

Articles of Association

of

Qinhuangdao Port Co., Ltd.

(This Articles of Association approved by the Second Extraordinary General Meeting in 2023 of
Qinhuangdao Port Co., Ltd.)

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Chapter 1 General

Article 1 In order to safeguard the lawful rights of Qinhuangdao Port Co., Ltd., (hereinafter referred to as “Company”), its shareholders and creditors, with a view to regulating the organization and conduct of the Company, this Articles of Association is hereby prepared in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China, Special Provisions of the State Council Concerning the Floatation and Listing of Stocks by Limited Stock Companies (hereinafter referred to as the “Special Provisions”), the Guidelines on the Articles of Association of Listed Companies, the Mandatory Provisions for the Articles of Association of the Companies to Be Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the State Council’s Reply on the Adjustment of the Notice Period of General Meetings and Other Matters Applicable to the Overseas Listed Companies, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchanges of Hong Kong Limited (hereinafter collectively referred to as the “Listing Rules”) and other rules and regulations.

Article 2 The Company is a limited liability company by shares incorporated in accordance with the Company Law, the Special Provisions and other rules and regulations.

Approved by the Approval Reply Concerning the Issues of the State Run Stock Rights of Qinhuangdao Port Company [Ji Guo Zi Fa Chan Quan Gu Quan No. 27] (2008) issued by the State Owned Assets Supervision and Management Committee of the People’s Government of Hebei Province, the Company was incorporated by means of sponsorship on 31 March 2008 in the People’s Republic of China (for the purpose of this Articles of Association, exclusive of Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan), registered in Hebei Province of the People’s Republic of China on 31 March 2008. The Company’s unified social credit code is 91130000673224391T.

The sponsors of the Company are: Qinhuangdao Port Group Limited (renamed as Hebei Port Group Co. Ltd in 2009, hereinafter referred to as ‘Qin Port Group’ or ‘Hebei Port Group’), Qinhuangdao State-Owned Industrial Assets Management Co. (hereinafter referred to as ‘Qinhuangdao Industrial Co.’), Hebei Construction Investment and Traffic Investment Co., Ltd. (hereinafter referred to as ‘Hebei Traffic Investment’), Daqin Railway Co. Ltd. (Hereinafter referred to as ‘Daqin Railway’), China Shipping (Group) Company (renamed as China Shipping Group Company Limited in 2017, hereinafter referred to as ‘China Shipping’), China Life Investment Holding Company Ltd. (hereinafter referred to as ‘China Life’), Shougang Corporation (renamed as “Shougang Group Co., Ltd. in 2017), Beijing enterprises Group Company Limited (hereinafter referred to as ‘Beijing Enterprises Group’), Datong Coal Mine Group (renamed as “Jinneng Holding Coal Industry Group Co., Ltd.” in 2020, hereinafter referred to as ‘Jinneng Coal Industry’) and Hebei State-Owned Assets Management Co., Ltd. (hereinafter referred to as ‘Hebei State-Owned assets management Co. Ltd.’).

Article 3 The Registered name of the Company:

The full name in Chinese: 秦皇島港股份有限公司

The full name in English: QINHUANGDAO PORT CO., LTD.

Article 4 The Domicile of the Company: 35 Hai Bin Road, Hai Gang District, Qinhuangdao, Hebei Province, China; Post Code: 066002; telephone No.: 0335-3099676; Fax No.: 0335-3093599.

Article 5 The Company is a limited liability company by share in perpetual existence.

Article 6 The Chairman of the Board of Directors of the Company shall be the legal representative of the Company.

Article 7 The total capital of the Company is divided into stocks of equal share. The shareholders shall be liable to the Company to the extent of their capital subscription and the Company shall be liable to its debts to the extent of all of its assets.

Article 8 The Company shall establish the organizations of Communist Party of China in accordance with Constitution of the Communist Party of China, and the Party Committee plays the role of the core of leadership and political power, grasps the direction, controls the situation and ensures the fulfilment of tasks. The Company shall establish the Party's working organizations, deploy enough party business personnel and guarantee the operating expenses of Party organizations.

Article 9 This Articles of Association is adopted by the shareholders meetings and comes into force as of the date when the initial public offering and listing of RMB ordinary shares of the Company on the Shanghai Stock Exchange.

This Articles of Association shall become a legally binding document that regulates the organization and acts of the Company as well as the rights between the Company and its shareholders and among the shareholders as of the date when it becomes effective.

This Articles of Association shall be legally binding upon the Company, its shareholders, directors, supervisors and senior management staff; all of the above persons may make any claims in relation to the matters of the Company pursuant to this Articles of Associations.

In accordance with the provisions of the Company Law and this Articles of Association, shareholders may sue shareholders; shareholders may sue the directors, supervisors, President and other senior management staff of the Company; shareholders may sue the Company while the Company may sue shareholders, directors, supervisors, President and other senior management staff.

For the purpose of the preceding paragraph, the term 'sue' shall include the initiation of proceedings in a court or the application of arbitration to an arbitration organization.

"Other senior management staff" referred to in this Articles of Association means Vice President, Chief Financial Officer, Secretary of the Board of Directors and other personnel appointed by the Board of Directors as the senior management staff.

Article 10 The Company may invest in other enterprises; however, as otherwise provided by the laws, the Company shall not become a contributor jointly liable for the debts of the enterprises invested in by the Company.

Chapter 2 The Company's Objectives and Scope of Business

Article 11 The business purpose of the Company is: perform the contractual obligations in accordance with the state laws, rules and regulations, departmental regulations and port operational rules with a view of market orientation and maximize the use of the port resources on the basis of scientific and technological progress to provide its clients with safe, fast and good services, in order to improve its market competitiveness and achieve maximum economic benefits; in the event of emergencies, priority is given to rescue materials, calamity relief materials and materials urgently needed for national defense construction, so as for the Company to play an important role in economic and social development.

Article 12 The business scope of the Company shall be in accordance with the items approved by company registry.

The business scope of the Company includes port operation; tariff-free warehouse operation; warehousing services for goods under customs control (excluding hazardous chemicals and dangerous goods); port cargo loading, unloading and handling service; loading, unloading and handling; general cargo storage services (excluding hazardous chemicals and other items subject to approval); ship chartering; machinery and equipment leasing; general equipment repair; installation, maintenance and testing of electric power facilities for transmission, supply and receiving of electricity; power generation technology services; housing rental; non-residential real estate rental; lease of land use right; metal tool manufacturing; storage equipment leasing services; motor vehicle repair and maintenance; digital technology services; software development; computer system services; technology service, technology development, technology consultation, technology exchange, technology transfer, and technology promotion; information technology consulting services; electronic weighing service; domestic freight forwarder; road cargo transport (except network cargo and dangerous goods) by general cargo vehicles with a total weight of 4.5 tons or less; road cargo transport station operation; road transport of goods (excluding dangerous goods); enterprise management; labor service (excluding labor dispatch); import and export of goods; labor dispatch service; safety technology defense system design and construction services; computer and office equipment maintenance; general mechanical equipment installation services; lightning protection device detection; fire protection technical service; advertising design and agency; advertising production; advertising release; corporate image planning; marketing planning; graphic and textual design and production; digital content production services (excluding publication and distribution); internet information service; conference and exhibition services; human resource services (excluding job intermediary activities and labor dispatch services); business training (excluding education training, vocational training and other training that requires permission); communication equipment repair; purchasing agency services; agent bookkeeping; landscaping engineering construction; urban greening management; professional cleaning, washing, and sterilising services; public rail transport; information system integration services; computer and communication equipment leasing; leasing services (excluding licensed leasing services); railway transportation auxiliary activities; container stacking and less than container load services; leasing and maintenance of port facilities, equipment and port machinery; provide shore power, crew transport, pollutant reception, oil boom supply services for ships; electricity management; hand tool maintenance; intelligent building engineering; central air conditioning installation and maintenance; provide fund settlement in relation to the Company; port facility security services.

Chapter 3 Shares and Registered Capital

Section 1 Share issuance

Article 13 The Company shall have ordinary shares at all times. Upon approval by the authorities authorized by the State Council to examine and approve, the Company may have other kinds of shares according to its needs.

Article 14 The share of the Company is in the form of stock. All the shares issued by the Company have a par value which shall be Renminbi 1 Yuan for each share.

The Renminbi referred to in the preceding paragraph means the legal tender of China.

Article 15 Upon approval by the State Council authorities in charge of securities, the Company may issue shares to domestic investors and overseas investors.

The Company shall issue shares on the principle of openness, equity and arms-length and the shares of the same kind shall have the same rights.

During the issuance of the shares of the same kind, each share shall have the same conditions of issuance and price; any unit or individual shall pay the same price for each and every share subscribed.

The overseas investors referred to in the preceding paragraph mean the investors from foreign countries, the Hong Kong Special Administrative Region and the Macau Special Administrative Region and Taiwan subscribing for the shares issued by the Company; the domestic investors mean the investors within China (the above regions excluded) that subscribe for the shares issued by the Company.

Article 16 Shares issued by the Company to the domestic investors and subscribed for in Renminbi shall be referred to as ‘domestic investment shares’; shares issued by the Company to the overseas investors and subscribed for in foreign currencies shall be referred to as ‘foreign investment shares’. Foreign investment shares listed overseas shall be referred to as ‘overseas listed foreign investment shares’.

The foreign currencies referred to in the preceding paragraph mean the legal tenders of other countries or regions (Renminbi excluded) which are accepted by the competent authorities of foreign exchanges in China and may be used to pay for the share price.

The domestic-listed domestic shares of the Company shall be centralizedly deposited at the Shanghai Branch of the China Securities Depository and Clearing Corporation Limited; The overseas-listed foreign shares of the Company shall be put under custody of the company authorized by HKSCC Nominees Limited, and may also be held by shareholders in their own names.

The shareholders of domestic shares and the shareholders of foreign shares shall all be ordinary shareholders who have the same rights and obligations.

Upon approval by the State Council authorities in charge of securities, the shareholders of the Company may list the unlisted shares they hold on the domestic and overseas securities exchanges. The listing of the above shares on the domestic and overseas securities exchanges shall comply with the regulatory procedures, rules and requirements of the domestic and overseas securities markets.

Article 17 Upon approval of the plan by the State Council authorities in charge of securities for the Company to issue overseas listed foreign investment shares and domestic investment shares, the Board of the Directors may arrange for the implementation of the plan by means of separate issues.

The Company’s plan for separate issues of overseas listed foreign investment shares and domestic investment shares in accordance with the preceding paragraph may be implemented respectively within 15 months of being approved by the State Council authorities in charge of securities.

Where the Company issues foreign investment shares and domestic investment shares within the

total number of shares specified in the issue plan, every such issue shall be fully subscribed for at one time; where special circumstances make it impossible for such issue to be fully subscribed for at one time, the shares may be issued in several installments, subject to the approval by the State Council authorities in charge of securities.

Article 18 Upon the approval of the department authorized by the State Council for examination and approval of companies, the Company may issue a total of 5,587,412,000 ordinary shares. At the time of the establishment, 4,275,000,000 shares were issued to the sponsors, amounting for 76.51% of the total number of issuable ordinary shares of the Company. The contribution method, number of shares subscribed, date of contribution and shareholding ratio for the respective sponsors of the Company at the time of the establishment of the Company were as follows:

Sponsors	Method of Contribution	The Numbers of Shares Subscribed (Unit: share)	Date of Contribution	Shareholding Ratio (%)
Qin Port Group	cash	117,358,532	29 March 2008	82.75
	in kind, equity, etc	3,420,000,000	30 May 2008	
Qinhuangdao Industrial Co.	cash	240,570,734	29 March 2008	5.63
Hebei Traffic Investment	cash	216,513,661	29 March 2008	5.06
Daqin Railway	cash	42,750,000	29 March 2008	1.00
China Shipping	cash	42,750,000	29 March 2008	1.00
China Life	cash	42,750,000	29 March 2008	1.00
Shougang Corporation	cash	42,750,000	29 March 2008	1.00
Beijing Enterprises Group	cash	42,750,000	29 March 2008	1.00
Datong Coal Group	cash	42,750,000	29 March 2008	1.00
Hebei State-Owned assets management Co. Ltd	cash	24,057,073	29 March 2008	0.56
Total:	—	4,275,000,000	—	100.00

Article 19 Upon approval by the State Council authorities, the Company issued 829,853,000 foreign investment shares to overseas investors for the first time on October 29, 2013 (of which, the Company issued 754,412,000 new shares, the sponsors reduced the stock shares they held by 75,441,000 shares and the sponsors reduced the shares held in the Company during the issuance of foreign investment shares by 75,441,000 shares, after which such shares were converted into foreign investment shares) and such shares were listed on the Hong Kong Stock Exchange on 12 December 2013.

After the completion of issuance of overseas listed foreign capital shares as referred to in the preceding paragraph, upon the approval by special resolutions at the general meeting and the approval by China Securities Regulatory Commission through the Approval Regarding Initial Public Offer of Shares of Qinhuangdao Port Co., Ltd.” (ZhengJianXuKe [2017] No. 1097) on June 30, 2017, the Company made a public offer of 558,000,000 Renminbi ordinary shares, and listed on Shanghai Stock Exchange on August 16, 2017. Upon completion of the offer of Renminbi ordinary shares for capital increase, the share

capital structure of the Company was as follows: the total number of ordinary shares issued was 5,587,412,000 shares, among which, 3,032,528,078 shares were held by Hebei Port Group (a sponsor), accounting for 54.27% of the total number of ordinary shares issued by the Company; 1,725,030,922 shares were held by other holders of domestic listed shares, accounting for 30.87% of the total number of ordinary shares issued by the Company; 829,853,000 shares were held by holders of overseas listed foreign capital shares, accounting for 14.85% of the total number of ordinary shares issued by the Company.

Section 2 Increase of Shares

Article 20 The registered capital of the Company is Renminbi 5,587,412,000 Yuan.

Article 21 The Company may approve capital increases depending upon its business and development requirements in accordance with the relevant provisions of this Article of Association.

The Company may increase its capital by the following methods:

- (1) public offer of shares;
- (2) private placement of shares;
- (3) allotment of bonus shares to existing shareholders;
- (4) capitalizing of common reserves; and

(5) the other methods permitted by laws, administrative regulations and the state council authorities in charge of securities.

The Company's increase of capital by issuing new shares shall be handled in accordance with the procedures provided for in the relevant state laws and administrative regulations after the approval has been obtained in accordance with this Articles of Association.

Section 3 Transfer of Shares

Article 22 Except otherwise provided by laws, administrative regulations, departmental rules and regulatory rules of the securities exchanges where the shares of the Company are listed, the shares in the Company may be assigned freely without any liens attached.

Article 23 The Company shall not accept its shares as the subject of a mortgage.

Article 24 Any foreign investment shares that have been fully paid for and listed on the Hong Kong Stock Exchange may be assigned freely in accordance with this Article of Association; except the following conditions are satisfied, the Board of directors may refuse to accept any assignment documents without stating any reasons:

(1) any assignment documents related to the assignment of the stock ownership or having an influence on the assignment of the stock ownership shall be registered and the fees in respect of the registration shall be paid to the Company in accordance with the standards specified in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;

(2) the assignment documents shall be related to the foreign investment shares listed on the Hong Kong Stock Exchange;

(3) the stamp duty in respect of the assignment documents has been paid in accordance with the requirements of the laws of Hong Kong;

(4) relevant share certificates as well as the evidences reasonably required by the Board of Directors to prove that the assignor has the right to assign shall be provided;

(5) if the shares are assigned to joint holders, such joint holders shall not exceed 4;

(6) the shares that have been fully paid for shall not be subject to any restrictions in respect of the right of assignment and the relevant shares are free from any liens of any companies;

(7) No shares shall be assigned to minors or any persons that are mentally incapable or incompetent.

If it refuses to register the share assignment, the Company shall give the assignor and assigner a notice of assignment refusal within two months as of the date when the assignment application is officially submitted.

Article 25 Shares held by the sponsors in the Company shall not be transferred within one year from the date of incorporation of the Company. Shares issued by the Company before the public offering shall not be transferred within one year from the date on which the shares of the Company are listed on a stock exchange.

Directors, supervisors and senior management of the Company shall declare their shareholdings in the Company and the changes therein to the Company; and shall not transfer more than 25% of their shareholdings in the Company during their respective term of office or transfer their shares within one year from the date on which the shares of the Company are listed on a stock exchange, except for those changes arising from judicial enforcement, inheritance, bequest and partition of property in accordance with laws.

For directors, supervisors and senior management of the Company holding less than 1,000 shares, they can transfer all their respective shares at one time without limitation to the transfer ratio stipulated under the previous clause.

