxy form is signed by a person authorized by the appointer (other than a recognised clearing house or its nominees), the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, together with the proxy form, shall be lodged at the address of the Company or such other place as specified in the notice of the meeting.

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

Where such Shareholder is a recognised clearing house (or its nominee), it may authorize one or more persons as it deems fit to act as its representative(s) at any Shareholders' general meeting or any class meeting, provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect to which person is so authorized, and shall be signed by an authorized personnel of the recognised clearing house. Such duly authorized persons may represent the recognised clearing house (or its nominees) to exercise the same powers (without showing proof of title, the notarized authorization and/or further evidence showing the proof of title) as if he is an individual Shareholder of the Company.

Article 83 Any proxy form issued to a Shareholder by the Board of the Company for the purpose of appointing a proxy of Shareholder shall be in such form which enables the Shareholder, according to his/her free will, to instruct his/her proxy to vote in favor of, against or to abstain from the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the Shareholder, his/her proxy may vote as he/she thinks fit.

Article 84 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given by the proxy in accordance with the power of attorney shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 85 The chairman of the Board shall preside as the chairman in the meeting convened by the Board. If the chairman of the Board cannot or fails to fulfill the duty thereof, the meeting shall be chaired by the Director elected by more than half of the Directors. If no chairman has been designated, the Shareholders attending the meeting may elect a person to act as the chairman; if failing such election for whatever reasons, the Shareholder with the greatest number of voting shares present at the meeting, whether in person or by proxy (except for recognised clearing houses and their agents), shall act as the chairman.

If the Board cannot or fails to fulfill the obligation to convene Shareholders' general meetings and the Supervisory Committee may in time convene and preside over the meeting on its own; if Supervisory Committee cannot or fails to convene or preside over the meeting, Shareholders (individually or jointly) holding not less than 10% for consecutive 90 days or more, may themselves convene such a meeting.

In the event that the Shareholders' general meeting is convened by the Supervisory Committee, the meeting shall be presided by the chairman of the Supervisory Committee. Should the chairman of the Supervisory Committee be unable to perform or fail to perform his/her duties, the meeting shall be chaired by the Supervisor elected by more than half of the Supervisors.

In the meeting convened by Shareholders (individually or jointly) holding not less than 10% for consecutive 90 days or more, the convenor shall nominate a representative to chair the meeting.

When a Shareholders' general meeting is convened and in the event that the moderator of the meeting violates the rules of procedure causing the Shareholders' general meeting unable to be continued, a person may be elected as moderator to carry on with the meeting with the consent of Shareholders with more than half of the voting rights attending the Shareholders' general meeting. If, for any reason, the attending Shareholders fail to elect one to be the chairman, the attending Shareholder (or his/her proxy) who holds the most voting shares shall be the chairman of the meeting.

Article 86 Resolutions of Shareholders' general meeting can be classified into ordinary resolutions and special resolutions.

An ordinary resolution of a Shareholders' general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than half of the voting rights of the Shareholders (including proxies) being present.

A special resolution of a Shareholders' general meeting shall be passed with the adoption of Shareholders (including proxies) being present who represent more than two-thirds of the voting rights of the Shareholders (including proxies) being present.

Shareholders (including their proxies) attending the meeting shall clearly vote for or against such resolution. If a Shareholder or his proxy casts abstention vote or abstains from voting, his vote shall not be counted in the voting results of the Company.

Article 87 Shareholders (including their proxies) shall exercise their voting rights at a Shareholders' general meeting based on the number of voting shares they represent, with one vote for each share. However, the Company's shares held by the Company have no voting right and such shares are not counted into the total number of voting shares of all the Shareholders present at the meeting.

Where any Shareholder is, under the applicable laws and regulations and the Listing Rules of the Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Article 88 Except for proposals in relation to procedural and administrative matters of the general meeting which can be voted upon by a show of hands as decided by the meeting chair in good faith, any voting at the general meeting shall be conducted by a poll.

Article 89 A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken immediately. A poll demanded on any other matter shall be taken at such time as the chairman deems appropriate, and the meeting may proceed to discuss other matters. The results of the poll to be taken shall still be deemed to be a resolution passed at that meeting.

Article 90 Shareholders who attend the meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting. Any votes which are uncompleted, erroneously completed or illegible, or uncast votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as "abstain from voting".

Article 91 On a poll taken at a meeting, a Shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 92 In the case of an equality of votes, whether by a show of hands or a vote, the chairman of the meeting shall have a casting vote.

Article 93 The following matters shall be resolved by way of ordinary resolutions at a general meeting:

- (I) Work reports of the Board of Directors and the Supervisory Committee;
- (II) Plans for profit distribution and recovery of losses drafted by the Board of Directors;
- (III) Appointment or removal of members of the Board of Directors and the Supervisory Committee, and their remuneration and method of payment thereof;
- (IV) The Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (V) Any matters other than those required by the laws, administrative regulations or the Articles of Association to be approved by special resolution.

Article 94 The following matters shall be approved by special resolutions at a general meeting:

- (I) Increase or reduction of the share capital, and issue of any class of shares, warrants and other similar securities of the Company;
- (II) Issuance of debentures of the Company;
- (III) Demerger, merger, dissolution and liquidation of the Company;
- (IV) Change of corporate form of the Company;
- (V) Purchase or disposal of material assets or provision of guarantee by the Company within a year of a value exceeding 30% of the Company's latest audited total assets;
- (VI) Amendment to the Articles of Association;
- (VII) Share incentive plans to be considered and approved;
- (VIII) Repurchase of the Company's shares;
- (IX) Any other matters prescribed by the laws, administrative regulations or the Articles of Association, and those matters approved by ordinary resolution at a general meeting as having a material impact on the Company and are required to be approved by a special resolution;
- (X) Any other matters required by the Listing Rules of the Stock Exchange to be approved by special resolution.

Article 95 If the Shareholders' general meeting requires all the Directors, Supervisors, general manager and other senior management members of the Company to attend the meeting, they shall attend the meeting. The Directors, Supervisors, general manager and other senior management members attending or present at the Shareholders' general meeting shall answer or explain inquiries made by Shareholders except which involves business secrets of the Company that cannot be disclosed at the meeting.

Article 96 The chairman of the meeting shall be responsible for determining whether a resolution at a Shareholders' general meeting is passed. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.

Article 97 If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, any Shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted, and the chairman of the meeting shall have the ballots counted immediately.

Article 98 If ballots are counted at a Shareholders' general meeting, the counting result shall be recorded in the meeting minutes.

The minutes of the meeting signed by the attending directors and the meeting chair, together with the attendance records signed by the attending Shareholders and proxy forms shall be kept at the domicile of the Company.

Article 99 Shareholders may have access to copies of the meeting minutes free of charge during the office hours of the Company. If any Shareholder asks for copies of such minutes, the Company shall send out the said copies within 7 days after receipt of reasonable expenses.

Article 100 At a Shareholders' general meeting, the approach and procedures for nomination of Directors and Supervisors are as follows:

- (I) Shareholders individually or jointly holding 3% or more of the total outstanding voting shares of the Company may, by way of a written proposal, put forward to the Shareholders' general meeting the recommended candidates for Directors and Supervisors (not being staff representatives). However, the number of candidates nominated shall comply with the provisions of the Articles of Association, and shall not exceed the number to be elected. The aforesaid proposal put forward by Shareholders to the Company shall be delivered to the Company at least 7 days before the convening of the Shareholders' general meeting.
- (II) Within the number of members as specified in the Articles of Association and based on the number to be elected, directors and Supervisors may propose a list of recommended candidates for director and supervisor positions, which shall be submitted to the Board of Directors and Supervisory Committee for approval. After the list of candidates for directors and Supervisors is determined upon approval by the Board of Directors and Supervisory Committee and adoption of a resolution, it should be proposed in writing at a Shareholders' general meeting. Employee representative directors and employee representative Supervisors shall be elected through the employee representatives meetings, employee meetings or through other forms of democratic election.