Under the following circumstances, the shares of the Company held by directors, supervisors and senior management of the Company shall not be transferable:

(1) Within one year from the date of the Company's shares are listed for trading;

(2) Within six months from the date of resignation of such directors, supervisors or senior management;

(3) Within the period that directors, supervisors and senior management had undertaken that no transfer of shares will be conducted;

(4) Other circumstances stipulated under laws and regulations, and as requested by security regulatory and administrative authorities of the State Council and stock exchange.

Article 26 In the event that any director, supervisor or senior management of the Company or any domestic shareholder who holds more than 5% of the shares in the Company sells the Company's shares or other securities of an equity nature within six months after the acquisition of the same or repurchases within six months after sale of the same, any proceed arising therefrom shall be attributed to the Company

and the Company's board of directors shall retrieve such proceed. However, where a securities company holds more than 5% of the Company's shares as a result of underwriting, the sale of the residue of the Company's shares shall not be subject to this 6-month restriction.

The shares or other securities of an equity nature held by directors, supervisors, senior management or natural person shareholders referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents, children and those held by other's account.

In the case that the board of directors fails to comply with the requirements under the paragraph 1 of this Article, a shareholder shall have the right to request the board of directors to comply within thirty days. In case of the board of directors' failure to comply with the same within the aforesaid period, such shareholder shall have the right to institute a legal proceeding directly with the people's court in its own name for the benefit of the Company.

Where the board of directors of the Company fails to act according to the provisions set out in the preceding paragraph, the directors in charge shall bear several and joint liabilities in accordance with the law.

Chapter 4 Reduction of Capital and Repurchase of Shares

Article 27 The Company may reduce its registered capital in accordance with the provisions of this Article of Association. The reduction of the registered capital of the Company shall be handled in accordance with the procedures provided for in the Company Law, other rules and regulations and this Articles of Association.

Article 28 Where the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of the adoption of the resolution to reduce its registered capital and shall publish a public announcement in newspapers within 30 days of the said date. Creditors shall, within 30 days after receiving the notice or within 45 days of the date of the public announcement for those who have not received the notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

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

Where it reduces its registered capital, the Company shall register the changes with the company registration authority in accordance with laws.

Article 29 Under the following circumstances, the Company may repurchase its issued and outstanding shares in accordance with the provisions of the laws, administrative regulations, department rules and this Articles of Association:

- (1) cancellation of shares in order to reduce the registered capital of the Company;
- (2) merge with another company holding shares in the Company;
- (3) to use the shares for employee shareholding scheme or as share incentives;

(4) the shareholders require the Company to repurchase its shares due to objection raised by the shareholders to the resolutions on the merge and spin-off of the Company adopted at the shareholder meeting;

(5) to use the shares for the purpose of conversion of bonds convertible to shares issued by the listed company;

(6) where it is necessary to safeguard the value of the listed company and the interests of its shareholders;

(7) other circumstances where laws, administrative regulations or the relevant competent authorities of the state so permit.

Except in the above circumstances, the Company shall not repurchase the shares of the Company.

Article 30 After the Company is approved by the relevant competent state authorities, it may proceed in any of the following methods:

(1) repurchase through open transactions on a securities exchange;

(2) other methods permitted by the laws and regulations and the securities regulatory authorities under the State Council.

If the Company intends to repurchase its shares in the situations set out under items (3), (5) and (6) of paragraph 1 of Article 29 of this Articles of Association, the repurchase shall be conducted through public and centralized trading.

Article 31 Where the Company is to repurchase through an agreement outside a securities exchange, prior approval shall be obtained from the shareholders' general meeting in accordance with the procedures provided for in this Articles of Association. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may rescind or change the contracts concluded in the manner set forth above or waive any of its rights under such contracts.

For the purpose of the preceding paragraph, the contracts for the repurchase of shares shall include (but not limited) any agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not assign any contracts for the repurchase of its own shares or any of its rights thereunder.

For the purpose of the redeemable shares the Company is entitled to redeem:

(1) where shares are not bought back on the market or through bidding proceedings, their price shall not exceed a certain maximum price limit;

(2) where the shares are bought back through bidding proceedings, the Company shall make to all shareholder the same bidding proposal.

Article 32 Where the Company intends to repurchase its shares in the situations set out in items (1) and (2) of paragraph 1 of Article 29 of this Articles of Association, resolutions related thereto shall be passed at the shareholders' general meeting. Where the Company intends to repurchase its shares in the situations set forth in items (3), (5) and (6) of paragraph 1 of Article 29 of this Articles of Association, resolutions related thereto shall be passed at the meeting of Board of Directors with more than two-thirds of the Directors attending subject to a mandate by the shareholders' general meeting.

Unless otherwise specified in the Listing Rules of the stock exchange on which the shares of the Company are listed or other securities laws and regulations, after the Company has repurchased its own shares in accordance with the provisions of Article 29 and the repurchase is attributable to the circumstances set forth in item (1) of the paragraph 1, it shall cancel the portion of the shares concerned within ten days as of the date of the repurchase. In the event the repurchase is attributable to the circumstances set forth in items (2) and (4) of the paragraph 1, it shall transfer or cancel the portion of the shares concerned within six months. In the event the repurchase is attributable to the circumstances set forth in items (3), (5) and (6) of the paragraph 1, the shares in the Company to be held in aggregate by the Company shall not exceed 10% of the total number of the Company's shares in issue and the shares so repurchased shall be transferred or cancelled within three years.

Where the Company cancels its shares, it shall apply to the original company registry for the registration of change in the registered capital. The amount of the Company's registered capital shall be reduced by the total par value of the shares cancelled.

Article 33 Unless the Company has entered into liquidation, it shall comply with the following provisions in buying back its issued and outstanding shares:

(1) where the Company buys back its shares at their par value, the amount thereof shall be deducted from the book balance of its distributable profits and/or from the proceeds of a new share issue made to repurchase the old shares;

(2) Where the Company buys back its shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of its distributable profits and/or from the proceeds of a new share issue made to repurchase the old shares; the portion in excess of the par value shall be handled according to the following methods:

1. where the shares bought back were issued at their par value, the amount shall be deducted from the book balance of the distributable profits of the Company;

2. where the shares bought back were issued at a price higher than their par value, the amount shall be deducted of the book balance of its distributable profits and/or from the proceeds of a new share issue made to repurchase the old shares; however, the amount deducted from the proceeds of the new share issue shall not exceed the premium obtained at the time of issuance of the old shares, nor may it exceed the amount in the capital common reserve account (including the amount from new share issue) at the time of repurchase;

(3) The sum paid for the purpose set forth below shall be paid out of the Company's distributable profits:

1. acquisition of the right to repurchase its own shares;
2. modification of the contracts for repurchase of its own shares;
3. release from any of its obligations under any repurchase contracts.

(4) After the par value amount of the annulled shares has been deducted from the registered capital of the Company in accordance with the relevant regulations, the portion of the amount deducted from the distributable profits and used to repurchase shares at the par value of the bought back shares shall be included in the capital common reserve account of the Company.

Chapter 5 Financial Assistance for Acquisition of Shares in the Company

Article 34 The Company or its subsidiaries (including its affiliates) shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. The purchasers of the shares in the Company as referred to above shall include the persons that directly or indirectly undertake the obligations for the purpose of purchasing the Company shares.

The Company or its subsidiaries (including its affiliates) shall not at any time provide financial assistance to the above obligators in order to reduce or discharge their obligations.

The provisions of this article shall not apply to the circumstances described in Article 36 of this Articles of Association.

Article 35 For the purpose of this chapter, the term ‘financial assistance’ includes (but not limited to) the forms set out below:

(1) gifts;

(2) guarantee (including the undertaking of the liability or the provision of property by the guarantor in order secure the performance of the obligations by the obligator), indemnity (not including indemnity arising from the Company’s own fault) or release or waive of rights;

(3) provision of a loan or conclusion of a contract under which the obligations of the Company are fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract;

(4) financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company’s net assets.

For the purpose of this chapter, the term ‘undertake obligations’ shall include the undertaking of the obligations by the obligator by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether such obligation is undertaken by the obligator individually or jointly with any other person) or by changing its financial position in any other way.

Article 36 The acts listed below shall not be deemed as acts prohibited under Article 34 of this Articles of Association:

(1) Where the Company provides financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;

(2) lawful distribution of the Company’s property in the form of dividends;

(3) distribution of dividends in the form of shares;

(4) reduction of registered capital, repurchase of shares or shareholding structuring, etc, in accordance with this Articles of Association;

(5) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided the same does not lead to a reduction in the net assets of the Company or if that the same constitutes a reduction, such financial assistance was given out of the Company’s distributable profits);

(6) provision of money by the Company for an employee shareholding scheme (provided the same does not lead to a reduction in the net assets of the Company or if that the same constitutes a reduction, such financial assistance was given out of the Company's distributable profits).

Chapter 6 Share Certificates and Register of Shareholders

Article 37 The Company's shares shall be in registered form.

The share certificates of the Company shall state following particulars:

- (1) The name of the Company;
- (2) The date of the Company's incorporation;
- (3) The types of stocks, par value and number of shares the share certificates represent;
- (4) The share Certificate serial number;

(5) Other particulars provided for in the Company Law, the Special Provisions and the requirements of the securities exchange where the Company's shares are listed.

Article 38 The Company's shares may be transferred, given as a gift, succeeded and pledged in accordance with the procedures provided for in the relevant laws, administrative regulations, departmental rules and this Articles of Association.

The assignment and transfer of the shares shall be registered with the stock registration department entrusted by the Company.

Article 39 The share certificates of the Company shall be signed by the Chairman of the Board of Directors. Where the signatures of other senior management staff of the Company are required by the securities exchange(s) where the shares of the Company are listed, the share certificates shall also be signed by such senior management staff. The share certificates shall become effective after the Company's seal is affixed thereto or printed thereon. The affixation of the Company's seal on the share certificates shall require the authorization by the Board of Directors. The signatures of the Chairman of the Board of Directors or of other senior management staff may also be in printed form.

Article 40 The Company shall keep a register of shareholders, in which the following particulars shall be recorded:

- (1) the name, address (domicile), profession or nature of each shareholder;
- (2) the category and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the shares held by each shareholder;
- (5) the date on which each shareholder is registered as a shareholder;
- (6) the date on which each shareholder ceases to be a shareholder.

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

Article 41 The Company may, pursuant to an understanding or an agreement between the State Council authorities in charge of securities and an overseas security regulatory organization, keep the register of shareholders of foreign investment shares overseas and entrust the administration thereof to an overseas agent. The original register of shareholders of the foreign investment shares listed in Hong Kong shall be kept in Hong Kong.

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

Where the original and duplicate registers of shareholders of foreign investment shares are inconsistent, the original shall prevail.

Article 42 The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

(1) a register of shareholders kept at the domicile of the Company other than those provided for under item (2), item (3) of this paragraph;

(2) the register of shareholders of foreign investment shares kept in the place of the overseas securities exchange where the shares are listed;

(3) the register of shareholders kept in such places as the Board of Directors may deem necessary for listing purpose.

Article 43 The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not be registered in any part of the register during the continuance of the registration of such shares. Changes or corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.

The foreign investment shares of the Company shall be transferred by entering into written transfer documents in a general or common form or other forms acceptable to the Board of Directors; such transfer documents may be manually signed without affixing a seal. Where the transferor or the transferee are the recognized clearing houses or their agents within the meaning of the definition provided for in the Securities and Futures Ordinances of Hong Kong, the transfer documents may be signed manually or in a machine printed form. All transfer documents shall be kept at the legal address of the Company or such other places as designated by the Board of Directors from time to time.

Article 44 Where there are other provisions in laws, regulations and the relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed stipulating the period of closure of the register of shareholders prior to a general meeting or the benchmark date on which the Company decides to distribute dividends, such provisions shall prevail.

Article 45 When the Company convenes a shareholder's meeting, distributes dividends, commences liquidation or participates in other activities requiring the confirmation of shareholdings, the convener of the board of directors' or shareholders' general meeting shall determine a date on which the shareholdings are to be confirmed. After the date on which the shareholdings are confirmed ceases, those

recorded in the register of the shareholders shall be the stakeholders of the Company.

Article 46 Any person who challenges the register of shareholders and requires his name to be entered into or removed from the register may apply to a competent people's court for correction of the register.

Article 47 Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares ('Relevant Shares') if his share certificate (Original Share Certificate) is lost.

Applications for the replacement of share certificates from holders who have lost their certificates of domestic investment shares shall be handled in accordance with the relevant provisions of the Company Law.

Applications for the replacement of share certificates from holders of foreign investment shares listed outside the People's Republic of China who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations of the place where the original register of holders of foreign investment shares listed outside the People's Republic of China is kept.

Where holders of foreign shares of the Company listed outside the People's Republic of China apply for replacement of their certificates after losing their certificates, such replacement shall comply with the following requirements:

(1) the applicant shall submit the application in the form prescribed by the Company along with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the Relevant Shares;

(2) the Company shall not have received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;

(3) if the Company decides to issue a replacement share certificate to the applicant, it shall publish a public announcement of its intention to do so in the newspapers or periodicals designated by the Board of Directors; the period of the public announcement shall be 90 days, during which time announcement shall be published repeatedly at least once every 30 days;

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

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

(6) at the expiration of the 90-day period provided for in items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may

issue a replacement share certificate according to the application of the applicant;

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

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

Article 48 After the Company has issued a replacement share certificate in accordance with this Articles of Association, it shall not delete from the register of shareholders the name of a bona fide purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is a bona fide purchaser).

Article 49 The Company shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraud on the part of the Company.

Chapter 7 Shareholders' Rights and Obligations

Article 50 The Company's shareholders are persons who lawfully hold shares in the Company and whose name is in the register of shareholders of the Company. The shareholders shall enjoy rights and undertake obligations according to the category and the number of shares they hold; the holders of the shares of the same category shall enjoy equal rights and undertake equal obligations.

The Company shall not exercise its rights, so as to freeze or impair the rights incidental to any shares held by the persons because they who directly or indirectly hold interests fail to disclose their interests to the Company.

Where one of the joint shareholders dies, only the surviving persons among the joint shareholders shall be deemed by the Company to have ownership in relation to the relevant shares; however, the Board of Directors shall have the right to require them to provide evidence of normal death. For the purpose of any joint shareholders, only the joint shareholder listed first shall be entitled to obtaining certificate in respect of relevant shares, receiving notices from the Company and voting at the shareholders meeting of the Company while any notice served on such person shall be deemed to have served on all the joint shareholders of the relevant shares.

Article 51 The shareholders of the ordinary shares of the Company shall enjoy the following rights:

(1) collect dividends and other profit distributions on the basis of the number of shares held by them;

(2) request, convene, chair, participate or appoint proxies to participate in the shareholders meetings in accordance with laws;

(3) supervise the operation of the Company and make suggestions or inquiries in respect thereof;

(4) transfer, give as a gift or pledge the shares they hold in the Company in accordance with the provisions of laws, administrative regulations and this Articles of Association;

(5) obtain the relevant information in accordance with the provisions of laws and this Articles of Association, including:

1. obtain this Articles of Association after the payment of its costs;
2. be entitled to browse and make a copy after payment of reasonable costs:

(1) all parts of the register of shareholders;

(2) the personal information regarding the directors, supervisors and senior management staff of the Company, including:

- (a) current and previous names and aliases;
- (b) main address (domicile);
- (c) nationality;
- (d) full time and other part time occupations and titles;
- (e) the identification documents and their numbers;

(3) the status of the Company's share capital;

(4) the copy of the Company's debenture.

3. Reports of aggregate par value, number of shares, the highest and lowest prices of each category of shares bought back by the Company since the last financial year as well as all the expenses paid by the Company;

4. The minutes of the shareholders meetings, the resolutions of meetings of the Boards of Directors and Supervisors and the financial reports.

(6) participate in the distribution of the remaining property of the Company according to their shareholdings when the Company is terminated or liquidated;

(7) for the shareholders who object to the resolutions regarding the merge and spin-off, request the Company to buy their shares;

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

Article 52 Where the shareholders require to consult the relevant information set out in the above paragraph or request such information, they shall provide written documents evidencing the category and number of shares they hold in the Company, and the Company shall provide after such shareholders are verified.

Article 53 Where the resolutions adopted by the Company's shareholders meeting or the meetings of the Board of directors violate laws, administrative regulations, shareholders shall have the right to a People's Court to declare such resolutions null and void.

Where the procedures for convening and the voting form of a shareholders' meeting or a or meeting

of the board of directors violate any law, administrative regulations or this Articles of Association, or the resolution is in violation of this Articles of Association, the shareholders may, within 60 days as of the day when the resolution is made, request the people's court to revoke it.

After a People's Court has declared the resolutions referred to above null and void, the Company shall file an application with the company registration authority for cancelling the registration of change.

Article 54 Where directors or senior management staff violate laws, administrative regulations or this Articles of Association in carrying out duties as such and cause losses to the Company, the shareholders who hold separately or aggregately more than 1% of the total shares of the Company for more than consecutive 180 days shall have the right to request the supervisory board to initiate a lawsuit in a People's Court; where the supervisory board violates laws, administrative regulations or this Articles of Association and causes losses to the Company, the shareholders may request in writing the Board of directors to initiate a lawsuit in a People's Court.

Where the supervisory board or the Board of directors refuses to initiate a lawsuit after receipt of the written request from the shareholders referred to in the preceding paragraph or fails to initiate such a lawsuit within 30 days after receipt of such request or if, in an emergency, the failure to initiate a lawsuit will cause irreparable injury to the interests of the Company, the shareholders listed in the preceding paragraph may, on their own behalf, directly initiate a lawsuit in a People's Court for the benefit of the Company.

Where any person infringes the legitimate rights and interests of the Company and causes losses to the Company, the shareholders listed in the first paragraph of this article may lodge an action in a People's Court.

Article 55 Where directors or senior management staff violate laws, administrative regulations or this Articles of Association and cause injury to the interests of the shareholders, the shareholders may initiate a lawsuit in a People's Court.

Article 56 The shareholders of the Company's ordinary shares shall undertake the following obligations:

- (1) to abide by laws, administrative regulations and this Articles of Association;
- (2) to pay subscription fees on the basis of the shares subscribed and the method of capital injection;
- (3) No withdrawal of shares, except as prescribed by rules and regulations;

(4) no abuse of the rights as a shareholder to cause injury to the interests of the Company or other shareholders; no abuse of the independent legal entity of the Company and the limited liability of the shareholders to cause injury to the interests of the Company's creditors; where the abuse of the rights as a shareholder by a shareholder of the Company causes losses to the Company and other shareholders, such shareholder shall undertake joint liability for the debts of the Company;

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

The shareholders shall not bear liability for further contribution to share capital other than the conditions agreed to by the subscribers at subscription.

Article 57 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange where the Company's shares are listed, the controlling shareholders, in

exercise of their shareholders' power, shall not make decisions prejudicial to the interests of all or part of the shareholders as a result of their voting rights on the issues set out below:

(1) relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;

(2) approving a director or supervisor (for his own or another person's benefit) of depriving the Company of its property in any way, including (but not limited to) any opportunities that are favourable to the Company;

(3) approving a director or supervisor (for his own or another person's benefit) of depriving other shareholders of their rights, including (but not limited to) the rights to distributions and voting rights, unless a restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with this Articles of Association.

Article 58 Where a holder of domestic shares holding 5% or above of the shares of the Company with voting rights pledges any shares in his/her/its possession, he/she/it shall report the same to the Company in writing on the day of such pledge. Pledge of overseas listed foreign shares shall be conducted in accordance with laws of Hong Kong Special Administrative Region, rules of stock exchange and other relevant provisions.

Article 59 The controlling shareholder and de facto controller of the Company shall not make use of their connected relationships to the detriment of the Company's interests. If they violate such provision and cause damage to the Company, they will be liable for such damages.

The controlling shareholder and de facto controller of the Company shall have a fiduciary duty towards the Company and its public shareholders of the Company. The controlling shareholder shall execute its rights as a contributor in strict compliance with the law. The controlling shareholder shall not adversely affect the lawful interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, possession of capital, guarantees for loans, etc. and shall not make use of its controlling status against the interests of the Company and public shareholders.

Chapter 8 Shareholders' General Meeting

Section 1 General Provisions for Shareholders' General Meeting

Article 60 The shareholders' general meeting is the Company's organ of authority, and shall exercise the following authorities in accordance with law:

(1) determining the Company's operational guidelines and investment plans;

(2) electing and replacing any director, and deciding any matter relating to the remuneration of directors;

(3) electing and replacing any supervisor who is not the employees' representative, and deciding any matter relating to the remuneration of supervisors;

(4) deliberating and approving any report of the board of directors;

(5) deliberating and approving any report of the board of supervisors;

(6) deliberating and approving any annual financial budget plan and any final accounting plan of the Company;

(7) deliberating and approving any profit allocation plan and any plan for covering losses of the Company;

(8) adopting any resolution on increase or reduction of registered capital of the Company;

(9) adopting any resolution on the issue of bonds of the Company;

(10) adopting any resolution on merger, division, dissolution, liquidation and change of corporate form of the Company;

(11) amending these Articles of Association;

(12) adopting any resolution on the Company's employment and dismissal of a CPA firm and the charges paid by the Company to such CPA firm;

(13) deliberating any draft resolution made by a shareholder solely or shareholders aggregately holding more than three percent of voting shares in the Company;

(14) deliberating and approving any guarantee matter which is required to be approved by the shareholders' general meeting in accordance with laws, regulations and these Articles of Association;

(15) deliberating and approving any transaction matter which is required to be approved by the shareholders' general meeting in accordance with laws, regulations, these Articles of Association and the rules of procedure of the shareholders' general meeting, such as purchase or sales of major assets, external investment, pledge of assets and trust financing;

(16) deliberating the change of use of proceeds;

(17) deliberating any equity incentive plan;

(18) deliberating any other matter that shall be resolved by the shareholders' general meeting in accordance with laws, administrative regulations, departmental regulations, securities regulatory requirements in force in the listing place of the Company's shares and these Articles of Association.

If necessary and reasonable, such specific matters as relating to matters to be resolved and as unable or unnecessary to be decided in the shareholders' general meeting may be decided by the board of directors as authorized by the shareholders' general meeting.

The authority granted by the shareholders' general meeting to the board of directors shall come into force only after being voted by shareholders (including their proxies) who attend the shareholders' general meeting and who hold the majority of voting powers to the extent that the matter to be authorized is a matter subject to ordinary resolution, and shall come into force only after being voted by shareholders (including their proxies) who attend the shareholders' general meeting and who hold more than two thirds of voting powers to the extent that the matter to be authorized is a matter subject to extraordinary resolution. The content of authorization shall be clear and concrete.

Article 61 The following external guarantees of the Company must be deliberated and passed by the shareholders' general meeting:

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its holding subsidiaries reaches or exceeds fifty percent of the audited net assets in the latest period;

(2) any guarantee provided after the total amount of external guarantees provided by the Company reaches or exceeds thirty percent of the audited total assets in the latest period;

(3) any guarantee provided for any guarantee object of which the assets-liabilities ratio exceeds seventy percent;

(4) any guarantee with the amount of a single guarantee exceeding ten percent of the audited net assets in the latest period;

(5) any guarantee provided for shareholders, actual controllers and their associated parties;

(6) any other guarantee which shall be submitted to the shareholders' general meeting for deliberation in accordance with laws, administrative regulations, departmental regulations and securities regulatory requirements in force in the listing place of the Company's shares.

Article 62 The shareholders' general meeting is classified into the annual shareholders' general meeting (hereinafter referred to as "AGM") and the extraordinary shareholders' general meeting. The shareholders' general meeting shall be convened by the board of directors. The AGM shall be convened once every year and held within six months after the end of the previous fiscal year.

Article 63 In any of the following circumstances, the Company shall hold an extraordinary shareholders' general meeting within two months after the occurrence of the corresponding circumstance:

(1) where the number of directors is fewer than such minimum number as set out herein;

(2) where the loss uncovered by the Company reaches one third of the total amount of paid-up capital;

(3) where a shareholder who solely holds, or shareholders who aggregately hold, ten percent or above of outstanding voting shares of the Company requires, or require, in writing convening an extraordinary shareholders' general meeting;

(4) where it is considered necessary by the board of directors;

(5) where it is proposed by the board of supervisors;

(6) other circumstances specified by laws, administrative regulations, departmental rules or these Articles of Association.

The number of shares set out in Item (3) above shall be as of the date on which the shareholder(s) proposes (propose) the written request.

Article 64 The venue for the Company to hold the shareholders' general meeting is the place of domicile of the Company or any other place notified by the convener of the shareholders' general meeting.

The shareholders' general meeting shall have a venue and be held on-site. The Company will also provide different means of transmission such as online voting for the convenience of participation by Shareholders. Shareholders who attend the shareholders' general meeting in the aforesaid manners shall

be deemed as present.

Article 65 Where a general meeting is convened, the Company shall engage lawyers to issue legal opinions in respect of the following matters and make an announcement in respect of the same:

- (1) whether the convening of the shareholders' general meeting and its procedures are in compliance with the laws, administrative regulations and this Articles of Association;
- (2) whether the qualifications of the attendees and the convener are legal and valid;
- (3) whether the procedures of voting and the voting results of the meeting are legal and valid;
- (4) legal opinions on other related matters at the request of the Company.

Section 2 Convening of Shareholders' General Meeting

Article 66 The shareholders' general meeting shall be convened by the board of directors in accordance with law and presided over by the chairperson of the board of directors.

Article 67 Any independent non-executive director (hereinafter referred to as "INED") of the Company shall have the right to suggest in writing to the board of directors that an extraordinary shareholders' general meeting should be convened. For the suggestion for convening an extraordinary shareholders' general meeting made by the INED, the board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, express a written feedback opinion on agreeing or disagreeing with the convening of an extraordinary shareholders' general meeting within ten days after the receipt of such suggestion.

Where the board of directors agrees to convene an extraordinary shareholders' general meeting, a notice stating the convening of a shareholders' general meeting shall be made within five days after the board of directors made the resolution; where the board of directors does not agree to convene an extraordinary shareholders' general meeting, the reasons shall be explained and announced.

Article 68 The board of supervisors shall be entitled to suggest, in writing, the board of directors for convening an extraordinary shareholders' general meeting. The board of directors shall, in accordance with laws, administrative regulations and these Articles of Association, express a written feedback opinion on agreeing or disagreeing with the convening of an extraordinary shareholders' general meeting within ten days after the receipt of such suggestion.

Where the board of directors agrees to convene an extraordinary shareholders' general meeting, a notice stating the convening of an extraordinary shareholders' general meeting shall be made within five days after the board of directors made the resolution. Any change to the original suggestion contained in the notice shall be subject to the approval of the board of supervisors.

Where the board of directors disagrees to convene an extraordinary shareholders' general meeting or fails to give feedback within ten days after the receipt of the suggestion, it shall be deemed that the board of directors is unable to perform or fails to perform its duty of convening a shareholders' general meeting and the board of supervisors may convene and preside over a shareholders' general meeting on its own.

Article 69 Shareholders who individually or jointly hold ten percent or above of the Company's shares shall have the right to request the board of directors to convene a shareholders' extraordinary general meeting. Such request shall be made in writing to the board of directors. The board of directors

shall make a written response as to whether or not it agrees to convene such a meeting within ten days upon receipt of the request in accordance with laws, administrative regulations, rules and this Articles of Association.

If the board of directors agrees to convene a shareholders' extraordinary general meeting, a notice shall be issued within five days after the resolution of the board of directors is passed. Changes made to the original request shall be approved by relevant shareholders.

If the board of directors refuses to convene a shareholders' extraordinary general meeting or does not give any response within ten days upon receipt of the request, shareholders who individually or jointly hold ten percent or above of the Company's shares shall have the right to propose to the board of supervisors to convene such shareholders' extraordinary general meeting. Such proposal shall be made in writing.

If the board of supervisors agrees to convene a shareholders' extraordinary general meeting, a notice shall be issued within five days upon receipt of the proposal. Changes made to the original proposal shall be approved by relevant shareholders.

If the board of supervisors fails to give the notice within the specified time limit, it shall be deemed to have failed to convene or preside over the meeting, in which case, shareholders who individually or jointly hold ten percent or above of the Company's shares for more than ninety consecutive days shall have the right to convene and preside over the meeting by themselves.

Article 70 Where a shareholder or shareholders require convening an extraordinary shareholders' general meeting or a separate meeting of classes of shareholders, the following procedures shall be followed:

(1) A shareholder solely holding or shareholders aggregately holding more than ten percent (inclusive) of shares having voting powers in the meeting to be held may sign a written request or several written requests in the same format to suggest the board of directors for convening a separate meeting of classes of shareholders and clarify the subjects to be discussed in such meeting. The board of directors shall convene a separate meeting of classes of shareholders as soon as possible after receiving the foregoing written request. The foregoing number of shares shall be as of the date on which the shareholder(s) proposes (propose) the written request.

(2) Where the board of directors fails to send a notice of convening a meeting within thirty days after the receipt of the foregoing written request, the shareholder(s) making such request may convene the meeting within four months after the board of directors receives such request; provided that the procedure of convening shall be the same as the procedure for the board of directors to convene a shareholders' general meeting as much as possible.

Article 71 Where the board of supervisors or the shareholders decide to convene an extraordinary shareholders' general meeting on its or their own, the board of directors must be notified in writing, and file with the local branch of the securities regulatory authority of the State Council in the place where the Company is situated and the stock exchange.

Before any resolution is made by the shareholders' general meeting, the shareholding percentage of the convening shareholders may not be lower than ten percent.

Shareholders convening such meeting shall submit relevant supporting documents to the local agency of the CSRC and the stock exchange of the jurisdiction where the Company locates when issuing the notice of shareholders' meeting and the resolution announcement.

Article 72 The board of directors and its secretary shall provide cooperation for the shareholders' general meeting convened by the board of supervisors or the shareholders on its or their own. The board of directors shall provide the register of shareholders in effect on the equity registration date.

Article 73 The Company shall bear any and all expenses necessary for the shareholders' general meeting convened by the board of supervisors or the shareholders on its or their own.

In case that the shareholders failed to convene a meeting at the aforementioned request and convene and hold a meeting on its own, the expenses reasonably incurred shall be borne by the Company and deducted from the amounts owed by the company to the director or supervisor who is in breach of his/her duty.

Section 3 Draft resolution and Notice of Shareholders' General Meeting

Article 74 The contents of a draft resolution shall fall within the authority of the shareholders' general meeting, have definite topics for discussion and specific matters to be resolved, and comply with relevant provisions of laws, administrative regulations and these Articles of Association.

Article 75 Where the Company convenes a shareholders' general meeting, the board of directors, the board of supervisors and the shareholders solely or aggregately holding more than three percent of the Company's shares shall be entitled to make a draft resolution to the Company.

The shareholders solely or aggregately holding more than three percent of the Company's shares may make an interim draft resolution to the convener in writing ten days before the convening of the shareholders' general meeting. The convener shall, within two days after the receipt of the draft resolution, make a supplementary notice of shareholders' general meeting and make announcements in respect of such interim draft resolution.

Except under the circumstance specified in the previous paragraph, the convener may not modify any draft resolution listed in the notice of shareholders' general meeting or add any new draft resolution after sending the notice of shareholders' general meeting.

The shareholders' general meeting may not put any draft resolution not listed in the notice of shareholders' general meeting or not complying with Article 74 hereof to the vote and make any resolution.

Article 76 Where the Company intends to convene an annual shareholders' general meeting, a notice shall be sent twenty working days (excluding the convening date of the meeting) prior to the convening of the meeting, where the Company intends to convene an extraordinary shareholders' general meeting, a notice shall be sent fifteen days or ten working days (excluding the convening date of the meeting, whichever is longer) prior to the convening of the meeting, to inform all shareholders of record of the matters to be deliberated in the meeting and the date and venue of the meeting. Where otherwise provided by law, regulations or the Listing Rules of the place where the shares of the Company are listed in relation to the foregoing, the provisions thereof shall prevail.

Article 77 Any notice of a meeting of shareholders shall comply with the following requirements:

- (1) The notice shall be made in such manner as set out herein;
- (2) The notice shall indicate the venue, term, date and time of the meeting;

(3) The notice shall describe the matters to be discussed in the meeting;

(4) Such materials and explanations as necessary for shareholders to make wise decisions upon matters to be discussed shall be provided for shareholders; this principle shall include (without limitation) the provision of specific conditions and contracts (if any) for proposed transactions and the earnest explanation of their causes and consequences when the Company proposes merger, share repurchase, reorganization of share capital or any other restructuring;

(5) Where any director, supervisor, President or any other senior manager has any major interest in any matter to be discussed, the nature and degree of such interest shall be disclosed; where the impact of any matter to be discussed upon such director, supervisor, President or other senior manager as a shareholder is different from the impact on other similar shareholders, the difference shall be indicated;

(6) The notice shall record the full text of any extraordinary resolution to be proposed in the meeting;

(7) Opinions and the reasons of independent directors (if necessary);

(8) The notice shall indicate with clear words that all shareholders shall be entitled to attend the shareholders' general meeting, any shareholder who is entitled to attend the meeting and vote shall be entitled to appoint one or more proxies who do not have to be shareholders to attend the meeting and vote;

(9) The notice shall clearly state the service time and place of the proxy statement for voting in the meeting;

(10) The notice shall indicate the equity registration date of the shareholder entitled to attend the shareholders' general meeting;

(11) The notice shall indicate the name and telephone number of contact person permanently appointed for meeting affairs;

(12) Where the shareholders' general meeting shall be made in the manner of Internet or in any other manner, the notice of shareholders' general meeting shall clearly state the time and procedure of voting in the manner of Internet or in any other manner.