- (III) The written notices of the intention to nominate a candidate for election as a non-employee representative director or supervisor, the acceptance of nomination by such candidate, and the relevant written materials of the nominated candidate, shall be given to the Company no less than 7 days prior to the date of convening the Shareholders' general meeting (such seven-day period shall commence no earlier than the second day after the issue of the notice of the meeting at which the election shall be conducted and end no later than seven days prior to the Shareholders' general meeting). The Board of Directors and Supervisory Committee shall provide Shareholders with biographical details and basic information about the candidates for non-employee representative directors and Supervisors.
- (IV) The period for nominating a candidate for non-employee representative Director or Supervisor and the period for nominees to provide the aforesaid notice and documents shall be no less than 7 days (such period shall commence from the day following the date of serving the notice of convening the Shareholders' general meeting).
- (V) At the Shareholders' general meeting, voting for each non-employee representative candidate for a director and supervisor shall be handled as separate matters.
- (VI) In the case of ad hoc addition or replacement of any non-employee representative director or supervisor, the Board of Directors and Supervisory Committee shall put forward a proposal to the Shareholders' general meeting for such election or replacement.

CHAPTER 10 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 101 Shareholders holding different classes of shares are referred to as class Shareholders.

A class Shareholder shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and the Articles of Association.

In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of Shareholders. Where the share capital of the Company includes shares that do not carry voting rights, the words "non-voting" must appear on the name of such shares. Where the share capital includes shares with different voting rights, the name of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting".

Article 102 Rights conferred to class Shareholders may not be varied or abrogated unless approved by way of a special resolution at a general meeting and by the affected class Shareholders at a separate general meeting convened in accordance with Articles 104 to 108 hereof.

No approval by a general meeting or a class meeting is required for variation or abrogation of rights of class Shareholders resulting from any change in domestic and foreign laws and administrative regulations and listing rules where the Company's shares are listed, and the decisions made by domestic and foreign regulatory authorities in accordance with the laws.

The transfer of domestic shares held by domestic Shareholders to overseas investors for listing and trading overseas shall not be considered as the Company's intention to vary or abrogate the rights of class Shareholders.

Article 103 The following circumstances shall be deemed to be a variation or abrogation of the rights of Shareholders of a particular class:

- (I) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (II) To effect a change of all or part of the shares of such class into those of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into those of such class;
- (III) To remove or reduce the rights in respect to accrued dividends or the cumulative dividends attached to shares of such class;
- (IV) To reduce or remove the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the event that the Company is liquidated;
- (V) To add, remove or reduce the share conversion rights, options, voting rights, transfer rights, pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (VI) To remove or reduce the rights to receive payables from the Company in a particular currency attached to shares of such class;
- (VII) To create a new class of shares with voting right, distribution right or other privileges equal or superior to those of the shares of such class;
- (VIII) To restrict the transfer or ownership of shares of such class or to impose additional restrictions thereto;
- (IX) To grant the right to subscribe for, or convert into, shares of such or another class;
- (X) To increase the rights and privileges of shares of another class;
- (XI) To make a restructuring scheme which will result in the holders of different classes of shares bearing a disproportionate burden of obligations under such restructuring;
- (XII) To vary or abrogate any provision of this Chapter.

Article 104 Shareholders of the affected class, whether or not otherwise entitled to vote at the general meetings, shall nevertheless be entitled to vote at class meetings in respect to matters concerning sub-paragraphs (II) to (VIII), (XI) and (XII) of Article 103 hereof, but the interested Shareholder(s) shall not be entitled to vote at class meetings.

“Interested Shareholder(s)” mentioned in the preceding paragraph means:

- (I) In the case of a repurchase of shares by the Company by pro rata offers to all Shareholders or by way of on-market dealing on the stock exchange under Article 33 hereof, a “Controlling Shareholder” as defined in Article 68 hereof;
- (II) In the case of a repurchase of shares by the Company outside the Hong Kong Stock Exchange by way of agreement under Article 33 hereof, a Shareholder who is related to the agreement;
- (III) In the case of a restructuring of the Company, a Shareholder within a class who bears less than a proportionate liability than other Shareholders of such class or who has an interest different from those of other Shareholders of such class.

Article 105 Resolutions of a class meeting shall be passed by Shareholders present at the meeting representing two-thirds or more of the voting rights in accordance with Article 104 hereof.

Article 106 In the event that the Company convenes a class meeting, the period for issuing a written notice shall be the same as that for the non-class meeting to be held on the same day as the class meeting. The written notice shall be issued to Shareholders whose names appear on the register of members, specifying the matters proposed to be considered and the date and place of the meeting. When calculating the required time periods mentioned above, the date of the meeting shall not be included.

If the listing rules of the stock exchange where the Company’s shares are listed have specific provisions, such provisions shall be complied with.

The quorum for each meeting (other than an adjournment) of members of any class convened to consider amending the right of any class of shares shall be the holders of at least one-third of the issued shares in that class.

Article 107 The notice of the class meeting shall only be served to Shareholders entitled to vote thereat.

A class meeting shall be held under procedures as similar as possible to a general meeting. The provisions of the Articles of Associations which relate to the convening of general meetings shall apply to class meetings.

Article 108 In addition to holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be different classes of Shareholders. The special voting procedures for class meetings shall not apply to the following circumstances:

- (I) Where the Company issues, upon approval by a special resolution of its Shareholders in a general meeting, either separately or concurrently every 12 months, not more than 20% of each of the existing issued domestic shares and overseas listed foreign shares;
- (II) Where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of its establishment is implemented within 15 months from the date of approval by the securities regulatory authority of the State Council or before the deadline specified in the approval documents thereof;
- (III) Where holders of domestic shares of the Company transfer the shares held by them to overseas investors, or they are allowed to convert their shares into overseas listed foreign shares, and such transferred shares are listed or traded on an overseas stock exchange, upon the approval by the securities regulatory authority of the State Council.

CHAPTER 11 BOARD OF DIRECTORS

Section I Directors

Article 109 Directors shall be elected or replaced at the general meetings for a term of 3 years. Upon expiration of the term of office, a Director shall be eligible to offer himself for re-election and re-appointment, but the term of office of an independent Director shall not exceed 6 years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

The term of office of a director shall commence from his accession till the expiry of the term of the current session of the Board of Directors. Where election of directors fails to be timely conducted upon expiry of the term of office of the former directors, the former directors shall, prior to the accession of the newly elected directors, perform their duties as directors in accordance with laws, administrative regulations, regulations of regulatory authorities and provisions of the Articles of Association.

Article 110 A Director may resign before expiration of his term of office. The resigning Director shall submit a written resignation to the Board of Directors. The Board of Directors shall make relevant disclosure within 2 days.

In the event that the resignation of any Director results in the number of members of the Board of Directors to be less than the statutory minimum requirement, the said Director shall continue to perform duties as Director pursuant to the laws, administrative regulations, departmental rules and the Articles of Association until a new Director is elected and assumes his/her office. The re-elected Directors shall have the same term of office as the original Board of Directors.

Save for the circumstances set out in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation to the Board of Directors.

Subject to the relevant laws and regulations, and the regulatory rules of the local authority where the Company's shares are listed, any person appointed by the Board to fill a casual vacancy on the Board or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

Article 111 When a Director's resignation becomes effective or his term of office expires, he shall duly carry out all handover procedures with the Board of Directors. His fiduciary obligations to the Company and Shareholders shall not necessarily terminate from the end of his term of office, and shall remain effective within a reasonable period as specified in the Articles of Association.

Article 112 If any Director fails to attend in person or appoint other Directors as his/her representative to attend meetings of the Board of Directors for two consecutive times, such Director shall be deemed to have failed to perform his duties, and the Board of Directors shall propose to replace such Director at the general meeting.

Article 113 The Company shall have independent non-executive Directors. Except as otherwise provided by this section, the provisions relating to the qualifications and obligations of Directors in the Articles of Association shall apply to independent non-executive Directors.

Independent non-executive Directors shall have sufficient industry or professional experience to perform their duties, and perform their duties honestly and faithfully, safeguard the Company's interest and in particular, preventing encroachment of the lawful rights and interests of public Shareholders, so as to ensure the sufficient representation of the interests of all Shareholders.

Article 114 Prior to the expiration of his term of office, any Director who has withdrawn from his office without permission, or who violates any laws, administrative regulations, departmental rules or the Articles of Association or during the course of performing his duties, and Company suffers only loss, such Director shall be liable for compensation of such loss.

Article 115 No Director shall act for and on behalf of the Company or the Board of Directors in his personal capacity, unless specified under the Articles of Association or legally authorised by the Board of Directors. In the event that a Director is acting in his personal capacity, but may be reasonably deemed to be acting on the behalf of the Company or the Board of Directors by a third party, such Director shall state his stance and capacity in advance.