Article 78 Save as otherwise specified by relevant laws, administrative regulations, securities regulatory requirements in force in the listing place of the Company's shares and these Articles of Association, the notice of shareholders' general meeting shall be sent by person or by mail (with postage paid) to shareholders (whether having any voting power in the shareholders' general meeting) at such address of the recipient as registered in the register of shareholders. In the case of shareholders of domestic shares, the notice of shareholders' general meeting may also be made in the form of announcement.

The announcement mentioned in the previous paragraph shall, in the case of shareholders of domestic shares, be published in one or more newspapers designated by the authority of the State Council in charge of securities within forty-five to fifty days prior to the convening of the meeting. Upon announcement, all shareholders of domestic shares shall be deemed as having received the notice concerning the meeting of shareholders.

In the case of shareholders of foreign shares listed abroad, subject to the laws and regulations in force in the listing place of the Company's shares and relevant provisions of the Stock Exchange of Hong

Kong, the notice of shareholders' general meeting may also be sent or provided in any other appropriate manner set out herein.

Article 79 In case that the notice of meeting fails to be sent to a person who is entitled to receive the notice or such person fails to receive the notice of meeting due to accidental omission, the meeting and resolutions adopted in the meeting shall not be null and void on such grounds.

Article 80 Where any matter relating to the election of directors and supervisors is to be discussed in a shareholders' general meeting, the details of the candidates for directors and supervisors shall be fully disclosed in the notice of shareholders' general meeting, at least including:

- (1) such personal information as education background, work experience and part-time job;
- (2) whether there is any relationship between such candidates and the Company or the controlling shareholders and actual controllers of the Company;
- (3) disclosure of the number of shares held by such candidates in the Company;
- (4) whether such candidates have been punished by the state-owned securities supervisory authority of the State Council and any other relevant department or disciplined by any stock exchange.

Each candidate for director or supervisor should be separately proposed, except for directors or supervisors elected by way of cumulative voting system.

Article 81 After the notice of shareholders' general meeting is sent, the shareholders' general meeting may not be postponed or canceled without any justified reason, and no draft resolution listed in the notice of shareholders' general meeting shall be canceled. In case of postponement or cancellation, the convener shall make an announcement at least two working days before the originally determined convening date and explain the reasons.

Section 4 Holding of Shareholders' General Meeting

Article 82 The board of directors of the Company and any other convener shall take necessary actions to ensure the normal order of the shareholders' general meeting. Any behavior disturbing the shareholders' general meeting, picking quarrels and stirring up trouble and infringing on the lawful rights and interests of any shareholder shall be prevented and timely reported to relevant departments for investigation and punishment.

Article 83 Any shareholder who is entitled to attend a meeting of shareholders and to vote shall be entitled to appoint one or more persons who do not have to be shareholders as its proxy or proxies to attend and vote on its behalf. Such proxy may, according to the entrustment by such shareholder, exercise the following rights:

- (1) the right of speech of such shareholder in the shareholders' general meeting;
- (2) the right to solely or jointly with others decide by vote;
- (3) the voting power by hands or vote; provided, however, that when there are more than one shareholder authorized proxies, such shareholder authorized proxies may only exercise the voting right by vote.

Article 84 All registered shareholders as at the date of record and their proxies are entitled to attend

the shareholders' general meeting and exercise their voting rights in accordance with laws and regulations, the Articles of Association. Shareholders may attend the shareholders' general meeting in person or they may appoint proxies to attend and vote on their behalf. A shareholder shall entrust in writing a proxy to attend the shareholders' general meeting. The proxy statement shall be signed by the trustor or the agent entrusted thereby in writing. Where the trustor is a corporate body, the proxy statement shall be affixed with its corporate seal or signed by its director or duly authorized agent.

Article 85 The proxy statement for voting shall, at least twenty-four hours prior to the convening of relevant meeting in which voting is made by the proxy statement or at least twenty-four hours prior to the designated voting time, be filed in the domicile of the Company or any other place designated for convening the meeting in the notice. Where the proxy statement is signed by a third party authorized by the trustor, the power of attorney signed under authorization or other authorization documents shall be notarized. The power of attorney or other authorization documents notarized shall be maintained, together with the proxy statement for voting, in the domicile of the Company or any other place designated for convening the meeting in the notice.

Where the proxy is a corporate body, the meeting of shareholders of the Company shall be attended by its legal representative or any person authorized by the board of directors and any other decision-making organ through resolution.

Where such shareholder is a recognized clearing house, such shareholder may authorize one or more persons it deems appropriate to be its representative in any shareholders' general meeting or any separate meeting of classes of shareholders; provide, however, that where more than two persons are authorized, the power of attorney shall clearly state the number and classes of shares relating to such persons due to such authorization. Such persons as authorized may exercise rights on behalf of the recognized clearing house or its agent as if such persons are natural person shareholders of the Company.

Article 86 Any form of proxy statement sent by the board of directors of the Company to a shareholder for appointing the shareholder authorized proxy shall allow the shareholder to freely elect to instruct the shareholder authorized proxy to cast an affirmative vote or negative vote and make instructions respectively for matters to be voted in respect of each subject to be discussed in the meeting. The proxy statement shall indicate whether the shareholder authorized proxy can cast a vote at his/her own discretion to the extent that the shareholder does not make any instruction.

The instruments of proxy of Shareholders appointing other persons to attend shareholders' meetings shall set out the following information:

- (1) name of the proxy;
- (2) whether or not it has voting rights;
- (3) instructions to vote for, against or abstain from voting on each matter to be included in the agenda for consideration at the shareholders' meeting;
- (4) date of issue of the proxy and the valid period;
- (5) the signature (or chop) of the appointer. In the case of a corporate shareholder, the instrument of proxy must be affixed with the company chop.

Article 87 Where the trustor has passed away, been incapacitated, revoked the appointment or revoked the authorization granted by signature, or relevant shares have been transferred before voting, the voting made by the shareholder authorized proxy according to the proxy statement shall maintain in effect

as long as the Company does not receive any written notice concerning such matters before the commencement of relevant meeting.

Article 88 Shareholders who attend the meeting in person shall show the stock account card, identification card, or other valid documents or certificates to show their identity, or provide other certificates which prove their identity as shareholders; the proxy entrusted by shareholders to attend the meeting shall show his identification card and the power of attorney, and provide other certificates which prove the identity of appointers as shareholders.

When a legal representative of the legal person shareholder attends the meeting, he/she shall present his/her stock account card, identification card and an effective evidence of his/her qualification as a legal representative; when an entrusted proxy attends the meeting, he/she shall present his/her identification card and the power of attorney in writing issued to him/her by the legal representative of a legal person shareholder, or notarized copy of resolution in respect of authorization by board of directors of legal person shareholder or other decision-making departments, and provide other certificates which prove the identity of appointers as shareholders.

Article 89 The meeting register of persons attending the meeting shall be prepared by the Company. The meeting register shall clearly state name (or name of unit), ID card number and home address and principal name (or name of unit) of, and number of voting shares held or represented by, the attendants.

Article 90 The conveners of the shareholders' general meeting and attorneys engaged by the Company will jointly verify the legality of shareholders' qualifications according to the register of shareholders provided by the securities registration and settlement institution and register the names of shareholders and the number of voting shares held thereby. Unless otherwise decided by the Company, the meeting registration shall end before the meeting host announces the number of shareholders and proxies attending the meeting and the total of voting shares held thereby.

Article 91 When a shareholders' general meeting is convened, all directors, supervisors and the secretary of the board of directors of the Company shall attend the meeting, and the President and other senior managers shall attend the meeting as non-voting delegates.

Article 92 Where the shareholders' general meeting is convened by the board of directors, the Chairman shall act as the chairman of the meeting and preside over the meeting. If the Chairman is unable or fails to perform his duties, the Deputy Chairman of the board of directors shall convene and preside over the meeting. If the Deputy Chairman is unable or fails to perform his duties, a director nominated by no less than one-half of the directors shall preside.

The shareholders' general meeting convened by the board of supervisors on its own shall be presided over by the chairperson of the board of supervisors who shall also be the presiding chairperson. Where the chairperson of the board of supervisors is unable to or fails to perform his/her duties, more than half of supervisors may jointly elect a supervisor to preside over the meeting and be the presiding chairperson.

The shareholders' general meeting convened by shareholders on their own shall be presided over by the representative elected by conveners, who shall be the presiding chairperson.

When a shareholders' general meeting is convened, where the presiding chairperson violates the rules of procedure, which causes the shareholders' general meeting to be unable to proceed, the shareholders' general meeting may elect a person to be the presiding chairperson and proceed the meeting with the consent of attending shareholders who have more than half of voting powers. Where the shareholders fail to elect a chairman due to any reasons, the shareholder (or his proxy) attending the

meeting and holding the most voting shares shall be the chairman of the meeting.

Article 93 The Company shall formulate the rules of procedure of shareholders' general meeting, which shall specify in details the convening and voting procedures of the shareholders' general meeting, including notice, registration, deliberation of draft resolutions, voting, votes counting, announcement of voting results, formation of meeting resolutions, minutes of the meeting and the execution thereof, announcement, etc., and the principles of authorization granted by the shareholders' general meeting to the board of directors. The content of authorization shall be clear and concrete. As an appendix to these Articles of Association, the rules of procedure of the shareholders' general meeting shall be drafted by the board of directors and approved by the shareholders' general meeting.

Article 94 In an AGM, the board of directors and the board of supervisors shall make a report to the shareholders' general meeting in respect of their work in the previous year. Every INED shall also make a report on work.

Article 95 Directors, supervisors and senior managers shall make explanations and statements in respect of shareholders' inquiries and advices in the shareholders' general meeting.

Article 96 The presiding chairperson shall announce the number of shareholders and proxies attending the meeting and the total of voting shares held thereby, which shall be based on the meeting registration.

Article 97 Minutes of the shareholders' general meeting shall be prepared by the secretary of the board of directors.

The minutes shall record:

- (1) the time, venue and agenda of the meeting and the names of the conveners;
- (2) the names of the presiding chairperson and directors, supervisors, President and other senior managers who attend the meeting as voting or non-voting delegates;
- (3) the number of shareholders and agents attending the meeting, the total of voting shares held thereby and the proportion of such voting shares in the total of the Company's shares;
- (4) deliberation process, speech highlights and voting results of each draft resolution;
- (5) inquiries or advices of shareholders and corresponding replies or explanations;
- (6) the names of attorneys, tellers and scrutinizers;
- (7) other contents which shall be recorded in the minutes in accordance with these Articles of Association.

Article 98 Conveners of the shareholders' general meeting shall ensure the trueness, accuracy and completeness of the minutes. Directors, supervisors, the secretary of the board of directors, conveners or their representatives and the meeting host attending the meeting shall sign on the minutes. The minutes shall be kept together with the book of signatures of shareholders attending the meeting in person, the proxy statements and valid materials establishing the voting by Internet and by other means for at least ten years.

Article 99 Conveners shall ensure the continuity of the shareholders' general meeting until a final

resolution is made. Where the shareholders' general meeting is adjourned or unable to make any resolution due to any special reasons, e.g., force majeure, necessary measures shall be taken to resume or directly terminate the meeting as soon as possible, and an announcement shall be made in a timely manner. And the conveners shall report it to the local office of the CSRC in the place where the Company operates and the stock exchange.

Section 5 Voting at and Resolution of Shareholders' General Meeting

Article 100 The resolution of shareholders' general meeting shall be classified into ordinary resolution and extraordinary resolution.

Any ordinary resolution made by the shareholders' general meeting shall be passed by attending shareholders (including shareholder proxies) who hold more than one half (exclusive) of voting powers.

Any extraordinary resolution made by the shareholders' general meeting shall be passed by attending shareholders (including shareholder proxies) who hold more than two thirds of voting powers.

Article 101 The following matters shall be subject to an ordinary resolution in the shareholders' general meeting:

(1) work statements of the board of directors and the board of supervisors;

(2) profit allocation plans and plans for covering losses drafted by the board of directors;

(3) appointment and dismissal of and remuneration for the members of the board of directors and the members of board of supervisors who are not employees' representatives and terms of payment of such remuneration;

(4) annual budget and final reports, balance sheets, profit statements and other financial statements of the Company;

(5) employment and dismissal of a CPA firm and the charges paid by the Company to such CPA firm;

(6) guarantee matters required to be deliberated and approved in the shareholders' general meeting;

(7) annual reports of the Company;

(8) matters other than those which shall be subject to an extraordinary resolution in accordance with laws, administrative regulations, securities regulatory requirements in place where the Shares of the Company are listed or the Articles of Association.

Article 102 The following matters shall be subject to an extraordinary resolution in the shareholders' general meeting:

(1) increase and reduction of the equity capital of the Company and issuance of shares of any class, share warrants and other similar securities;

(2) issuance of bonds by the Company;

(3) merger, division, dissolution, liquidation and change of corporate form of the Company;

(4) amendment of these Articles of Association;

(5) purchase or sales of major assets by the Company within one year or the amount of guarantee exceeding thirty percent of the audited total assets of the Company in the latest period;

(6) equity incentive plans;

(7) such other matters as set out in laws, administrative regulations, securities regulatory requirements in force in the listing place of the Company's shares or these Articles of Association and as deemed by the ordinary resolution adopted in the shareholders' general meeting having material impact on the Company and thus being necessary to be subject to an extraordinary resolution.

Article 103 Shareholders (including shareholder proxies) shall exercise voting power according to the number of voting shares represented thereby when deciding by vote in the shareholders' general meeting, with each share having a vote.

When the shareholders' general meeting considers matters that could materially affect the interest of medium and small investors, the votes by medium and small investors shall be counted separately, and the results of such separate vote counting shall be disclosed in a timely manner. The Company's shares held by the Company shall have no voting power on resolutions regarding such issues, and such portion of shares shall not be reckoned in the total of voting shares in the shareholders' general meeting.

The board of directors, INED and shareholders holding more than one percent of the voting shares, or investor protection institutions established in accordance with the laws, administrative regulations or the requirements of the securities supervisory and regulatory authorities of the State Council may act as soliciting party, and by themselves or by entrusting securities companies or securities service institutions, publicly request the shareholders of the Company to appoint them as proxies to attend the general meeting and exercise the proposal rights, voting rights and other shareholders' rights on their behalf.

Where the shareholders' rights are collected in accordance with the provisions of the preceding paragraph, the soliciting party shall disclose the collection documents and the Company shall cooperate.

Collecting the shareholders' rights publicly with consideration or de facto consideration is prohibited.

Where the public collection of shareholders' rights violates the laws, administrative regulations or the relevant requirements of the China Securities Regulatory Commission, resulting in losses to the Company or its shareholders, the soliciting party shall be held liable for damages.

Article 104 When matters relating to related party transactions are deliberated in the shareholders' general meeting, related shareholders shall not participate in voting by ballot and the number of voting shares represented by such related shareholders shall not be reckoned in the total of valid voting shares. Announcement on the resolutions of the shareholders' general meeting shall fully disclose the results of voting by the shareholders who are not related parties in the transaction.

Article 105 Subject to the legality and validity of the shareholders' general meeting, the Company shall provide convenience for the public shareholders' participation in the shareholders' general meeting through various viable means, including the employment of modern information technology such as a voting platform in the form of a network in priority.

Article 106 Except that the Company is under a special circumstance such as in a crisis, without the approval made through the extraordinary resolution in the shareholders' general meeting, the Company

may not enter into any contract with any person other than the director, supervisor, President and other senior manager to deliver the management of all or some important business of the Company to such person.

Article 107 The list of director and supervisor candidates shall be submitted to the shareholders' general meeting for voting by means of draft resolution, and each candidate shall be nominated by means of a separate draft resolution.

When the shareholders' general meeting votes on the election of directors and supervisors, the accumulative voting system shall be implemented according to the Articles of Association or the resolution of the shareholders' general meeting.

The accumulative voting system as referred to in the preceding paragraph means that when a shareholders' general meeting elects directors or supervisors, each share shall carry the same number of voting right as the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be accumulatively used.