Section II Board of Directors

Article 116 The Company shall establish a Board of Directors, which shall comprise eight (8) Directors, including one (1) staff representative. The Board of Directors shall have one chairman. The chairman of the Board of Directors shall be elected or removed by more than one half of all Directors, and has a term of office of three (3) years and is renewable upon re-election.

Subject to the relevant laws and administrative regulations, a Director may be removed by an ordinary resolution in a general meeting, before the expiration of his term of office (but without prejudice to any claim which such Director may here for damages under any contract).

The number of independent non-executive Directors, at all times, shall not be less than three (3) and shall represent one third (1/3) or above of the Board of Directors. At least one of them shall have appropriate professional qualifications, or accounting or related financial management expertise. The term of office of an independent non-executive Director shall be three (3) years and is renewable upon re-election, but shall not exceed six (6) years, unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed.

The general manager or other senior management officers may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as general manager or other senior management officers shall not exceed one half (1/2) of the total number of Directors of the Company.

The number of senior management officers of the Controlling Shareholder concurrently holding the office of the chairman or executive Director of the Company shall not exceed two (2).

A Director is not required to hold any shares of the Company.

Article 117 The Board of Directors shall be responsible to general meetings and exercise the following functions and powers:

- (I) convene the general meeting and report to the general meeting;
- (II) To implement the resolutions adopted at general meetings;
- (III) To decide on the Company's business plans and investment plans;
- (IV) To formulate the Company's annual financial budgets and accounts;
- (V) To formulate the Company's proposals on profit distribution and plan for recovery of losses;
- (VI) To formulate proposals for increases or reductions of the Company's registered capital and proposals for the issue and listing of corporate debentures or other securities;

- (VII) To formulate plans for material asset acquisition or disposal, acquisition of the Company's shares, or merger, demerger, dissolution and change of corporate formation of the Company;
- (VIII) To decide, within the scope authorised by the general meeting, the Company's overseas investment, purchase and sale of assets, asset mortgage, external guarantee, entrusted wealth management, related transactions and other matters;
- (IX) To decide on the establishment of the Company's internal management structure;
- (X) To appoint or dismiss the Company's general manager or Board secretary; and to appoint or dismiss other senior management officers of the Company, such as the vice general manager and chief financial officer pursuant to the nomination of the general manager, and determine their remunerations, rewards and punishments;
- (XI) To formulate the Company's basic management system;
- (XII) To formulate proposals for amendment to the Articles of Association;
- (XIII) To manage the disclosure of the Company's information;
- (XIV) To propose to general meeting the appointment or change of auditors engaged in auditing businesses of the Company;
- (XV) To listen to work reports from the Company's senior management officers and examine their work;
- (XVI) To decide on matters such as investments, acquisitions or disposals of assets, financing and connected transactions that require decisions to be made by the Board of Directors in accordance with the Listing Rules of the Stock Exchange;
- (XVII) To exercise other functions and powers conferred by laws, administrative regulations, department rules or the Articles of Association.

Matters beyond the authorization of the general meeting shall be submitted at the general meeting for approval.

When deciding major issues of the Company, the Board of Directors shall solicit the opinions of the Party Committee of the Company in advance.

Article 118 The Board shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.

Disposals of the fixed assets mentioned herein include transfer of certain asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 herein.

Article 119 The chairman of the Board shall exercise the following functions and powers:

- (I) To preside over general meetings and to convene and preside over board meetings;
- (II) To supervise and examine the implementation of the resolutions of the Board;
- (III) To sign the share certificates, corporate bonds and other marketable securities issued by the Company;
- (IV) To exercise other functions and powers conferred by the laws, administrative regulations, departmental rules, the Articles of Association and the Board.

Where the chairman of the Board is incapable of performing or fails to perform his/her duties, a director shall be elected by not less than half of the directors to perform duties.

Article 120 Meetings of the Board shall be held at least four (4) times every year and convened by the chairman of the Board. Notice of the meeting shall be served on all of the Directors and Supervisors fourteen (14) days before the date of the meeting.

In case of any urgent matters, the following persons can propose to convene an interim Board meeting: The chairman of the Board of Directors shall convene a Board meeting within ten days and preside it:

- (I) When proposed by more than one-tenth of the Shareholders with voting rights;
- (II) When proposed by one-third or more of the Directors;
- (III) When proposed by the chairman of the Board of Directors;
- (IV) When proposed by two or more independent Directors;
- (V) When proposed by the Supervisory Committee;
- (VI) When proposed by the general manager;
- (VII) Any other circumstances stipulated in the Articles of Association.

Article 121 Notice shall be given to all Directors, Supervisors and the general manager fourteen (14) days prior to a regular Board meeting, and a reasonable period (no less than five (5) days) prior to an interim Board meeting. The responsible body of the Company shall serve a written notice of the meeting to all Directors, Supervisors and the general manager by direct delivery, fax, express mail service or other means of electronic communication. Notices that are not served by hand shall be confirmed by telephone and record should be made accordingly.

With the consent of all the Directors and Supervisors, the provisions on the time limit for notification of Board meetings may be exempted from execution.

In case of emergency and an interim Board meeting is required to be convened as soon as possible, the notice of meeting may be given by telephone or by other verbal means at any time, but the convener shall provide an explanation at the meeting.

Article 122 The notice of a Board meeting shall include the following:

- (I) The date and venue of the meeting;
- (II) The duration of the meeting;
- (III) Subjects and topics to be discussed at the meeting;
- (IV) The issuance date of the notice;
- (V) Other necessary contents.

Article 123 A notice of meeting shall be deemed to have been served on a Director who is present at a meeting and who has not, before or during the meeting, raised the fact that he has not received a notice of the meeting.

The regular or the extraordinary meetings of the Board may be conducted through conference call or any other similar communication facility provided that the Directors can hear each other distinctly and that they can communicate. All the Directors present at such kind of meeting shall be deemed as having attended the meeting in person.

Article 124 Meetings of the Board of Directors shall be held only if more than half of the Directors are present.

Each Director shall have one vote. Except as otherwise required by laws, administrative rules and regulations, the Board may pass resolutions only upon a majority vote of all the Shareholders attended in the meeting.

The meeting can effectively convene when more than half of the unconnected Directors attend, and the resolution shall be approved by votes from more than half of the unconnected Directors. Should there be fewer than three (3) unconnected Directors at the Board meeting, the item shall be submitted for consideration at the general meeting.

Where the number of votes cast for and against a resolution are equal, the chairman of the Board of Directors shall have a casting vote.

Article 125 Directors shall attend a Board meeting his/her own. If Directors are unable to attend the meeting due to certain reasons, they may authorize other Directors in writing to attend the meeting on their behalf. A letter of authorization shall indicate the name of representative, matters of representation, scope of authorization and effective period, and under the signature or seal of the consignor.

The appointed Director attending the meeting shall exercise the rights of a Director within the scope of authorization. If a Director does not attend a Board meeting, and does not authorize any representatives to attend the meeting, he shall be deemed to have waived the voting right in the meeting.

Article 126 In relation to important matters that are to be determined by the Board, notices of meetings, together with sufficient information, must be served on all the Directors within the time limit set out in the Articles of Association and in strict compliance with the required procedures. Directors may demand further information. If more than one-quarter of the Directors or more than two external Directors consider that the information required for the matters to be resolved is not sufficient or that proper judgement cannot be reached on the matters in issue for other reasons, they may jointly propose a postponement of the Board meeting or of the deliberation of some of the matters to be considered by the Board, and such proposal shall be accepted by the Board.

Article 127 The Board may accept that a written resolution to be circulated instead of convening a meeting. However, the draft of the resolution shall be delivered to each Director by hand, by mail, by fax or by email. If the Board has circulated the resolution to all Directors and the number of Directors who have signed the resolution to show their agreement has reached the quorum for making a decision, and also the resolution so passed shall, upon being delivered to the secretary to the Board, become a resolution of the Board with the same legal effect as a resolution passed on a Board meeting convened in accordance with the relevant provisions of the Articles of Association.

Article 128 The Board shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the Directors, the secretary to the Board and the minute taker present at the meeting.

The Directors shall be liable for the resolutions of the Board. If a resolution of the Board violates the laws, administrative regulations, the Articles of Association, resulting in serious losses to the Company, the Directors involved in approving the resolution are liable to compensate the Company. However, if it can be proven that a Director expressly objected to the resolution during voting and that such objection is recorded in the minutes of the meeting, such Director may be released from such liability.

Section III Special Committees under the Board

Article 129 The Board of Directors shall establish three (3) special committees, including Audit Committee, Remuneration Committee and Nomination Committee, and the personnel composition and rules of procedure of which shall be resolved separately by the Board of Directors. Where necessary, the Board of Directors may establish other special committees. These special committees are ad hoc committees under the Board of Directors which provide advices or advisory opinions for the Board of Directors on material decisions. The special committees shall not make any decision in the name of the Board of Directors. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board of Directors.

Section IV Secretary to the Board

Article 130 The Company shall have one (1) secretary to the Board who shall be appointed or dismissed by the Board. The secretary to the Board is a senior management officer and is accountable to the Company and the Board and shall perform his duties faithfully and diligently.

The secretary of the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules and these Articles of Association.

Article 131 The secretary to the Board shall has acquired requisite professional knowledge and experience. He shall be appointed or dismissed by the Board of Directors and the major duties of whom include:

- (I) to ensure that the constitutional documents and records of the Company are complete; to maintain and manage Shareholders' information; to assist the Directors in dealing with daily work of the Board; to inform, remind Directors of and ensure the Directors to be acquainted with the laws, administrative regulations, policies and requirements by relevant regulatory authorities regarding the Company's operations; to assist Directors and general manager in abiding by laws, administrative regulations, departmental rules and these Articles of Association in their exercise of authority and functions;
- (II) to be responsible for the organization and preparation works for the Board of Directors, Shareholders' general meeting, meeting records, minutes of meetings, to ensure the resolutions reached at these meetings comply with the legal procedures, to be well informed about the execution of the Board resolutions and to advise Directors on important issues encountered in the execution;
- (III) as a contact point between the Company and securities regulators, to be responsible for the organization, preparation and timely submission of the reports and files requested by the securities regulators; to be acknowledged of and complete the relevant requirements stipulated by the securities regulators;

- (IV) to coordinate and arrange the disclosure of the information of the Company; to establish a sound disclosure system; to attend the meetings relating to the disclosure; and to be promptly aware of the material business operating decisions of the Company and other relevant information;
- (V) to ensure that the Company's registers of members are properly maintained, and that persons who are entitled to receive the relevant records and documents of the Company receive the relevant records and documents in a timely manner;
- (VI) to perform such other duties and exercise such other powers as may be conferred by the Board, laws and regulations and the stock exchange on which the shares of the Company are listed.

Article 132 A Director or any other senior management of the Company may concurrently serve as secretary to the Board. The accountant whose firm is engaged by the Company and management executives acting on behalf of the Controlling Shareholder shall not serve as secretary to the Board.

In the case of the secretary to the Board being a Director, this person shall not act in both capacities when an action requires efforts to be made separately by a Director and a secretary to the Board.

CHAPTER 12 SENIOR MANAGEMENT OFFICERS

Article 133 The Company shall have one (1) general manager who shall be appointed or dismissed by the Board of Directors.

The Company shall have several deputy general managers and one (1) financial controller, both of whom shall be nominated by the general manager and shall be appointed or dismissed by the Board.

A Director may concurrently serve as the general manager and a deputy general manager.

Article 134 The general manager has a term of office of three (3) years and may serve successive terms upon reappointment.

Article 135 The general manager shall be accountable to the Board of Directors, and has duties and powers listed below:

- (I) to be in charge of the Company's operation and management, to organize the implementation of the resolutions of the Board and Company, and report to the Board of Directors;
- (II) to arrange proper resources to implement the Company's annual business plans and investment plans;

- (III) to draft internal management organization plans of the Company;
- (IV) to draft the Company's basic management system;
- (V) to formulate basic rules and regulations for the Company;
- (VI) to propose the appointment or dismissal of the Company's vice-general manager(s) and the chief financial officer;
- (VII) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board; and
- (VIII) to exercise other powers conferred by these Articles of Association and the Board.

Article 136 The general manager shall attend Board meetings and, if the general manager is not a Director, he shall not have voting right thereon.

Article 137 In the exercise of his powers, the general manager, vice general managers, financial controller and other senior management officers shall comply with the laws, administrative regulations and these Articles of Association, and fulfil his duties in good faith and with due diligence.

CHAPTER 13 SUPERVISORY COMMITTEE

Article 138 The Company shall have a Supervisory Committee.

Article 139 The Supervisory Committee shall consist of three (3) Supervisors including one (1) staff representative Supervisor, among whom one shall act as the chairman of the Supervisory Committee. The appointment or the dismissal of the chairman of the Supervisory Committee shall be passed by more than two-third (2/3) of the members of the Supervisory Committee.

The term of office of a Supervisor shall be three years, being renewable upon re-election and re-appointment.

Article 140 The Supervisory Committee shall be comprised of Shareholder representatives and staff representatives. Staff representatives shall comprise not lower than one-third of all members of the Supervisory Committee. Shareholder representatives shall be elected and dismissed by the Shareholders' meeting, while the staff representative Supervisor shall be elected by the employee representatives' meeting or employees' general meeting or other democratic elections.

Article 141 Directors and senior management officers of the Company shall not concurrently serve as Supervisors.

Article 142 The Supervisory Committee shall convene a meeting at least once every six months. The meetings shall be convened by the chairman of the Supervisory Committee. In the event that the chairman of the Supervisory Committee is incapable of performing or fails to perform his duties, a Supervisor jointly recommended by half or above of the Supervisors shall be appointed to convene and preside. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee.

Resolutions of the Supervisory Committee shall be passed by more than half of the members of the Supervisory Committee.

In convening the regular or extraordinary meetings of the Supervisory Committee, the members of the Supervisory Committee shall give the written notice of the meeting to all Supervisors by hand, fax, e-mail or other means within a reasonable period. If the notice is not delivered by hand, a subsequent telephone call shall be made for confirmation and corresponding records shall be made.

In case of urgency and an extraordinary meeting of the Supervisory Committee is required to be convened as soon as possible, the notice of meeting maybe delivered by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

Article 143 The Supervisory Committee shall be accountable to the general meetings and shall exercise the following duties and powers in accordance with law:

- (I) to inspect the financials of the Company;
- (II) to supervise conducts of the Company's Directors and senior management officers during the performance of their duties, and shall make recommendations for removal of any of them for any violation of the law, rules and regulations or Articles of Association of the Company or resolutions of general meetings;
- (III) to request the Company's Directors or other senior management officers to rectify any act that is harmful to the interest of the Company;
- (IV) to review financial information such as financial reports, operation reports and profit distribution plans to be submitted by the Board of Directors to the general meetings; to conduct investigation if there is any doubt in the Company's operations and engage certified public accountants and practicing auditors in the name of the Company to assist their review if necessary;
- (V) to propose the convening of an extraordinary general meeting and convene and preside over the Shareholders' general meeting when the Board of Directors fails to perform such duties specified under the Company Law;
- (VI) to submit proposals to the Shareholders' general meeting;
- (VII) to propose convening of an extraordinary Board meeting;
- (VIII) to bring an action against a Director and senior management officer in accordance with the Company Law;
- (IX) to exercise other functions and powers specified in these Articles of Association;

Supervisors shall attend the Board meetings.

Article 144 The method for resolving matters by the Supervisory Committee: resolutions of the Supervisory Committee shall be made by way of voting with one vote for each Supervisor in the manner of open and written ballot.

The voting procedure: a supervisor may cast a vote as affirm, object or abstain. Each attending supervisor shall indicate his/her voting intention by choosing one of the above. The chairman of the meeting shall request each Supervisor who fails to choose any of the above or have chosen two or more of the above to vote again. Refusal to do so shall be regarded as having abstained from voting. Any Supervisor who leaves the meeting and does not return and has not voted by choosing any of the above shall be regarded as having abstained from voting.

Resolutions of the Supervisory Committee shall be passed by the affirmative votes of two thirds or more of the members of Supervisory Committee. The Supervisory Committee shall keep minutes of resolutions on matters discussed at the meeting, and the attending Supervisors shall sign on the minutes of the meeting.

The Supervisor is entitled to request for making some descriptive record with regard to his/her speech in the meeting. The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the Company.