The main provisions of cumulative voting system are as follows:

(1) Where the number of directors or supervisors to be elected is more than two, the cumulative voting system shall be adopted;

(2) Under the cumulative voting system, voting of independent directors and non-independent directors shall be carried out separately;

(3) In a cumulative voting, each share of a shareholder shall have the same votes as the number of directors or supervisors to be elected;

(4) Where the election for directors or supervisors is put to the vote at the shareholders' general meeting, a shareholder may exercise his voting rights by spreading his votes, or by focusing all his votes on one election;

(5) Where the votes in favour of a director or supervisor candidate exceed a half of the number of shares carrying voting rights (based on the number of unaccumulated shares) held by shareholders attending the shareholders' general meeting, such director or supervisor shall be an elected director or supervisor candidate. If the number of elected director or supervisor candidates exceeds the number of directors or supervisors to be appointed, those who win more votes in favour of them shall be appointed as directors or supervisors (in case of the appointment of elected candidates with same number of votes will result in the number of elected candidates exceeding the number of directors or supervisors to be appointed, such elected candidates shall not be deemed to be elected). If the number of elected director or supervisor candidates is less than the number of directors or supervisors to be appointed, the shortage shall be appointed through a new voting from the unelected directors or supervisors candidates until all the directors or supervisors to be appointed are elected.

Article 108 Apart from accumulative voting system, all draft resolutions shall be put to the vote in the shareholders' general meeting on a case-by-case basis. Where there are different draft resolutions against the same matter, such draft resolutions will be put to the vote according to the sequence of time when such draft resolutions are proposed. Except that the shareholders' general meeting is suspended or no resolution is able to be made for such special reasons as force majeure, draft resolutions will neither be set aside nor be put to the vote in the shareholders' general meeting.

Article 109 The draft resolutions shall not be modified when they are deliberated in the

shareholders' general meeting; otherwise, relevant modifications shall be deemed as a new draft resolution and may not be put to the vote in this shareholders' general meeting.

Article 110 Any voting right may be exercised through only one means: on site, online or any other means. The first voting result shall prevail where one voting right is repeatedly exercised.

Article 111 Unless the following persons require voting by ballot before or after voting by a show of hands, or save as otherwise required by the listing rules of the stock exchange on which the Company's shares are listed, voting shall be made by a show of hands in the shareholders' general meeting:

(1) the presiding chairperson;

(2) at least two shareholders having voting powers or proxies of shareholders having voting powers;

(3) one or several shareholders (including shareholder authorized proxies) who solely or aggregately hold more than ten percent (inclusive) of voting shares in such meeting.

Unless it is suggested that voting should be made by ballot, the presiding chairperson shall announce the adoption of any draft resolution according to the results of voting by a show of hands and record it in the minutes as the final basis, without certifying the number of affirmative or negative votes for any resolution adopted in such meeting or their proportion.

The request of voting by ballot may be revoked by the presenter.

Article 112 Where the matter required to be voted by ballot is the election of chairperson or the suspension of the meeting, such matter shall be voted by ballot immediately; with regard to other matters required to be voted by ballot, the chairperson shall decide when to cast votes, and the meeting may proceed to discuss other matters. The vote results shall be deemed as the resolution adopted in such meeting.

Article 113 When voting by ballot, shareholders (including shareholder authorized proxies) who have two or more votes do not have to cast all votes in the affirmative or negative.

Article 114 Where the number of affirmative votes is equal to the number of negative votes, whether by a show of hands or by ballot, the presiding chairperson shall have the right to cast an additional vote.

Article 115 The shareholders' general meeting shall, prior to the voting on any proposal, elect two representatives from shareholders to take part in vote counting and polling scrutiny. In case any shareholder is involved in any matter to be reviewed, the shareholder and his proxy shall not take part in vote counting and polling scrutiny.

When any draft resolution is put to the vote in the shareholders' general meeting, solicitors, shareholders' representatives and supervisors' representatives shall be jointly responsible for counting votes and scrutinizing balloting and shall, on the spot, announce the voting results which shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote online or by any other means shall be entitled to check their voting results via the relevant voting system.

Article 116 The on-site general meeting shall not end earlier than the end of the meeting held online or by any other means, and the president of the meeting shall announce the voting results on each

proposal at the on-site meeting and whether the proposal is adopted based on the voting results.

All parties involved in the voting on-site, online or by any other means at the shareholders' general meeting, including the Company, vote counters, scrutineers, substantial shareholders and network service providers, shall be obliged to keep confidential the voting before the voting results are formally announced.

Article 117 Shareholders attending the shareholders' general meeting shall express one of the following opinions on the draft resolutions put to the vote: assent, dissent or abstention, except that securities registration and settlement institutions, being the nominal holders of shares subject to the Interconnection Mechanism for Transactions in the Mainland and Hong Kong Stock Markets, may express opinions according to the intentions of actual holders.

Votes not filled, wrongly filled or illegibly filled and votes not cast shall be deemed that the voter waive the right to vote and the voting results of the number of shares held by such voter shall be taken as "abstention".

Where it is specified by the Listing Rules of the Stock Exchange of Hong Kong that any shareholder must waive its voting power in respect of a certain matter to be resolved or any shareholder may only vote in favor (or against) a certain matter to be resolved, the votes cast by the shareholders or their representatives in violation of the foregoing provision shall be null and void.

Article 118 The presiding chairperson shall be responsible for deciding whether any resolution is adopted in the shareholders' general meeting. Such decision shall be final and be announced in the meeting and recorded in the minutes of the meeting.

Article 119 Where the presiding chairperson is doubtful about the voting results submitted, he/she may organize to count ballots; where the presiding chairperson does not count ballots, and shareholders or shareholder proxies attending the meeting show dissent against the results announced by the presiding chairperson, they shall be entitled to require counting ballots immediately after the voting results are announced and the presiding chairperson shall immediately count ballots.

If counting of ballots is carried out in the shareholders' general meeting, the results of counting of ballots shall be recorded in the minutes of the meeting. The minutes of the meeting together with the book of signatures of attending shareholders and the proxy statements shall be maintained in the domicile of the Company.

Article 120 Any resolution of the shareholders' general meeting shall be announced in a timely manner, and such an announcement shall indicate the number of shareholders and proxies present at the meeting, the total number of voting shares they hold and its proportion to the total voting shares of the Company, the means of voting, the voting results of each proposal as well as the details of each resolution adopted.

Article 121 In the event a proposal is not adopted, or the shareholders' general meeting makes any modification to any resolution adopted at the previous meeting, a specific indication shall be made in the announcement on resolutions of the shareholders' general meeting.

Article 122 A shareholder may look up copies of the minutes of shareholders' general meetings free of charge during the office hours of the Company. If any shareholder demands copies of relevant minutes from the Company, the Company shall send the copies within seven days after receiving reasonable expenses.

Article 123 Where any draft resolution on the election of a director or a supervisor is passed in a shareholders' general meeting, the new director or supervisor shall assume office after the resolution is passed in the shareholders' general meeting.

In respect of the supervisor who is the employees' representative in the new board of supervisors, if the date of his/her democratic election is earlier than the forming date of the new board of supervisors, the office assuming time shall be the forming date of the new board of supervisors; save as specified above, the assuming time of the employees' representative shall be the date of democratic election.

Article 124 Where any draft resolution on allocation of cash dividend, grant of shares or conversion of capital reserve to increase share capital is passed in the shareholders' general meeting, the Company will implement specific programs within two months after the end of the shareholders' general meeting.

Chapter 9 Special Procedure for Voting by Classes of Shareholders

Article 125 Shareholders holding different classes of shares are classes of shareholders.

Classes of shareholders shall enjoy such rights and bear such obligations as specified by laws, administrative regulations and these Articles of Association.

Article 126 The Company may modify or abolish the rights of classes of shareholders only after such modification or abolishment is approved by an extraordinary resolution in the shareholders' general meeting and approved in the meetings of shareholders separately convened by classes of shareholders who are affected in accordance with Articles 128 to 132 hereof.

Article 127 The rights of a certain class of shareholders shall be deemed as modified or abolished in the following circumstances:

(1) Where the number of shares of such class is increased or reduced, or the number of shares of other classes having equal or more voting powers, allocation rights and other privileges to or than such class is increased or reduced;

(2) Where shares of such class are converted into shares of other classes in whole or in part, or shares of another class are converted into shares of such class in whole or in part or such conversion right is granted;

(3) Where the right which shares of such class have to obtain yielded dividends or cumulative dividends is canceled or reduced;

(4) Where the right which shares of such class have to have the priority to obtain dividends or have the priority to obtain property distribution in the liquidation of the Company is reduced or canceled;

(5) Where the share conversion right, option, voting power, transfer right, preemptive right and right to obtain securities of the Company which shares of such class have are increased, canceled or reduced;

(6) Where the right which shares of such class have to collect payables of the Company in specified currency is canceled or reduced;

(7) Where a new class which has equal or more voting powers, allocation rights or other privileges to or than such class of shares is established;

(8) Where the transfer or ownership of shares of such class is restricted or such restrictions are increased;

(9) Where share options of such class or another class are issued or shares are converted;

(10) Where rights and privileges of shares of other classes are increased;

(11) Where the restructuring program of the Company will cause different classes of shareholders to bear liabilities out of proportion in restructuring;

(12) Where any provision of this chapter is modified or abolished.

Article 128 Classes of shareholders affected, whether formerly having voting power in the shareholders' general meeting, shall have voting power in the separate meeting of classes of shareholders in respect of matters set out in items (2) to (8) and (11) to (12) of Article 127; provided, however, interested shareholders shall have no voting power in the separate meeting of classes of shareholders.

The interested shareholder mentioned in the preceding paragraph is defined as follows:

(1) Where the Company makes a repurchase offer to all shareholders in the same proportion in accordance with Article 29 hereof or repurchases its shares by means of open trade on the stock exchange, "interested shareholder" refers to the controlling shareholder defined in Article 304 hereof;

(2) Where the Company repurchases its shares by means of agreement outside the stock exchange in accordance with Article 29 hereof, "interested shareholder" refers to a shareholder associated with such agreement;

(3) For the purposes of the restructuring program of the Company, "interested shareholder" refers to a shareholder bearing liabilities in a proportion lower than other shareholders of the same class or a shareholder having interests different from other shareholders of the same class.

Article 129 Any resolution of the separate meeting of classes of shareholders may be made only after being passed by attending shareholders having more than two thirds of voting powers in the separate meeting of classes of shareholders in accordance with Article 128 hereof.

Article 130 Where the Company intends to convene a separate meeting of classes of shareholders, a written notice shall be sent in accordance with the Article 76 of this Articles of Association regarding the time limit for convening a shareholders' general meeting to inform all shareholders of record of such class of the matters to be deliberated in the meeting and the date and venue of the meeting.

Article 131 The notice of a separate meeting of classes of shareholders shall only be sent to shareholders having voting power in such meeting.

A separate meeting of classes of shareholders shall be held according to the procedure as the same as the shareholders' general meeting as possible, and provisions hereof relating to the holding procedure of the shareholders' general meeting shall be applicable to the separate meeting of classes of shareholders.

Article 132 Except for shareholders of other classes of shares, shareholders of domestic shares and shareholders of foreign shares listed abroad shall be deemed as different classes of shareholders.

Special procedure of voting by classes of shareholders shall not be applicable to the following circumstances:

(1) Where, with the approval by an extraordinary resolution in the shareholders' general meeting, the Company solely or simultaneously issues domestic shares and foreign shares listed abroad every twelve months, and the number of domestic shares and foreign shares to be issued does not respectively exceed twenty percent of outstanding shares of such class; or

(2) Where the Company's plan of issuing domestic shares and foreign shares listed abroad made upon its establishment has been completed over fifteen months from the approval date of the securities supervisory authority of the State Council.

With the approval of the securities supervisory authority of the State Council, shareholders holding unlisted shares of the Company may list shares held thereby abroad for trading. The foregoing shares shall be listed and traded on the foreign stock exchange in accordance with the regulatory procedures, provisions and requirements of such foreign stock exchange. The listing and trading of the foregoing shares on the foreign stock exchange is not required to be resolved in a separate meeting of classes of shareholders.

Chapter 10 Party Committee

Article 133 The Company shall set up the Party Committee consisting of one secretary and several other members. The Chairman of the Board and secretary of the Party Committee shall, in principle, be the same person, and a deputy secretary shall be designated to be responsible for the Party building works of the Company. Eligible members of the Party Committee can join the Board, the board of supervisors and senior management through legal procedures. Eligible members in the Board, the board of supervisors and senior management can join the Party Committee in accordance with relevant provisions and procedures. Meanwhile, commission for discipline inspection shall be established in accordance with relevant requirements.

Article 134 The institutional structure, allocation of staff members and financial support. The Party Committee of the Company shall, in principle, establish the organizations such as the Party Committee Office, the organization department and the work department of the Party Committee. The Party business personnel should be assigned in accordance with the principle of not less than the average staffing level for the departments at the same level. The funds for the Party building works is to be arranged at a certain proportion of the total wages of the staff for previous year and included in the pre-tax expenses of corporate management overhead.

Article 135 The Party Committee of the Company shall perform the following duties in accordance with the Constitution of the Communist Party of China and other internal laws and regulations of the Party.

(1) Ensure and supervise the implementation of the Party's and the State's policies in the Company, to carry out the major strategic decisions of the CPC Central Committee, the State Council, the Provincial Party Committee and the Provincial government, to fulfill the relevant important work deployment of the Provincial SASAC Party Committee and higher Party organizations.

(2) Adhere to the principle of managing officials by the Party combined with the Board of Directors choosing the manager according to law and the managers exercising their right of making use of personnel legally. The Party Committee is responsible for considering the nominated personnel by the Board of Directors or the President and putting forward opinions and suggestions, or nominating candidates to the Board of Directors and the President; examining the proposed candidates, making

collective research and putting forward opinions and suggestions.

(3) Study and discuss the Company's reform and development strategy, medium and long-term development plans, reform and development stability, significant operating and management matters, the selection, appointment and management of middle and senior management personnel as well as important issues that involving the vital interests of the staff, and put forward opinions and suggestions.

(4) Strengthen the building of lower level Party organizations and Party members force, give full play to the role of lower level Party organizations as a fighting fortress and the exemplary vanguard role of the Communists.

(5) Take full responsibility to strictly rule the Party. Lead the Company's ideological and political work, united front work, building of spiritual civilization, building of enterprise culture and mass organization work such as Labor Union and the Communist Youth League. Lead the construction of the Party's honest administration, and support the commission for discipline inspection to earnestly perform its supervision duties.

Article 136 The Party Committee shall study and discuss the operational mechanisms for important issues. The Party Committee of the enterprise must comply with the requirements of that "the Party organization's research and discussion are the pre-procedures for the Board of Directors and managers to make decisions on important issues", be clear about the operating mechanism for the Party Committee to study and discuss important issues, ensuring its easy and efficient operation.

Chapter 11 Board of Directors

Section 1 Directors

Article 137 The Company shall have a Board of Directors, which shall be accountable to the shareholders' general meeting.

The Board of Directors shall have nine (9) to thirteen (13) directors, including the executive directors, non-executive directors and independent directors, with the number of them be determined by the shareholders' general meeting. The Board of Directors shall have no less than three (3) independent directors, and the number proportion of independent directors in the Board of Directors shall not be less than one third (1/3).

The Board of Directors shall have one Chairman and one Deputy Chairman.

The executive directors referred to above shall be the directors participating in the production and operation of the Company; the non-executive directors shall be the directors without participating in the production and operation of the Company; the independent directors shall be the directors who have no any position other than the director of the Company, and no other relationship with the Company and main shareholders.

Article 138 The directors of the Company shall be natural persons and may not necessarily hold the shares of the Company.

Article 139 The candidates of directors shall be nominated in the form of proposal by the Board of Directors, or by the shareholders separately or jointly holding over three percent (3%) of the voting shares of the Company.

The notification about the purposes of candidates of directors or the willingness of the candidates to

accept the nomination shall be delivered to the Company no earlier than the date of delivery of notification of shareholders' meeting and no later than seven (7) days before the shareholders' meeting. The time limit for relevant nomination and accepting of the nomination shall not be shorter than seven (7) days.

Article 140 The directors shall be elected or replaced by the general meeting, and may further be removed from their office prior to the conclusion of the term thereof by the general meeting. Directors have a term of office of three years. Upon the expiry of the term of office, a director shall be eligible to offer himself for re-election.

The term of office of directors shall begin from the date of passing the resolution of the shareholders' general meeting and till the expiration of term of office of the Board of Directors. Where the directors have not been re-elected upon the expiration of term of office, the original directors shall, before their posts are taken up by the re-elected directors, still perform their duties in accordance with the laws, administrative rules, departmental regulations, and the securities regulatory provisions of the place where the shares of the Company are listed and the provisions of the Articles of Association.

The Chairman and Deputy Chairman shall be elected and removed by over half (1/2) of the members of the Board of Directors, with a term of office of three (3) years, and may be re-elected upon the expiration of term.

The shareholders' general meeting may, in accordance with relevant laws and administrative rules, remove the directors whose term of office have not expired by the ordinary resolution (without prejudice to the compensation requirements claimed in accordance with any contract).

The directors may concurrently hold the positions of President or other officers, but the proportion of such directors shall not exceed one half (1/2) of the total number of directors of the Company.