In the case of voting by means of communications, Supervisors shall sign and return by mail the voting instruments containing the written opinions and voting intentions in respect of the matters discussed to the office of the Supervisory Committee. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the notice of the meeting.

Article 145 In the event that the Supervisory Committee discovers any unusual operation of the Company, it may conduct an investigation and, when necessary, may engage professionals, such as lawyers and accounting firms, to assist in its work. Any reasonable expenses incurred thereby shall be borne by the Company.

Article 146 A Supervisor shall carry out his Supervisory duties honestly and faithfully in accordance with the law, administrative regulations and these Articles of Association.

CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OFFICERS OF THE COMPANY

Article 147 The following persons may not serve as a Director, Supervisor or senior management officer of the Company:

- (I) a person without or with limited capacity for civil conduct;
- (II) a person who has been sentenced for corruption, bribery, infringement of property misappropriation of property or damaging the social economic order, where less than five (5) years have elapsed since the sentence was served, or who has been deprived of his political rights due to criminal offense, where less than five (5) years have elapsed since the sentence was served;
- (III) a person who is a former Director, factory manager or manager of a company or enterprise which has become insolvent and has been liquidated and who is personally liable for the insolvency of such company or enterprise, and where less than three (3) years have elapsed since the date of completion of the insolvency and liquidation of such company or enterprise;
- (IV) a person who is a former legal representative of a company or enterprise the business license of which was revoked and ordered to close down due to violation of law and who is personally liable for such violation, where less than three (3) years have elapsed since the date of the revocation of business license of such company or enterprise;
- (V) a person who has relatively large amounts of debts which have become overdue;
- (VI) a person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (VII) a person who, according to law and administrative regulations, is not permitted to be the leader of an enterprise;
- (VIII) a person who is not a natural person;
- (IX) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of such conviction; and
- (X) other cases specified by the laws, regulations, relevant securities regulatory authorities or rules imposed by the place of listing of the Company.

Article 148 The validity of an act carried out by a Director or other senior management officer on behalf of the Company as against a bona fide third party shall not be affected by any irregularity in his employment, election or qualification.

Article 149 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchanges on which the Company's shares are listed, the Company's Directors, Supervisors and senior management officers has the following obligations in the exercise of the functions and powers of the Company:

- (I) not to cause the Company to exceed the scope of the business stipulated in its business license;
- (II) to act honestly in the best interest of the Company;
- (III) not to expropriate in any manner the Company's property, including but not limit to usurpation of opportunities advantageous to the Company;
- (IV) not to expropriate the individual rights of Shareholders, including but not limit to rights to distribution and voting rights, except pursuant to are structuring of the Company submitted to Shareholders for approval in accordance with these Articles of Association.

Article 150 The Company's Directors, Supervisors and senior management officers owes a duty, in the exercise of their powers and discharge of their duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 151 Each of the Company's Directors, Supervisors and senior management officers shall perform his duties on the principle of fiduciary responsibility, and shall not put himself in a position where his interests and his duties may conflict. This principle includes (but is not limited to) discharging the following obligations:

- (I) to act bona fide in the best interests of the Company;
- (II) to exercise his powers within his terms of reference and not to act ultra vires;
- (III) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party; and unless permitted by laws, administrative regulations or with the informed consent of the Shareholders given in a general meeting, not to delegate the exercise of his discretion;
- (IV) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (V) unless otherwise provided in these Articles of Association or except with the informed consent of the Shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (VI) not to use the Company's property in any way for his own benefit without the informed consent of the Shareholders given in a general meeting;

- (VII) not to exploit his position to accept bribes or to obtain other illegal income, expropriate the Company's property in any way, including (but not limited to) opportunities beneficial to the Company;
- (VIII) not to accept commissions in connection with the Company's transactions without the informed consent of the Shareholders given in a general meeting;
- (IX) to comply with these Articles of Association, perform his duties faithfully, protect the Company's interests and not to exploit his position and power in the Company for his own benefit;
- (X) not to compete with the Company in any way without the informed consent of the Shareholders given in a general meeting;
- (XI) not to misappropriate the funds of the Company or lend the Company's fund to others, not to open accounts in his/her own name or in any other names for deposit of the Company's assets, not to provide guarantee for Shareholder of the Company or any other individuals for their personal debts;
- (XII) not to disclose any confidential information in relation to the Company which he has obtained during his term of office without the informed consent of the Shareholders given at a general meeting; nor shall he use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - 1. the law so requires;
 - 2. public interest so warrants;
 - 3. the interests of the relevant Director, Supervisor and senior management officers so requires.

Any gain arising from the breach of this Article by the personnel mentioned in this Article shall belong to the Company. Such personnel shall be liable for compensation for any loss of the Company arising therefrom.

Article 152 Each Director, Supervisor or other senior management officer of the Company shall not direct the following persons or institutions (“**related parties**”) to do anything that is not permitted:

- (I) the spouse or minor child of the Company’s Director, Supervisor or other senior management officer;
- (II) the trustee of the Company’s Director, Supervisor or other senior management officer or any person referred to in sub-paragraph (I) of this Article;
- (III) the partner of the Company’s Director, Supervisor or other senior management officer or any person referred to in sub-paragraphs (I) and (II) of this Article;
- (IV) a company in which the Company’s Director, Supervisor or senior management officer, whether alone or jointly with the persons referred to in sub paragraphs (I), (II) or (III) of this Article or other Directors, Supervisors and senior management officers of the Company, has de facto control; and
- (V) the Directors, Supervisors and senior management officers of the controlled company referred to in sub paragraph (IV) of this Article.

Article 153 The fiduciary duties of a Director, Supervisor and senior management officers of the Company do not necessarily cease upon termination of their tenure. The duty of confidentiality in respect to trade secrets of the Company survives the termination of their tenures. Other duties may continue for such period as the principle of fairness may require, depending on the length of time that has elapsed between termination and the act concerned and the circumstances and terms under which their relationship with the Company have been terminated.

Article 154 Except for circumstances prescribed in Article 65 hereof, a Director, Supervisor and senior management officers of the Company may be relieved of liability for specific breaches of his duty with the informed consent of the Shareholders given in a general meeting.

Article 155 Where a Director, Supervisor or senior management officer of the Company is, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than any employment contract between the Company and the Director, Supervisor or senior management officer), he shall disclose the nature and extent of his interest to the Board of Directors at the earliest opportunity, whether or not such matters are subject to the approval of the Board of Directors under normal circumstances.

Save as those exceptions specified by these Articles of Association and approved by the Stock Exchange, a Director shall not vote on any resolution of the Board of Directors approving any contract, transaction or arrangement or any other relevant proposal in which he or any of his close associates as defined under the Listing Rules, as amended or supplemented from time to time has a material interest nor shall he be counted in the quorum present at the meeting. Unless the interested Director, Supervisor, general manager or other senior management officer of the Company has disclosed his interest to the Board of Directors as required by the above paragraph of this Article and relevant matters have been approved by the Board of Directors at a meeting in which he was not counted in the quorum and has abstained from voting, the contract, transaction or arrangement is voidable at the instance of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested Director, Supervisor, general manager or other senior management officer.

A Director, Supervisor or senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his related party is interested.

Article 156 Where a Director, Supervisor or senior management officer of the Company gives the Board of Directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in the contract, transaction or arrangement which may subsequently be made by the Company, such notice shall be deemed to be a disclosure for the purpose of the preceding Article of this section, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the relevant contract conclusion, transaction or arrangement is first taken into consideration by the Company.

Article 157 The Company shall not in any manner pay taxes for its Directors, Supervisors or senior management officers.

Article 158 The Company shall not directly or indirectly make a loan to or provide any guarantee for a loan to a Director, Supervisor or senior management officer of the Company or its parent company or any of their respective related parties.

The foregoing provision shall not apply to the following circumstances:

- (I) The provision by the Company of a loan or a guarantee for a loan to its subsidiaries;
- (II) The provision by the Company of a loan or a guarantee for a loan or any other funds to any of its Directors, Supervisors or senior management officers pursuant to their employment contracts which were approved by the Shareholders in a general meeting for him to settle expenditures incurred by him for expenses incurred in performing his duties and responsibilities; and
- (III) If the ordinary scope of business of the Company includes the provision of loans or guarantees for loans, the Company may provide a loan or a guarantee for a loan to any of the relevant Directors, Supervisors, general managers or other senior management officers or their respective related parties, provided that the provision of loans or guarantees for loans is on normal commercial terms.

Article 159 A loan made by the Company in breach of the preceding Article shall be repayable forthwith by the recipient of the loan regardless of the terms of the loan.

Article 160 A guarantee for a loan provided by the Company in breach of the first clause of Article 158 shall not be enforceable against the Company, unless

- (I) the lender was not aware of the relevant circumstances when he provided a loan to a related party of any of the Directors, Supervisors, general managers and senior management officers of the Company or its parent company; or
- (II) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 161 For the purposes of the foregoing provisions, a “guarantee” includes an act of undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

Article 162 Where a Director, Supervisor or senior management officer of the Company is in breach of his obligations owed to the Company, the Company has, in addition to any rights and remedies provided for in the laws and administrative regulations, the right to take the following measures:

- (I) to demand such Director, Supervisor or senior management officer compensate for losses sustained by the Company as a result of such breach;
- (II) to rescind any contract or transaction that has been entered into by the Company with such Director, Supervisor or senior management officer or with a third party (where such third party has known or should have known that such Director, Supervisor, general manager or other senior management officer that represents the Company has breached his duties owed to the Company);
- (III) to demand such Director, Supervisor or senior management officer to surrender profits obtained as a result of the breach of his obligations;
- (IV) to recover any monies received by the Director, Supervisor or senior management officer that should have been received by the Company, including (without limitation) commissions;
- (V) to demand the return of interest earned or which may have been earned by such Director, Supervisor or senior management officer on the monies that should have been paid to the Company; and
- (VI) to request for judgment through legal proceedings that the properties acquired by Directors, Supervisors and senior management officers through their breach of duties shall belong to the Company.

Article 163 The Company shall, with the prior approval of Shareholders in a general meeting or by the Board of Directors, enter into a written contract with its Director Supervisor or senior management officer regarding his remuneration. The written contract shall include at least the following provisions:

- (I) an undertaking by the Director, Supervisor and senior management officer to the Company to observe the Company Law, the Special Regulations, these Articles of Association, the Code on Takeovers and Mergers and Share Buy-backs formulated and amended from time to time by the Securities and Futures Commission of Hong Kong and other rules of the Stock Exchange, and a consent of the Director, Supervisor and senior management officer that the Company shall have the remedies provided in these Articles of Association, and that neither the contract nor his office is capable of assignment;
- (II) an undertaking by the Director, Supervisor and senior management officer to the Company to each Shareholder to observe and perform his obligations in accordance with the Articles of Association; and
- (III) an arbitration clause as provided in Article 206.

The aforesaid emoluments include:

- (I) emoluments in respect to his service as Director, Supervisor or senior management officer of the Company;
- (II) emoluments in respect to his service as Director, Supervisor or senior management officer of any subsidiary of the Company; and
- (III) payment to the Director or Supervisor as compensation for loss of office or as consideration in connection with his retirement.

No proceedings may be brought by a Director or Supervisor against the Company for any benefit due to him in respect to the matters mentioned in this Article except pursuant to the contract mentioned above. The Company shall, on a regular basis, disclose to Shareholders the remunerations obtained by the Directors, Supervisors and senior management officers from the Company.

Article 164 The contracts entered into between the Company and its Directors or Supervisors concerning emoluments shall prescribe that in the event that the Company is being acquired, the Company's Directors and Supervisors shall, subject to the prior approval of Shareholders in a general meeting, have the right to receive compensation or other payment in respect to his loss of office or retirement. For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

- (I) an offer made by any person to all Shareholders; or
- (II) an offer made by any person such that the offeror will become the Controlling Shareholder. The term "Controlling Shareholder" has the same meaning as defined in these Articles of Association.

If the relevant Director or Supervisor does not comply with this Article, any sum received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer, and the expenses incurred in distributing that sum on a pro rata basis among those persons shall be borne by the relevant Director or Supervisor and shall not be deducted from the distributed sum.

CHAPTER 15 FINANCIAL ACCOUNTING SYSTEM

Article 165 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the competent financial authority of the State Council.

Article 166 The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31. The Company uses RMB as the standard currency for its bookkeeping, and its accounts are recorded in Chinese. At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accounting firm in accordance with the law.

The financial statements of the Company can, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, such difference shall be made in the notes to financial statements.

When the Company is to distribute its after-tax profits of the relevant fiscal year, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.

Article 167 The Board of the Company shall submit to the Shareholders at every annual general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government and competent authorities.

Article 168 The Company shall not keep any accounting books other than those specified by law. The assets of the Company shall not be deposited in any personal account.

Article 169 The Company's financial reports shall be made available for Shareholders' inspection at the Company 20 days before the date of every annual general meeting. Each Shareholder of the Company shall be entitled to obtain a copy of such financial reports referred to in this Chapter. The aforesaid financial report shall include the report of the Board and the balance sheet (including the documents required to be attached by applicable laws), profit and loss account or statement of income and expenditure, or the summary financial report.

The Company shall send such financial report to every Shareholder by pre-paid post at the address of such Shareholder as recorded in the register of members no less than 21 days before the date of the annual general meeting. The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory body where the Company's shares are listed.

Article 170 The Company shall publish the financial reports twice in each fiscal year. Interim financial report shall be published within 60 days after the end of the first six months of a fiscal year, while the annual financial report shall be published within 120 days after the end of a fiscal year.

Any interim results or financial information published or disclosed by the Company must be prepared in accordance with the PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Shares are listed.

CHAPTER 16 PROFIT DISTRIBUTION

Article 171 When the current year's after-tax profits of the Company are distributed, the Company must allocate 10% of the profits to the statutory common reserve. When the total amount of the statutory common reserve reaches or exceeds 50% of the Company's registered capital, no more allocations need to be provided.

If the statutory common reserve of the Company is insufficient to make up the losses of the Company incurred during the previous year, the profits generated during the current year must be used to make up such losses before allocating to the statutory common reserve in accordance with the requirements set forth in the preceding paragraph.

After the Company makes the allocation from its after-tax profits to its statutory common reserve, the Company may, subject to a resolution at the Shareholders' general meeting, make an allocation from its after-tax profits to the discretionary common reserve.

After making up for the losses and making allocations to the common reserve fund, any remaining after-tax profits shall be distributed by the Company to the Shareholders in proportion to their respective shareholdings according to the resolutions adopted at the Shareholders' general meeting.

If the Shareholders' general meeting violates the provisions in the preceding paragraph and profits are distributed to the Shareholders before the Company makes up losses or makes allocations to the statutory common reserve, the profits distributed in violation of the provisions must be returned by such Shareholders to the Company.

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

Article 172 The capital common reserve shall include:

- (I) Premium arising from issue above the par value of the stock;
- (II) Other revenue required by the competent financial authority of the State Council to be stated as capital common reserve.

Article 173 The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Where the statutory common reserve is converted into capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

Article 174 The Company may distribute dividends in the form of (or a combination of both):

- (I) cash;
- (II) shares.

Article 175 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant Shareholder to participate in respect thereof in a dividend subsequently declared.

Article 176 The Company shall appoint receiving agents on behalf of Shareholders holding overseas listed foreign shares. The receiving agents shall on behalf of such Shareholders receive dividends distributed by the Company in respect of the overseas listed foreign shares and other amounts payable, and such payment shall be kept by the receiving agents on such Shareholders' behalf for any payment to them.

The receiving agents appointed by the Company shall comply with the relevant requirements of the law of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas listed foreign shares listed in the Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Subject to compliance with the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised in or after the sixth year after the date of declaring dividends.

As for the dividend certificate sent by mail to the members, the Company is entitled to cease sending such dividend certificates after two consecutive failures of cashing after the posting of such dividend certificates. If the first dividend certificate fails to reach the members and is sent back, the Company is entitled to exercise such right.

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

The Company may sell the shares of a Shareholder of overseas listed foreign shares who is untraceable and keep the proceeds should the Board consider it fit for, but it must comply with the followings:

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

Article 177 The Company shall pay cash dividends and other payments which are payable to holders of Domestic Shares in RMB. The Company shall calculate and declare cash dividends and other payments which are payable to holders of overseas listed foreign shares in RMB, and shall make such payments in foreign currencies. As for the foreign currency needed by the Company for payment of cash dividends and other payments which are payable to the holders of the overseas listed foreign shares, it shall be handled in accordance with any related national regulations on foreign exchange control.