Article 141 The directors shall comply with the law, administrative rules and the Articles of Association, and shall abide by the following loyalty obligations to the Company:

(1) Not to accept bribes or other illegal incomes by exploiting their powers, and not to embezzle the property of the Company;

(2) Not to appropriate the funds of the Company;

(3) Not to open any account in the his/her/their own name(s) or in the name(s) of other person(s) for the purpose of depositing the assets or funds of the Company;

(4) Not to violate the regulations of the Articles of Association to lend the funds of the Company to others or provide guarantee to others by the property of the Company without the approval of the shareholders' general meeting or the Board of Directors;

(5) Not to execute any contract or reach any transaction with the Company by violating the regulations of the Articles of Association, or without the approval of the shareholders' general meeting;

(6) Not to pursue the business opportunity that should belong to the Company for themselves or others, or operate the businesses similar to the Company for themselves or others by the powers of position without the approval of the shareholders' general meeting;

(7) Not to accept the commissions of the transaction of the Company as self property;

(8) Not to disclose the secrets of the Company without permission;

(9) Not to damage the interests of the Company by the personal relationships;

(10) Other loyalty obligations provided by the laws, administrative rules, departmental regulations and the Articles of Association.

The incomes obtained by violating the provisions of this article shall be owned by the Company; where any loss is caused to the Company, the directors shall bear relevant compensation responsibilities.

Article 142 The directors shall comply with the laws, administrative rules and the Articles of Association, and shall abide by the following due diligence obligations to the Company:

(1) To exercise the duties and powers granted by the Company prudently, seriously and diligently, to ensure the business acts of the Company comply with Chinese laws, administrative rules and the requirements of all economic policies of China, and the business activities shall not exceed the business scope provided by the business license;

(2) To be fair to all shareholders;

(3) To master the operation and management conditions of the Company in due time;

(4) To sign the written confirmation opinions for the regular reports of the Company, to ensure that the information disclosed by the Company is true, correct and complete;

(5) To provide relevant conditions and data for the Board of Supervisors, and not to prevent or hinder the Board of Supervisors or the supervisors from exercising the duties and powers;

(6) Other due diligent obligations provided by the laws, administrative rules, departmental regulations and the Articles of Association.

Article 143 Where the directors fail to attend and fail to delegate any other director to attend the meetings of Board of Directors for continuously two (2) times, it shall be deemed that the directors are unable to exercise their duties, and the Board of Directors shall suggest the shareholders' general meeting to remove such directors.

Article 144 The directors may resign before the expiration of their term of office. The directors shall submit a written resignation report to the Board of Directors in advance for his resignation. The Board of Directors shall disclose the relevant information within two days thereafter.

Where the number of directors is lower than the quorum due to the resignation of the directors, the original directors shall, before their posts are taken up by the re-elected directors, still perform their duties in accordance with the laws, administrative rules, departmental regulations, and the securities regulatory provisions of the place where the shares of the Company are listed and the provisions of the Articles of Association.

Except the circumstance listed above, the resignation of directors shall come into effect upon the service of resignation reports to the Board of Directors.

Article 145 In case of the resignation or the expiration of term of office of the directors, all handover procedures shall be handled with the Board of Directors, and the loyalty obligations of the directors to the Company and the shareholders will no necessarily be removed upon the termination of the

term of office.

Article 146 The directors still in office shall bear the compensation responsibilities for any loss caused to the Company due to their leaving office without permission.

Article 147 Without the legal authorization of the Articles of Association or the Board of Directors, no director shall act personally in the name of the Company or Board of Directors. Where the director acts in his (her) own name and is reasonably deemed by a third party as acting on behalf of the Company or the Board of Directors, the director shall declare its standpoint and identity in advance.

Article 148 With the approval of the general meeting of the shareholders, the Company may purchase insurances for the responsibilities of directors, except the responsibilities caused by the directors' violating the law, rules and the provisions of the Articles of Association.

Article 149 The election of the directors other than independent directors shall comply with the following procedures:

(1) The nominators of candidates of directors shall be approved by the nominees before the nomination, to fully understand the vocation, education background, title, detailed working experience and the part-time work etc. of the nominees, and be responsible for providing the written materials about these conditions to the company. The candidates shall make written commitment to the company, and agree to accept the nomination, commit that the data of candidates publicly disclosed are true and complete and to perform the duties of directors after winning the election;

(2) Where the candidates of directors are nominated before holding the meeting of Board of Directors or Board of Supervisors, the written data about the conditions of the nominees described in item (1) of this article shall be publicized together with the resolutions of the Board of Directors or Board of Supervisors or the notification of the shareholders' general meeting;

(3) Where the shareholders with nomination rights nominate the candidates of directors to the general meeting of the Company, the purpose of nominating the candidates of directors and the written notification of the acceptance willingness of nominees, together with the written data and commitment of the nominees described in item (1) of this article, shall be delivered to the Company no less than ten (10) days before holding the shareholders' general meeting (calculated from the date of delivering the notification of the meeting about the election by the Company).

Section 2 Independent Directors

Article 150 The Company shall establish the system of independent directors. The independent directors shall have a term of office of three (3) years and may be re-elected upon expiration of term, however, the time period of continuously holding the office of director shall not exceed six (6) years.

Article 151 The independent directors shall satisfy the following conditions:

(1) The qualification of acting as the director of a listed company in accordance with the laws, administrative rules, securities regulatory provisions of the place where the shares of the Company are listed and other provisions;

(2) The independence provided by the listing rules of the exchange where the shares of the Company are listed;

(3) Having basic knowledge about the operation of listed company, and being familiar with relevant

laws, administrative rules, regulations and rules;

(4) Legal, economic experiences or other working experiences needed for performing the duties of independent directors for over five (5) years;

(5) Other conditions provided by the Articles of Association.

Article 152 The election of independent directors shall comply with the following procedures:

(1) The nominators of candidates of independent directors shall be approved by the nominees before the nomination, to fully understand the vocation, education background, title, detailed working experience and the part-time work etc. of the nominees, and be responsible for providing the written materials about these conditions to the company. The candidates shall make written commitment to the Company, and agree to accept the nomination, commit that the data of candidates publicly disclosed are true and complete and to perform the duties of directors after winning the election;

(2) The nominators of independent directors shall express opinions to the qualification and independence of the nominees of independent directors, and the nominees shall issue a public declaration that they personally have no any relationship with the Company that may prejudice their independent and objective judgment;

(3) Where the candidates of independent directors are nominated before holding the meeting of Board of Directors or Board of Supervisors, the written data about the conditions of the nominees described in items (1) and (2) of this article shall be publicized together with the resolutions of the Board of Directors or Board of Supervisors or the notification of the shareholders' general meeting;

(4) Where the shareholders with nomination rights nominate the candidates of independent directors to the general meeting of the Company, the purpose of nominating the candidates of independent directors and the written notification of the acceptance willingness of nominees, together with the written data and commitment of the nominees described in item (1), (2) of this article, shall be delivered to the Company no less than ten (10) days before holding the shareholders' general meeting (calculated from the date of delivering the notification of the meeting about the election by the Company).

Article 153 Apart from the duties and powers granted by the Company Law and other relevant laws, regulations, securities regulatory provisions of the place where the shares of Company are listed and the Articles of Association, the independent directors shall also have the following duties and powers:

(1) To propose the Board of Directors to employ or dismiss the public accounting firm;

(2) To propose Board of Director to hold an extraordinary shareholders meeting;

(3) To propose to hold an interim meeting of Board of Directors;

(4) To publicly solicit for the voting rights before holding the shareholders' general meeting;

(5) To report the conditions directly to the shareholders' general meeting, the securities supervision and management authorities of the State Council of China and other relevant departments;

(6) To independently employ external auditing bodies or consulting bodies provide auditing and consulting services for specific matters of the Company, with relevant expenses be borne by the Company.

The exercise of the above duties and powers by independent directors except item (VI) shall be approved by more than one half (1/2) of the whole independent directors. Where the above proposals fail to be adopted or the above duties and powers fail to be normally exercised, relevant conditions shall be disclosed by the Company.

Significant related transactions (determined in accordance with the standards issued from time to time by competent regulatory authorities) shall, with the approval of independent directors, be submitted to the Board of Directors for the examination; before the judgment of independent directors, an intermediary organ may be employed to issue independent financial consultant report to act as the judgment basis.

Article 154 Independent directors shall not be removed before the expiration of term of office without good reason. Where any director is removed in advance, it shall be disclosed by the Company as special disclosing matters.

Where independent directors fail to attend personally the meetings of Board of Directors for continuously three (3) times, the Board of Directors may propose the replacement of them to shareholders' general meeting.

Article 155 Independent directors shall comply with the laws, administrative rules, departmental regulations, the Articles of Association and relevant provisions for the working rules of relevant independent directors.

Article 156 As for the system of independent directors, any matters uncovered by this section shall be handled in accordance with relevant laws, rules, regulations and relevant securities regulatory provisions of the place where the shares of the Company are listed.

Section 3 Board of Directors

Article 157 The Board of Directors shall exercise the following duties and powers:

- (1) To convene the shareholders' general meeting, and report the work to the shareholders' general meeting;
- (2) To implement the resolutions of the shareholders' general meeting;
- (3) To determine the operation plan and investment program of the Company;
- (4) To formulate the annual financial budget plan and final accounting plan;
- (5) To formulate the profit distribution plan and loss compensation plan of the Company;
- (6) To formulate the plans for increase or decrease of registered capital, issuing bonds or other securities and listing plan;
- (7) To formulate the plans for the merger, split, dissolution and change of corporate form of the Company;
- (8) To formulate the significant acquisition plan and the plan of acquisition of company shares;
- (9) To determine, within the authorization scope of the shareholders' general meeting, the external investments, assets acquisition and sales, pledge of assets, external guarantee, trust management and

related transactions etc.;

(10) To determine the establishment of internal management bodies and branch bodies of the Company;

(11) To elect the Chairman and Deputy Chairman;

(12) To employ or dismiss the President and Secretary of Board of Directors in accordance with the nomination or proposal of the Chairman; to employ or dismiss the Vice President, Financial Controller or other officers of the Company, and determine the remuneration and award and penalty provisions in accordance with the nomination or proposal of the President;

(13) To formulate the basic management system of the Company;

(14) To formulate the modification plan of the Articles of Association;

(15) To manage the information disclosures of the Company;

(16) To propose the shareholders' general meeting to employ or replace the public accounting firm of the Company;

(17) To hear the working reports of the President and examine the work of the President;

(18) To formulate and implement the equity incentive plan of the Company;

(19) To determine the loan financing of the Company;

(20) To decide on the Company's compliance management objectives, promote the construction of a compliance culture in the Company and supervise and resolve the problems within the Company's compliance management;

(21) To promote the establishment of the Company's risk management system and consider matters on risk management of the Company;

(22) The duties and powers granted by the laws, administrative rules, departmental regulations, securities regulatory provisions of the place where the shares of the Company are listed and the Articles of Association and other duties and powers granted by the shareholders' general meeting.

Unless otherwise provided by the laws, administrative rules and the Articles of Association, before making the resolutions about matters, the matters other than those in items (6), (7), (14) that must be approved by the voting of two thirds (2/3) of the whole directors may be approved by the voting of more than one half of the whole directors.

To determine the Company's important issues, the Board shall listen to the views of the Party Committee of the Company in advance.

Article 158 The Board of Directors shall make explanation for the non-standard audit opinions of the financial report of Company issued by the certified public accountant.

Article 159 The Board of Directors shall formulate the rules of procedures of the Board of Directors, to ensure the implementation of resolutions of the shareholders' general meeting by the Board

of Directors, enhance the working efficiency and ensure the scientific decision making.

Article 160 The Board of Directors shall determine the authorities on external investment and financing, acquisition or sales of assets, pledge of assets, external guarantee, trust management and related transactions, establish strict examination and decision making procedures; relevant experts and professional personnel shall be organized for the evaluation of major investment projects, which shall be reported to the shareholders' general meeting for approval.

The Board of Directors may authorize the Chairman or the President within the above authorities to exercise some duties and powers, with detailed contents be specified by the Working Instructions of Chairman or Working Instructions of President in the principles determined by the Articles of Association.

Article 161 When disposing fixed assets by the Board of Directors, if the sum of the expected values of to-be-disposed fixed assets and the values of the fixed assets which are disposed within four (4) months before the disposal proposal exceeds thirty three percent (33%) of the fixed assets displayed in the balance sheet reviewed recently by the shareholders' general meeting, the Board of Directors shall not dispose or agree the disposal of the fixed assets without the approval of the shareholders' general meeting.

The disposal of fixed assets referred to in this article includes the behavior of transfer of some asset equity but not includes the behavior of providing guarantee with fixed assets.

The effectiveness of transactions conducted for disposal of fixed assets by the Company will not be prejudiced by item (1) of this article.

Article 162 The Board of Directors shall exercise the following duties and powers:

(1) To preside the shareholders' general meeting and convene and preside the meeting of Board of Directors;

(2) To urge and examine the implementation of resolutions of Board of Directors;

(3) To execute the company shares, bonds and other negotiable securities;

(4) To sign major documents of Board of Directors and other documents that shall be signed by the legal representative of the Company;

(5) To exercise the duties and powers of legal representative;

(6) To exercise special disposal rights for the company affairs in accordance with the laws and the company interests in the case of such force majeure events as extraordinary natural disasters, and report them to the Board of Directors and the shareholders' general meeting thereafter;

(7) Other duties and powers granted to the Board of Directors.

Article 163 The Deputy Chairman shall assist in the work of the Chairman, where the Chairman fails to or rejects to perform his duties, such duties shall be performed by the Deputy Chairman; where the Deputy Chairman fails to or rejects to perform his duties, one director shall be elected by over half (1/2) of the directors to perform such duties.

Article 164 The Board of Directors shall hold regular meetings at least four (4) times annually,

which shall be convened by the Chairman and be notified in writing to all directors and supervisors fourteen (14) days before the meetings.

The agenda of regular meetings of Board of Directors and relevant documents of the meetings shall be delivered to all directors completely in due time, and shall be sent at least three (3) days before the date of meeting of the Board of Directors or subordinate committee (or within other agreed time period).

Article 165 The Chairman shall convene and preside the interim meeting of Board of Directors within ten (10) days after receiving the proposal under any of the following circumstances:

- (1) Over one third (1/3) of the directors file a proposal;
- (2) Over one half (1/2) of the independent directors jointly file a proposal;
- (3) The independent directors separately or jointly holding over ten percent (10%) of the total shares with voting right of the Company file a proposal;
- (4) The Board of Supervisors files a proposal;
- (5) The President files a proposal;
- (6) Any special committee files a proposal.

Article 166 The notification forms for holding meeting of Board of Directors shall be: delivery by special person, telex, telegraph, mail or facsimile; the time period for notification shall be: three (3) days before the date of meeting.

The documents of interim meetings of Board of Directors shall be served within rational time period before the meetings, and under feasible conditions, the time effect shall comply with the arrangement of Article 164 herein.

Article 167 The notification of meetings of Board of Directors shall include the following contents:

- (1) Date and place of meeting;
- (2) Time limit of meeting;
- (3) Reasons and topics of meeting;
- (4) Delivery date of notification.

Article 168 Unless otherwise provided by the Articles of Association, the meeting of Board of Directors may be held only when over half (1/2) of the directors attend the meeting. Each director shall have one (1) vote.

Unless otherwise provided by the Articles of Association, the resolutions of Board of Directors shall be passed with the approval of over half of all directors; the external guarantee affairs provided by Article 160 shall be passed within the approval of over two thirds of the attending directors.

When the number of dissenting votes are equal to affirmative votes, the Chairman may cast another vote.

Article 169 Where any directors are related to the enterprises involving in the resolution discussed in the meeting of Board Directors, such director shall neither exercise his/her voting right on such resolution nor exercise the voting right on behalf of other directors. Such meetings of Board of Directors may be held with the attendance of over half (1/2) of the non-related directors or their authorized representatives, and the resolutions made by the meetings of Board of Directors must be passed with the approval of over half (1/2) of the non-related directors. Where the number of non-related directors or their authorized representatives is less than three (3), relevant matters shall be submitted to the general meeting of shareholder for the examination.

Article 170 The voting forms of resolutions of Board of Directors: voting by raising hand and open ballot.

The meetings of Board of Directors may be held and make resolutions in the form of video meeting, teleconference or written circular, with all attending directors affixing their signatures.

Article 171 The meetings of Board of Directors shall be attended in person. Where the directors are unable to attend the meetings, other directors may be delegated to attend the meetings on behalf. The power of attorney shall bear the name, delegated affairs, authorization scope and term of validity of the agent, and signed and sealed by the consignor. The directors attending the meetings on behalf shall exercise the rights of directors within the authorization scope.

The directors failing to attend and delegate any agent to attend the meeting of Board of Directors shall be deemed to abstain the voting rights on such meeting.