Article 178 Unless provided otherwise in any laws or administrative regulations, the Company shall adopt the average selling rates of the relevant foreign exchange as quoted by the People's Bank of China for the calendar week before the date on which the dividends and other payments are declared to calculate the dividends and other sums which are payable in foreign currencies.

CHAPTER 17 APPOINTMENT OF ACCOUNTING FIRM

Article 179 The Company shall appoint an independent accounting firm under the relevant regulations of the State to audit the Company's annual financial statements and review the Company's other financial reports.

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

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

Article 180 The term of appointment of the accounting firm shall commence from the conclusion of the current annual general meeting and end at the conclusion of the next annual general meeting.

Article 181 The accounting firm appointed by the Company shall have the following rights:

- (I) the right to review the books, records and vouchers of the Company at any time, the right to require the directors, managers or other senior management officers of the Company to provide relevant information and explanations;
- (II) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;
- (III) the right to attend general meetings and to receive all notices of, and other communications relating to, any general meeting which any Shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

The Company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information. The Company shall not refuse to provide or hide the same or make false reports.

Article 182 If there is a vacancy in the position of accounting firm of the Company, the Board of Directors may appoint an accounting firm to fill such vacancy before the convening of the Shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to perform its duties during the period in which a vacancy arises.

Article 183 The Shareholders in a general meeting may by ordinary resolution remove an accounting firm before the expiration of its term of office, notwithstanding the stipulations in the contract between the Company and the accounting firm, but without prejudice to the accounting firm's right to claim for damages in respect of such removal.

Article 184 The remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by the Shareholders' general meeting. The remuneration of an accounting firm appointed by the Board of Directors shall be determined by the Board of Directors.

Article 185 The Company's appointment, removal and non-renewal of an accounting firm shall be resolved by the Shareholders' general meeting. Such resolution shall be filed with the securities regulatory authority of the State Council. Prior to the removal or the non-renewal of the appointment of the accounting firm, an advance notice of such removal or non-renewal shall be given to the accounting firm and such firm has the right to state its opinions to the Shareholders' general meeting.

Where a resolution at a Shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall be fulfilled:

- (I) A copy of the appointment or removal proposal shall be sent (before notice of the Shareholders' general meeting is given to the Shareholders) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant accounting 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 written representations are received too late) take the following measures:
 1. in any notice of meeting held for making the resolution, state the fact of the representations having been made by the leaving accounting firm;
 2. attach a copy of the representations to the notice and send it to each Shareholder in the manner stipulated in these Articles of Association.
- (III) If the Company fails to send out the accounting firm's representations in the manner set out in subparagraph (2) of this Article, such accounting firm may require that the representations be read out at the Shareholders' general meeting and may make further representations.
- (IV) An accounting firm leaving its post shall be entitled to attend:
 1. the Shareholders' general meeting at which its term of office would otherwise have expired;
 2. the Shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 3. the Shareholders' general meeting which is convened as a result of its resignation on its own accord.

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

Article 186 Prior to the removal or the non-renewal of the appointment of the accounting firm, an advance notice of such removal or non-renewal shall be given to the accounting firm and such firm has the right to state its opinions to the Shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the Shareholders' general meeting whether there is any impropriety on the part of the Company.

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

- (I) a statement to the effect that there are no circumstances connected with its resignation which it considers shall be brought to the notice of the Shareholders or creditors of the Company; or
- (II) a statement of any such circumstances that should be explained.

The Company shall, within fourteen days after receipt of the written notice referred to in the preceding paragraph of the Article, send a copy of the notice to the relevant competent authority. If the notice contains a statement under the foresaid clause (2) of the Article, a copy of such statement shall be placed at the Company for Shareholders' inspection and a copy of such statement should be sent by prepaid mail to every holder of overseas listed foreign shares at the address registered in the register of Shareholders.

Where the accounting firm's notice of resignation contains a statement of any circumstances that should be explained, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER 18 NOTICE

Article 187 Notices of the Company may be given in the following ways:

- (I) in person;
- (II) by mail;
- (III) by facsimile or e-mail;
- (IV) subject to the laws, administrative regulations and listing rules of the stock exchange of the place where the shares of the Company are listed, by posting on the website designated by the Stock Exchange;
- (V) by way of announcements;
- (VI) such ways as the Company or the notified party agreed in advance or any other way which is recognised by the notified party upon receipt of the notice;
- (VII) other ways which are recognised by the relevant regulatory authorities of the place where the shares of the Company are listed or stipulated in these Articles of Association.

Unless the context otherwise specifies, the “announcements” used herein shall mean, with respect to announcements made to the Shareholders of domestic shares or announcements that are required to be made within the PRC in accordance with relevant regulations and these Articles of Association, the announcements published in Chinese newspapers designated by Chinese laws, administrative regulations or the securities regulatory authorities of the State Council. For notices issued by the Company to Shareholders of overseas listed foreign shares (by means of announcements), the Company shall on the same day submit an electronic version to the Stock Exchange through the Stock Exchange electronic publishing system for immediate release on the website of the Stock Exchange in accordance with the local listing rules, or publish an announcement on a newspaper (including publishing an advertisement on the newspaper) in accordance with the local listing rules. The announcement shall also be published on our Company’s website. In addition, unless otherwise specified in these Articles of Association, the notice must be delivered to each of the registered addresses as appeared in the register of Shareholders of overseas listed foreign shares in person or by pre-paid mail so as to give the Shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Shareholders of overseas listed foreign shares of the Company may choose in writing to receive the corporate communication that the Company must send to Shareholders either by e-mails or mails, and also choose to receive the Chinese language version only or the English language version only or both the English and Chinese language versions. They shall have the right at any time by reasonable prior written notice served on the Company to change their choices as to the manner of receiving the same and the language in accordance with applicable procedures.

Shareholders or directors who want to prove that certain notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/or dispatching written corporate communication to Shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to Shareholders according to the Stock Exchange Listing Rules, if the Company has obtained Shareholders’ prior written consent or deemed consent according to the relevant laws and regulations and the Stock Exchange Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its Shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of Shareholders’ general meetings, and other types of corporate communication as specified in the Stock Exchange Listing Rules.

Article 188 Unless otherwise stated in these Articles of Association, the various ways of sending notices specified in the preceding paragraph shall apply to the notices of the Shareholders’ general meetings, board meetings and the meetings of the Supervisory Committee convened by the Company.

Article 189 When a notice from the Company is sent out in person, the recipient of the notice shall sign (or seal) on the return receipt of delivery and the date of the recipient's signature shall be deemed to be the delivery date; when the notice of the Company is sent out by mail, the delivery date shall be forty-eight hours after such notice is delivered to the post office; when the notice of the Company is sent out by facsimile or e-mail or published on website, the delivery date shall be the date when the facsimile or email is sent out; when the notice of the Company is sent out by announcement, the delivery date shall be the first date of publication of such announcement. Relevant announcements shall be published in newspapers that meet relevant requirements.

Article 190 In the event that the listing rules of the stock exchanges where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the Shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the Shareholders) only send the English version or the Chinese version to the Shareholders concerned to the extent permitted by the applicable laws and regulations and these Articles of Association.

CHAPTER 19 MERGER AND SPIN-OFF OF THE COMPANY

Article 191 The merger and spin-off of the Company shall be proposed by the Company's Board of Directors, and after being approved in accordance with the procedures as stipulated in these Articles of Association, proceed the relevant review and approval procedures in accordance with the law. Shareholders who stand opposed against the proposal in respect of the Company's merger and/or Spin-off shall have the right to request the Company or Shareholders who give consent to such proposal to purchase the shares held by them at a fair price.

The contents of the resolution in respect of the Company's merger and/or spin-off shall be prepared into specific documents and made available for Shareholders' inspection. In the case of a Hong Kong listed company, the aforesaid documents shall also be served by emails to the holder of its overseas listed foreign shares.

Article 192 The Company may conduct merger by way of absorption merger and establishment merger.

In the Company's merger, each party thereto shall enter into a merger agreement and prepare balance sheet and property list. The company shall inform its creditors within ten days as of the date on which the resolution of merger is made and publish it on newspaper within 30 days. The creditors, within 30 days upon receiving such notice, or in the case of failure of receipt within 45 days as of the date of announcement, may request the Company to pay off its debts or provide corresponding guarantees.