Article 172 The Board of Directors shall make minutes for the decisions of the matters discussed in the meetings, and the directors attending the meeting and the recorders shall sign on the minutes. The directors shall bear the responsibilities for the resolutions of the Board of Directors. Where the resolutions of Board of Directors violate the laws, administrative rules or the Articles of Association, resulting in severe losses to the Company, the directors participating in the resolutions shall bear the compensation responsibilities to the Company, but the directors that have expressed their objections which have been recorded on the minutes in the meeting may be exempted from the responsibilities.

The minutes of the meetings of Board of Directors shall be stored by the Company as the archives, with storage period no less than ten (10) years.

Article 173 The minutes of meetings of Board of Directors shall include the following contents:

- (1) The date, place and name of convener of the meeting;
- (2) The names of attending directors and of other directors (agents) delegated by others to attend the meeting;
- (3) Agenda of meeting;
- (4) Key points of speeches of all directors;
- (5) The voting manners and results of each resolution (the voting results shall include the number of affirmative votes, dissenting votes and abstention votes).

Section 4 Special Committees of Board of Directors

Article 174 The Board of Directors of the Company shall have a Strategy Committee, an Audit

Committee, a Nomination Committee, a Remuneration and Examination Committee, a Compliance Management Committee and a Risk Management Committee. The Board of Directors may establish other special committees and adjust existing committees in accordance with the requirements.

Article 175 The special committees shall be accountable to the Board of Directors and perform duties in accordance with the Articles of Association and the authorization of the Board of Directors, and their proposals shall be submitted to the Board of Directors for consideration and approval. The Board of Directors shall formulate the rules of procedures of the special committees to regulate their operation. Special committees shall be exclusively composed of the directors, wherein most members shall be the independent directors of the Audit Committee, the Nomination Committee, the Remuneration and Appraisal Committee, acting as the conveners. The Audit Committee shall have at least three members and all of them shall be non-executive directors, and at least one member shall be the independent director that has appropriate professional qualification recognized by the listing rules of the securities exchange where the shares of the Company are listed or that has appropriate accounting or relevant financial management expertise, and the conveners shall be the accounting professionals. The Company shall have a Remuneration and Appraisal Committee, with an independent director acting as the chairman and most members shall be independent directors. The Company shall have a Nomination Committee, with the Chairman of Board of Directors or an independent director acting as the chairman, and most members shall be independent directors.

Article 176 The major responsibilities of Strategy Committee are to study the long term development strategy and major investment decisions and propose the advices.

Article 177 Major responsibilities of the Audit Committee are:

- (1) to guide internal auditing of Company;
- (2) to oversee and review financial reports of the Company and give opinion thereon;
- (3) to oversee the financial reporting system and evaluate the effectiveness of the internal control of the Company;
- (4) to coordinate the communication among the management, the internal audit department and relevant departments of the Company and external auditors; and
- (5) to oversee and evaluate external audit.

Article 178 The major responsibilities of Nomination Committee:

- (1) To study the selection standards and procedures of the directors, President and other officers and propose the advices;
- (2) To widely search for the candidates of qualified directors, President and other officers;
- (3) To examine and propose advices to the candidates of directors, President and other officers.

Article 179 The major responsibilities of Remuneration and Appraisal Committee:

- (1) To study the appraisal standards of the directors, President and other officers and propose the advices;

(2) To study and examine the remuneration policies and plans of the directors, President and other officers.

Article 180 The Compliance Management Committee shall be responsible for the organization, leadership and coordination of compliance management, convene regular meetings to study and decide on major matters of compliance management or to put forward opinions and proposals, and to guide, supervise and evaluate compliance management work.

Article 181 Main responsibilities and power of the Risk Management Committee include:

- (1) To consider the annual reports on the comprehensive risk management work;
- (2) To consider the risk management strategies and solutions on the material risk management issues;
- (3) To consider the risk management organization structure and its responsibility plan;
- (4) To handle other matters on the comprehensive risk management delegated by the Board.

Article 182 Special committees of Board of Directors shall comply with the laws, administrative rules, departmental regulations, the Articles of Association and relevant provisions for the working rules of relevant special committees.

Chapter 12 Secretary of Board of Directors

Article 183 The Company shall have one (1) secretary. The Secretary of Board of Directors shall be an officer of the Company, and be responsible for the Company and the Board of Directors.

The Company may set up the working organ for the Secretary of Board of Directors as required.

Article 184 The Secretary of Board of Directors of the Company shall be the natural person with essential expertise and experience and shall be appointed by the Board of Directors. Major responsibilities of the Secretary of Board of Directors are:

- (1) To be responsible for the communication and liaison between the Company and relevant parties and the securities exchange or other securities regulatory authorities;
- (2) To be responsible for the information disclosure affairs of the Company, urge the Company to formulate and implement the information disclosure and management system and the internal reporting system of major information, to urge the Company and relevant parties to comply with the information disclosure obligations in accordance with the laws, and handle regular reports with the securities exchange and be responsible for the disclosure of interim reports in accordance with relevant provisions;
- (3) To coordinate the relationship between the Company and the investors, to receive the visitors and reply the inquiries of investors, and provide the data disclosed by the Company;
- (4) To arrange the shareholders' general meeting and the meeting of Board of Directors in accordance with legal procedures, and prepare and submit relevant documents and data for the meetings;
- (5) To attend the meetings of Board of Directors, and make the minutes and sign on the minutes;

(6) To be responsible for the confidentiality work relevant with the information disclosure, formulate the confidentiality measures, urge all directors, supervisors, the President and other officers and relevant insiders to keep the information confidential before the disclosure, and adopt remedial measures in due time in the case of the disclosure of inside information, and report them to the securities exchange;

(7) To be responsible to keep the register of shareholders, register of directors, the data about the holding conditions of the shares of the Company by major shareholders and directors, supervisors, the President and other officers, and the minutes and documents of the general meetings of shareholders and meetings of Board of Directors;

(8) To assist the directors, supervisors, the President and other officers to understand the laws, rules and regulations relevant with the information disclosure, and the listing rules and other provisions of securities exchange and the Articles of Association, and the contents about the legal responsibilities in the listing agreement;

(9) To urge the Board of Directors to exercise the duties and powers in accordance with the laws; and, when the resolutions made by the Board of Directors violate the law, rules, regulations and the listing rules and other provisions of the securities exchange and the Articles of Association, to remind the attending directors and ask the supervisors attending the meeting to express their opinions thereon, if the Board of Directors insist on making the above resolutions, the Secretary shall record the opinions of relevant supervisors and the individuals on the minutes, and report them to the securities exchange;

(10) To comply with the laws, rules, regulations, the listing rules and other provisions of the securities exchange and other responsibilities provided by this Chapter.

Article 185 The directors or other officers of the Company may also act as the Secretary of Board of Directors of the Company concurrently. The certified public accountants of the public accounting firm employed by the Company shall be act as the Secretary of the Board of Directors concurrently.

When the post of Secretary of Board of Directors of the Company is concurrently taken by any director, and if certain behavior shall be conducted by the director or the Secretary of the Board of Directors, the person concurrently takes the post of director and the post of Secretary shall not conduct such behavior with double identities.

Article 186 The Secretary of Board of Directors shall perform his/her duties in accordance with the laws, administrative rules, the regulations of competent departments and relevant provisions of the Articles of Association.

The Secretary of Board of Directors shall assist the Company in complying with relevant Chinese laws and the provisions of the securities regulatory authorities of the place where the shares of the Company are listed.

Chapter 13 President

Article 187 The Company shall have one President, hired or fired by the Board of Directors, and be responsible to Board of Directors.

The Company shall have less than 4 Vice Presidents and 1 financial controller, hired or fired by the Board of Directors.

Senior executives refer to the President, Vice Presidents, financial controller and secretary of Board of Directors.

Article 188 Any person holding an administrative post, other than a director and supervisor in the organization of the controlling shareholder of the Company, cannot become the senior executives of the Company.

Article 189 The President's term of appointment is 3 years. The general manager can be reappointed.

Article 190 The President is responsible to the Board of Directors. He exercises the following duties:

(1) Manage the production and operation of the Company and report his work to the Board of Directors;

(2) Organize the implementation of the resolution of Board of Directors and the annual operation plan and investment plan of the Company;

(3) Draft plans for the structure of the internal management organization of the Company;

(4) Draft the basic management system of the Company;

(5) Prepare the actual rules and regulations of the Company;

(6) Make suggestions to the Board of Directors on hiring or firing of Vice Presidents and financial controller;

(7) Hire or fire the managerial personnel and ordinary staff other than those who shall be decided by the Board of Directors, and prepare systems for the remuneration, welfare and punishment & award for the above-mentioned personnel;

(8) Propose to convene an interim meeting of Board of Directors;

(9) Other duties authorized by the Articles or by the Board of Directors.

Article 191 The President can attend the meeting of Board of Directors. The President who is not a director has no voting right at the meeting.

Article 192 The President shall lay down his detailed working rules, to be implemented after approval by the Board of Directors.

Article 193 The detailed working rules of the President include the following contents:

(1) Conditions, procedures and the number of participants for holding a President's meeting;

(2) Respective duties and division of labor of the President and other senior executives;

(3) Limits of authority in using funds and assets of the Company as well the signing of significant contracts, together with the reporting system to the Board of Directors and the Board of Supervisors;

(4) Other matters considered necessary by the Board of Directors.

Article 194 The President can submit his resignation before the expiry of his term of service. The actual procedure and method concerning the President's resignation shall be regulated by the employment contract between the President and the Company.

Article 195 The Company may, in accordance with its actual conditions, regulate the procedure to appoint or remove the Vice Presidents, relationship between the Vice Presidents and the President, as well as the duties of the Vice Presidents in the working rules of the President.

Article 196 The President and other senior executives shall perform their duty of honesty and diligence in accordance with the requirements of laws, administrative regulations and the Articles when exercising their duties.

Chapter 14 Board of Supervisors

Section 1 Supervisors

Article 197 A director, President and other senior executive cannot also become a supervisor.

Article 198 The supervisor shall comply with the law, administrative regulations and the Articles, bears duties of honesty and due diligence towards the Company, and cannot make use of his duties to receive bribes or other illegal income, or embezzle the Company's assets.

Article 199 Each term of service of a supervisor shall be 3 years. When a supervisor's term of service expires, he can be re-elected.

Article 200 The method and procedure to nominate a supervisor is: a non-staff supervisor candidate shall be nominated by shareholder(s) individually or collectively holding 3% of the shares with voting rights of the Company, and appointed by the shareholders' general meeting through election; a staff supervisor shall be elected or replaced through democratic election of the staff and admitted into the Board of Supervisors.

Article 201 The supervisor may resign before his term of service expires. The regulations about the resignation of a director stipulated in Chapter 11 of the Articles of the Articles also apply to the supervisor.

Article 202 When a supervisor's term of service expires but a new supervisor is not yet appointed, or when a supervisor resigns during his term of service, leading to the number of members in the Board of Supervisors falling below the legally prescribed number, and before the newly appointed supervisor takes up his appointment, the original supervisor shall still carry out his duties according to the law, administrative regulations and the Articles.

Article 203 The supervisor shall ensure that the information disclosed is true, accurate and complete.

Article 204 The supervisor can be present at a meeting of Board of Directors and question or make suggestions concerning proposed resolutions at the meeting.

Article 205 The supervisor cannot make use of his associated relationship to damage the Company's interests. If he causes losses to the Company, he shall assume the responsibility to compensate.

Section 2 Board of Supervisors

Article 206 The Company shall set up a Board of Supervisors, which is made up of three shareholder representatives and two staff representatives. The Board of Supervisors has one chairman. The chairman shall be elected by more than 2/3 of all the supervisors. The removal of chairman of Board of Supervisors shall be passed by the resolution of more than 2/3 of all the members of the Board of Supervisors.

The chairman shall convene and conduct meetings of the Board of Supervisors. If the chairman cannot or will not carry out his duties, more than half of the supervisors will nominate a supervisor to convene and conduct the meeting.

The ratio of staff representatives of Board of Supervisors shall not be less than 1/3. The shareholders acting as supervisors shall be elected or replaced by the Shareholders' Meeting, while the staff representatives within the Board of Supervisors are elected by the Company's staff through the staff representative meeting, staff meeting or other democratic method.

Article 207 The Board of Supervisors shall be responsible to the shareholders' general meeting and exercises the following duties according to law:

(1) It shall examine and submit written opinions on the periodical company reports prepared by the Board of Directors;

(2) Check the finance of the Company;

(3) Supervise directors and senior executives when they are carrying out their duties. To suggest the removal of directors or senior executives who contravene the law, administrative regulations, the Articles or resolutions of Shareholders' Meeting;

(4) When an action of a director or senior executive damages the interests of the Company, requests that director or senior executive to make corrections;

(5) Check the financial report, operating report, profit distribution report and other financial information to be submitted to the Shareholders' Meetings by the Board of Directors, and entrust certified public accountants and independent auditors to review the above-mentioned materials in the name of the Company if any problem is found;

(6) To suggest the holding of interim Shareholders' Meeting; when the Board of Directors does not convene or hold a Shareholders' Meeting as required by the Company Law, to convene or hold the Shareholders' Meeting;

(7) To present proposals to the Shareholders' Meeting;

(8) In accordance with Article 151 of the Company Law, to start legal action against directors and senior executives;

(9) When discovering abnormality in the operating circumstances in the Company, to conduct investigations. If necessary, it can hire professional firms such as accounting firms or law firms to assist in its work. The cost thereof will be borne by the Company;

(10) Other duties stipulated by the Articles.

Article 208 The Board of Supervisors shall hold two meetings each year, and one meeting every six months. The chairman shall be responsible for convening the meeting. The supervisor may propose to hold an interim meeting of Board of Supervisors. The notice of the meeting shall be sent to all the supervisors three days before the meeting is held.

Article 209 The notice to a meeting of Board of Supervisors includes the following contents:

- (1) Date of the meeting;
- (2) Place of the meeting;
- (3) Period of the meeting;
- (4) Reasons and topics for discussion at the meeting;
- (5) Date of issuance of notice.

Article 210 The Board of Supervisors shall make rules of procedures for the Board of Supervisors. It shall clearly specify the method for discussion and voting procedure of the board, in order to ensure the working efficiency and the making of scientific decisions.

Article 211 More than 2/3 of the supervisors or other supervisors authorized by them shall attend the meeting of Board of Supervisors, otherwise the meeting shall be invalid. The method for discussion of Board of Supervisors is: one voting right for each supervisor.

Article 212 The voting procedure of Board of Supervisors is: resolution can be made by means of hand vote or open vote. The resolution of Board of Supervisors must be passed by more than 2/3 of all the supervisors.

Article 213 The interim meeting of Board of Supervisors can be held by means of video conference, teleconference or written signing and resolution can be made provided that the supervisors' chances to fully express their opinions are guaranteed. Supervisors attending the meeting shall sign their names.

Article 214 The Board of Supervisors shall prepare meeting minutes on matters discussed. Supervisors attending the meeting and the person preparing meeting minutes shall sign on the meeting minutes. The supervisor is entitled to request the addition to the minutes of some explanatory record concerning his speech made during the meeting. Minutes of the meeting of Board of Supervisors, as a company file, must be kept for at least 10 years.

Article 215 The expenses reasonably incurred for hiring lawyers, certified public accountants, certified auditors and other professionals when the Board of Supervisors is exercising its powers shall be borne by the Company.

Article 216 The supervisor shall perform its duty of supervision with honesty according to the requirements of laws, administrative regulations and the Articles.

Chapter 15 Qualifications and Responsibilities of Directors, Supervisors and Senior Executives of the Company

Article 217 Any of the following circumstances prohibits a person from becoming a director,

supervisor or senior executive of the Company:

(1) No civil capacity or limited civil capacity;

(2) Being sentenced to punishment due to corruption, taking bribes, embezzlement, misappropriation or disrupting the social order of the socialist market economy, and the execution period has not reached 5 years; or being deprived of political rights due to the commission of a crime, and the execution period has not reached 5 years;

(3) A person who is a director or factory manager, or manager of a company or enterprise being liquidated for poor operation and management, and bearing personal responsibility to the liquidation of that company or enterprise, and 3 years has not elapsed since the completion of liquidation of that company or enterprise;

(4) Being the legal representative of a company or enterprise whose business license was cancelled because of breaking the law and being personally responsible, and 3 years has not elapsed since the cancellation of that business license;

(5) Bearing a personal debt of significant amount which is due and unpaid in full;

(6) Violating a criminal law that being registered and investigated by judicial office and case is still unsettled;

(7) People prescribed by the law, administrative regulations or departmental rules that prohibit him from being enterprise leader;

(8) Non-natural person;

(9) Being judged by relevant regulatory authorities of violating relevant securities laws and involved in fraud or dishonesty, and five years has not elapsed since the judged day;

(10) A person who has been prohibited from entering into the market by the securities supervisory and regulatory authority under the State Council, where such prohibition has not expired;

(11) Other contents prescribed by the law, administrative regulations or departmental rules.