After the Company's merger, the credit rights and debts of each party thereto shall be succeeded by the Company existing or newly established after the merger.

Article 193 Where the Company spins off, its properties shall be split accordingly.

In the Company's spin-off, each party thereto shall enter into a spin-off agreement and prepare balance sheet and property list. The company shall inform its creditors within ten days as of the date on which the resolution of spin-off is made and publish it on newspaper within 30 days.

The debts of the Company prior to the spin-off shall be jointly borne by the Company after the spin-off. However, in the case of any written agreement in respect of debts settlement reached by and between the Company and its creditors prior to the spin-off, such agreement shall prevail.

Article 194 Where registration matters are changed due to the Company's merger or spin-off, such changes shall be filed with the Company's registration authority in accordance with the law. In the event of dissolution, the Company shall proceed registration cancellation in accordance with the law, while in the case of establishment of new companies, the Company shall proceed the establishment registration in accordance with the law.

CHAPTER 20 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 195 The company shall dissolve and proceed liquidation in accordance with the law under any of the following circumstances:

- (I) its business terms expire and other dissolution matters as stipulated by these Articles of Association arise;
- (II) the general meeting decides to dissolve by special resolution;
- (III) the Company needs to be dissolved due to merger or spin-off;
- (IV) the Company is unable to settle its debts as due and is announced by law bankruptcy;
- (V) its business permit is revoked and the Company is ordered to be closed or cancelled;
- (VI) the Company encounters great difficulties in operation and management, in which case to exist will significantly harm the interests of Shareholders yet there are no other ways to solve it, Shareholders holding more than 10% of total voting rights in the Company may apply to the people's court to dissolve the Company.

Article 196 Under the circumstance as stipulated in paragraph (1), the Company may continue to exist by revising these Articles of Association. When these Articles of Association are so revised, relevant amendments shall be approved by more than two-thirds of the voting rights held by the Shareholders present at the general meeting.

Where the Company dissolves under the preceding paragraphs (1), (2), (5) and (6), a liquidation group shall be established within 15 days. Members of the liquidation group shall consist of directors or such persons as the general meeting may determine. In the case of overdue establishment, the creditors may apply to the people's court to appoint relevant persons to form the liquidation group.

Where the Company dissolves under the preceding paragraph (4), the people's court may, in accordance with the applicable laws, organize Shareholders, relevant authorities and relevant professionals to form the liquidation group.

Article 197 If the Board of Directors decides to proceed liquidation (other than as a result of bankruptcy), it shall include a statement in the notice convening a general meeting for such purpose stating that, the Board of Directors has carried forward all-around investigations on the Company's positions and is of the view that the Company has the ability to pay off its debts in full within twelve months upon the commencement of the liquidation.

After the resolution of liquidation is approved at the general meeting, the duties and authorities of the Board of Directors of the Company shall be terminated immediately.

The liquidation group shall follow the directions of the general meeting to report at least once every year to the general meeting on the revenue and expenses of the liquidation group, the businesses of the Company and the progress of the liquidation, and make the final report to the general meeting at the end of the liquidation.

Article 198 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to notify creditors by notice or public announcements;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been settled in full;
- (VII) to represent the Company in any civil proceedings.

Article 199 The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement on a newspaper. The creditors may declare their claims to the liquidation committee within 30 days from the date they receive such notice or within 45 days from the date of announcement if no such notice is received.

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidence. The liquidation committee shall register such claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 200 The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the Shareholders' general meeting or the relevant governing authority for confirmation.

The assets of the Company shall be applied for liquidation in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the Shareholders of the Company according to the class of shares held by them and in proportion to their respective shareholdings.

During the liquidation period, the Company continues to exist but shall not commence any business activities other than liquidation. No assets of the Company may be distributed to the Shareholders before making repayments stipulated in the preceding paragraphs.

Article 201 If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

After the people's court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

Article 202 Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and a statement of the receipts and payments and financial books during the period of liquidation, which shall be examined and verified by the PRC certified public accountants and submitted to the Shareholders' general meeting or the people's court for confirmation.

The liquidation committee shall within 30 days after such confirmation of the Shareholders' general meeting or relevant governing authority, submit the preceding documents to the Company's registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

CHAPTER 21 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 203 The Company may amend the Articles of Association according to the provisions of laws, administrative regulations and the Articles of Association. The Company shall amend the Articles of Association in any of the following circumstances:

- (I) the provisions of the Articles of Association are in conflict with those of the Company Law or the relevant laws or administrative regulations following their amendment;
- (II) any change in the position of the Company, resulting in inconsistency with the records in these Articles of Association;
- (III) it is decided at the Shareholders' meeting to amend these Articles of Association.

Article 204 The following procedures shall be followed when amending these Articles of Association:

- (I) The Board of Directors shall first pass a resolution for the amendment of the Articles of Association and prepare a proposal for amendments to the Articles of Association;
- (II) The Board of Directors shall convene a Shareholders' general meeting for voting on such proposal of amendment to the Articles of Association;
- (III) The Shareholders' general meeting shall approve such proposal by special resolution;
- (IV) The Company shall submit the amended Articles of Association to the Company for filing with the Company's registration authority for record.

Article 205 Amendment to the Articles of Association which involves the contents of the Mandatory Provisions shall become effective upon approval by the companies approving department authorized by the State Council and securities committee of the State Council. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws.

CHAPTER 22 SETTLEMENT OF DISPUTES

Article 206 Unless otherwise stipulated in the Article of Association, the Company shall act according to the following principles to settle disputes:

- (I) For any disputes or claims of rights between holders of overseas listed foreign shares and the Company; between holders of overseas listed foreign shares and the Directors, Supervisors, general manager or other senior management officers of the Company; between holders of overseas listed foreign shares and holders of domestic shares, that arise based on the rights and obligations stipulated in the Articles of Association, the Company Law and other relevant laws and administrative regulations, any such disputes or claims of rights relevant to the affairs of the Company shall be referred by the relevant parties to arbitration.

Where the abovementioned dispute or claim of rights is referred to arbitration, it shall be the entire claim or dispute, and all persons (being the Company or Shareholders, Directors, Supervisors, general manager or other senior management officers of the Company), who have a cause of action based on the same facts giving rise to the dispute or claim of rights or whose participation is necessary for the resolution of such dispute or claim of rights, shall abide by arbitration.

Disputes regarding definition of Shareholders and register of Shareholders may be resolved other than by way of by arbitration.

- (II) The claimant may refer the arbitration to either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once a claimant refers a dispute or claim of rights to arbitration, the other party must submit to the arbitral body elected by the claimant.

If the claimant refers the arbitration to the Hong Kong International Arbitration Centre, either party may request the arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre.

- (III) If any disputes or claims of rights arising out of Item (1) above are settled by way of arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.
- (IV) The decision made by the arbitral body shall be final and conclusive, and shall be binding on all parties.

CHAPTER 23 SUPPLEMENTARY PROVISIONS

Article 207 For the purposes of these Articles of Association, the term “accounting firm” shall have the same meaning as the term “auditor” used in the Listing Rules of the Stock Exchange.

For the purposes of these Articles of Association, the term “independent director” shall have the same meaning as the term “independent non-executive director” used in the Listing Rules of the Stock Exchange.

A “de facto controller” referred to in these Articles of Association refers to a person who is not a Shareholder of the Company, but may actually affect the actions of the Company through investment relationship, agreements or other arrangements.

“The above” and “within” as referred to in these Articles of Association are inclusive of the stated figure, while “over” are not inclusive of the stated figure.

“Connected transactions” as referred to in these Articles of Association shall be as defined in the Listing Rules of the Stock Exchange.

Article 208 All notices or other documents required under Chapter 13 of the Listing Rules of the Stock Exchange to be sent by the Company to the Stock Exchange shall be in the English language, or accompanied by a certified English translation.

The Articles of Association shall be executed in Chinese. Where there are inconsistencies in these Articles of Association in any other language and these Articles of Association, the Chinese version of Articles of Association shall prevail.

Article 209 Upon approval at the Shareholders’ general meeting, these Articles of Association shall become effective.

Article 210 The Articles of Association shall be interpreted by the Company.

Article 211 Appendices to the Articles of Association include procedural rules of the general meeting, procedural rules of the Board of Directors meeting and procedural rules of supervisors meeting.