If an election of a director, supervisor or appointment of senior executive contravenes this Article, that election or appointment is void. If a situation under this Article appears during the period of service of a director, supervisor or senior executive, the Company will terminate his duties.

Article 218 Any behavior represented by a director, supervisor or senior executive of Company to any third party acting in good faith shall not influenced by any noncompliance behavior in service, election or qualification.

Article 219 Apart from the responsibilities demanded by laws, administrative regulations and listing rules of securities exchange of Company floatation of shares, a director, supervisor or senior executive of the Company also bears the following duties to each shareholder when he implements the authority entitled by the Company:

(1) No beyond of business scope regulated in business license;

(2) Sincerely start with Company's best interest;

(3) No deprivation of Company asset in any forms including but not limited to Company's favorable circumstance;

(4) No deprivation of personal interests of shareholders including (but not limited to) distribution of power, voting power, and excluding corporate reorganization submitted as per the Articles and passed by Shareholders' Meeting.

Article 220 Any director, supervisor or senior executive of Company should act with the prudence, diligence, skills as per what shall be acted with by a reasonably prudent person in similar circumstance when he exercises his right or performs duty.

Article 221 A director, supervisor or senior executive of the Company shall obey the principle of good faith when performing his duties, and shall not put himself in any plight where his interest shall conflict with his duties. The principle includes but not limited to the performance of the following duties:

(1) Sincerely start with Company's best interest;

(2) Execute within his entitled rights without exceeding authority;

(3) Execute his modest discretion in person without manipulation by others; no transfer of modest discretion to others is allowed unless it is permitted by laws, administrative regulations or knowingly consent from Shareholders' Meeting;

(4) Equality for shareholders of the same kind and justice for shareholders of different kinds;

(5) Unless otherwise prescribed by the Articles or knowingly approval from Shareholders' Meeting, no conclusion of contract, transaction or arrangement is allowed with Company;

(6) Unless otherwise having knowingly consent from the Shareholders' Meeting, no form of utilization of Company assets is allowed to seek profit of his own;

(7) No jobbery of taking bribes or other illegal income, and no form of embezzlement of Company assets, including (but not limited to) Company's favorable circumstance;

(8) Unless otherwise having knowingly consent from the Shareholders' Meeting, no acceptance of commission relevant to Company transaction is allowed;

(9) Abide by the Articles and perform responsibilities with faith, maintain Company's interests and no seek of personal gain by taking advantage of his status and authority;

(10) Unless otherwise having knowingly consent from the Shareholders' Meeting, no form of competition is allowed with the Company;

(11) No appropriation of Company funds or loan them to others; not to use his personal name or other people's names to open accounts to deposit Company assets or funds; not to lend Company funds to shareholders of Company or provide guarantee to other people using Company assets;

(12) Unless otherwise having knowingly consent from the shareholders' general meeting, no unilaterally disclosure of Company confidential information during his term of office that relevant to Company confidentialities is allowed; unless otherwise for the benefit of Company interests, no use of the confidential information is allowed; whereas in the following circumstances, disclosure to court or other

governmental qualified institutions is allowed:

1. Regulated by the laws;
2. Requested by public interest;
3. Requested by the internal interest of the director, supervisor or senior executive.

Article 222 No director, supervisor or senior executive of the Company is allowed to make the following personnel or organizations (hereinafter referred to “relevant personnel”) to do things beyond the definitions of a director, supervisor or senior executive:

- (1) Spouse or minor child of a director, supervisor or senior executive of the Company;
- (2) A director, supervisor or senior executive of Company or any trustee of the stated personnel in (1) of this article;
- (3) A director, supervisor or senior executive of Company or any partner of the stated personnel in (1) and (2) of this article;
- (4) Company that is actually solely own by a director, supervisor or senior executive of Company or a company that is jointly controlled by referred personnel of (1), (2) and (3) of this article or other director, supervisor or senior executive of Company;
- (5) Any director, supervisor or senior executive of the controlled company referred in (4) of this article.

Article 223 The duty of honesty of a director, supervisor or senior executive of the Company is not necessarily terminated with the termination of term of office and his confidentiality obligation as to the Company’s business secrets remains valid after the expiry of his term of service until the secrets become public. Other persistent periods of duty shall be in accordance with equity principle and the period between the incident and resignation as well as ending condition with Company.

Article 224 Unless otherwise prescribed in the Article 57 of the Articles of the Association, any duties of a director, supervisor or senior executive of Company for the violation of certain specific responsibilities shall be knowingly discharged by Shareholders’ Meeting.

Article 225 When a director, supervisor or senior executive of Company directly or indirectly has conflict of interest in the signed or planned contracts (excluding employment contract between the Company and director, supervisor or senior executive), the nature and degree of conflict shall be disclosed to Board of Directors regardless of approval from Board of Directors is needed in normal situation of relevant issues.

Unless otherwise the conflict of interest is disclosed to Board of Directors by a director, supervisor or senior executive of Company as per the requirements of the first paragraph of this article and Board of Directors shall not calculated him into the quorum, nor shall the issue approved by the unattended resolution meeting, the Company is entitled to cancel the contract, transaction or arrangement; except for the third party acting in good faith is ignorant about the violation of duties of a director, supervisor or senior executive.

Any relevant personnel such as a director, supervisor or senior executive of the Company that is related to the conflict of interest on contract, transaction or arrangement, the director, supervisor or senior

executive shall be deemed to have conflict.

Article 226 Once a director, supervisor or senior executive of the Company notify the Board of Directors in written form in the first consideration of establishment of contract, transaction or arrangement to state the listing contents, the contract, transaction or arrangement deal by the Company in the future shall have conflict with his interest, then the relevant director, supervisor or senior executive is deemed to disclose the regulations of the previous paragraph of this article within the clarified scope.

Article 227 The Company shall not pay taxes for any director, supervisor or senior executive in any form.

Article 228 The Company shall not directly or indirectly provide loan and loan guarantee to any director, supervisor or senior executive of the Company and parent company; nor shall it provide loan, credit guarantee to relevant personnel of the above-mentioned personnel.

The previous regulation shall not be applicable in the following circumstances:

(1) The Company provides loan and loan guarantee to its subsidiaries;

(2) The Company provides loan, loan guarantee or other payments, which is paid for expenses for the purpose of company or performance of company responsibilities, to any director, supervisor or senior executive of Company as per the employment contract approved by the Shareholders' Meeting;

(3) If the Company's regular scope of business includes loan and loan guarantee, then the Company is able to provide loan and loan guarantee to a director, supervisor or senior executive and relevant personnel, but the required condition of providing loan and loan guarantee shall be of regular business condition.

Article 229 Once the Company violates the previous regulations to provide loan, the fund receiver shall return it immediately regardless of the loan terms.

Article 230 Once the Company violates the provisions in the first paragraph of Article 227 to provide loan, then the Company shall not be forced to execute; but the followings are exceptions:

(1) Provide loan to Relevant personnel of a director, supervisor or senior executive of the Company or its parent company and the person who provides loan has no idea on it;

(2) The guaranty provided by the Company has already legally sold to a third party buyer acting in good faith.

Article 231 The guarantee referred to in the previous article includes behaviors that are taken charge by guarantor or provision of asset by the guarantor to guarantee the fulfillment of duties of obligors.

Article 232 Except for various rights and remedial measures as prescribed in laws and administrative regulations, the Company is entitled to take the following measures when a director, supervisor or senior executive of Company violates the responsibilities he should have to the Company:

(1) Request the relevant director, supervisor or senior executive to compensate for the loss due to his negligence of duty;

(2) Cancel any contract or transaction signed by any director, supervisor or senior executive

relevant to Company and any contract or transaction between Company and a third party (when the third party know perfectly well or should know the director, supervisor or senior executive who represents the Company know Relevant personnel's violation of the duty to the Company);

(3) Request the relevant director, supervisor or senior executive to hand over the earnings acquired from violations;

(4) Take back the payment that is supposed to belong to the Company but took by the relevant director, supervisor or senior executive, including (but not limited) commission;

(5) Request the relevant director, supervisor or senior executive to return back the earning or possible interest arises from the payment that is supposed to hand over to the Company.

Article 233 The Company should sign a written contract with director or supervisor of Company on the remuneration issues and have advance approval from Shareholders' Meeting. The previous remuneration issues include:

(1) The remuneration for being a director, supervisor or senior executive of Company;

(2) The remuneration for being a director, supervisor or senior executive of the subsidiaries of Company;

(3) The remuneration for offering other services for the management of Company and its subsidiaries;

(4) The compensatory payment of the director or supervisor for his loss of job or retirement;

(5) Unless otherwise stated in the previous contracts, a director or supervisor shall not file a lawsuit to the Company for what interest he should get.

Article 234 In contracts for emoluments entered into by the Company and its directors and supervisors, provisions shall be made for the right of a director or supervisor that, in a takeover of the Company, subject to the approval of the shareholders at the Shareholders' general meeting, to receive compensation or other payment for loss of office or as consideration for his retirement from office. A take-over of the Company means:

(1) an offer made be any person to the entire shareholders;

(2) an offer made by any person with a view to making the offeror become a controlling shareholder.

Any payment received by director or supervisor by violating this regulation should be returned to the shareholder who sells his shares for accepting the previous offer; the director or supervisor shall be responsible for the expenses arise from the distribution of the payment in proportion, and the expenses shall not be deducted from the payment.

Article 235 Any director, supervisor or senior executive who violates laws, administration regulations and competent departmental rules, rules prescribed by securities regulatory authority of the listing location of the Company shares or the Articles should bear the liability for damage once he makes damage to the Company.

Chapter 16 Financial and Accounting Systems, Profit Distribution and Auditing

Section 1 Financial and Accounting Systems

Article 236 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and provisions of the Chinese accounting standards formulated by the finance regulatory department of the State.

Article 237 At the end of each accounting year, the Company shall prepare its financial reports which shall be examined and verified in accordance with laws.

Article 238 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and directives promulgated by competent regional and central governmental authorities require the Company to prepare.

Article 239 The Company shall make the financial report available at the Company for examination by its shareholders 20 days prior to the convening of the annual shareholders' general meeting. Every shareholder of the Company has the right to obtain the financial report mentioned in this Chapter.

The Company shall send the aforesaid report to each holder of overseas-listed foreign-invested shares in accordance with the delivery methods prescribed in this Chapter or by pre-paid post at least 21 days prior to the convening of the annual shareholders' general meeting, and the address registered in the register of shareholders shall be the address of the recipient.

Article 240 The financial statements of the Company shall be prepared in accordance with the PRC Enterprise Accounting Standards and Regulations.

Article 241 The interim results or financial information announced or disclosed by the Company shall be prepared in accordance with the PRC Enterprise Accounting Standards and Regulations.

Article 242 The Company shall submit annual financial report to the securities regulatory authority under the State Council and the stock exchange within four months from the end of each financial year, submit half-year financial reports to the local offices of securities regulatory authority under the State Council and the stock exchange within two months from the end of the first six months of each financial year, and submit quarterly financial reports to the local offices of the securities regulatory authority under the State Council and the stock exchange within one month from the end of the first three months and nine months respectively of each financial year.

The aforesaid financial reports shall be prepared and published in accordance with relevant laws, administrative regulations and the provisions of the relevant authorities of the state.

Article 243 The Company shall not have any account book except its statutory ones. The Company shall not open any account in the name of an individual to deposit its assets.

Article 244 After paying income taxes, the Company's profits shall be allocated in the following order of priority:

- (1) make up losses on the previous year;
- (2) allocate 10% of its profits to the statutory common reserve fund;
- (3) allocate profits to the arbitrary common reserve fund; and

(4) distribute profits to shareholders in proportion to their shareholdings.

Where the accumulated statutory common reserve fund of the Company has reached 50% or more of the registered capital of the Company, no allocation is needed. If the statutory revenue reserve is not sufficient to cover the losses made in the previous year, the profits of the current year shall be used to cover such losses before allocation to the statutory revenue reserve is made in accordance with the provisions of the previous paragraph. After allocating to the statutory common reserve fund, the Company can allocate profits to its arbitrary common reserve fund according to the resolution of the shareholders' general meeting. Before making up the losses and allocating the statutory common reserve fund, the Company shall not allocate its profits. The Company's own shares shall not be taken into account in the distribution of profits.

Where profits in breach of the provisions of the preceding paragraph had been distributed by the shareholders' general meeting to shareholders before making up the losses and allocating to the statutory common reserve fund, shareholders shall return the profits distributed in breach of the regulations to the Company.

Article 245 The capital common reserve fund includes the following items:

(1) the premium gained from shares issuance in excess of the par value; and

(2) other incomes that shall be included into the capital common reserve fund as required by the competent financial authority of the State Council.

Article 246 The common reserve fund of the Company shall be applied for compensating the losses, expansion of production and operation, or conversion into the capital of the Company. However, the capital common reserve fund of the Company shall not be used to offset loss of the Company.

When the statutory common reserve fund is converted into capital of the Company, the balance of the statutory common reserve fund may not fall below 25 percent of the Company's registered capital prior to such conversions.

Article 247 The Company may distribute dividends in the form of:

(1) cash;

(2) shares; and

(3) other ways permitted by laws, administrative regulations, regulations of competent authorities and regulatory provisions in the place where the Company's shares are listed.

Article 248 Cash dividends and other distributions which are payable to holders of domestic-invested shares shall be paid in Renminbi. Cash dividends and other distributions which are payable to holders of overseas-listed foreign-invested shares shall be calculated and declared in Renminbi and paid in foreign currency. 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-invested shares, it shall be handled in accordance with any related national regulations on foreign exchange control.

Article 249 In the event of distributing the dividends to shareholders of the Company, the payable taxes on the dividend incomes of the shareholders shall be withdrawn in accordance with the

requirements of Taxation Law of China and in consideration of the amount distributed.

Article 250 The Company shall appoint receiving agents for holders of the overseas-listed foreign-invested shares. Such receiving agents shall receive dividends which have been declared by the Company and other amounts which the Company should pay to holders of the overseas-listed foreign-invested shares on such shareholders' behalf.

The receiving agents appointed by the Company shall comply with the laws of the place where the Company's shares are listed or the relevant regulations of such stock exchange.

The receiving agents appointed for holders of the overseas-listed foreign-invested shares traded in Hong Kong shall each be a company registered as a trust company under the *Trustee Ordinance* of Hong Kong.

Any amount paid up by shareholders for any shares prior to the call on shares may be entitled to interests. However, shareholders are not entitled to any interest declared thereafter in respect of their prepayments.

In relation to the receipt of dividends by shareholders, the Company has the right to forfeit unclaimed dividends but such power shall not be exercised until the expiration of relevant period.

The Company has the right to sell the shares of a shareholder who is untraceable in the following situations as permitted by the laws:

(1) during a period of 12 years at least three dividends in respect of the shares in question have become payable and no dividend has been claimed during that period; and

(2) on expiry of such 12 years the Company gives notice of its intention to sell the shares by way of an advertisement published in the newspapers and notifies the Hong Kong Stock Exchange of such intention.

Article 251 After shareholders have adopted a resolution on the profit distribution plan in the general meeting, the board of directors must complete the distribution of dividends (or shares) within two months after the general meeting is held.

Article 252 The profit distribution policy of the Company is:

(1) the Company shall focus on giving reasonable investment return to the investors in distributing profits, and distribute dividends to shareholders per annum in proportion to the net profit for the year attributable to the shareholders of the Company;

(2) the Company shall maintain a consistent and stable profit distribution policy, while taking into account the long-term interests of the Company, the interests of the shareholders as a whole, and the sustainable development of the Company; and

(3) the Company may pay interim cash bonuses.

Article 253 The policies on profit distribution of the Company are set out as follows:

(1) Form of profit distribution: The Company can adopt the form of cash, shares, a combination of cash and shares or otherwise forms as permitted by laws and regulations in profit distribution, giving priority to cash dividends.

(2) Specific conditions and ratios of cash dividends: In the absence of the special circumstances which in the opinion of the board of directors that may have material adverse impact on the normal operation of the Company, if the Company's profit for the year and undistributed profit are positive, profit distribution shall be made by way of cash not less than 30% of the net profit attributable to shareholders of the Company for the year, provided that such distribution shall not prejudice the normal operation and long-term business development of the Company.

(3) Specific conditions under which the Company may make dividends: When the Company is in a sound operating condition with rapid growth in operating income and net profit, and the board of directors considers that the Company's has good growth potential, overvalued net assets per share, stock price not reflecting the Company's scale of capital and a share dividend may have a dilution effect on the net assets per share which is in the interests of the shareholders as a whole, a proposal for share dividends may be proposed upon fulfillment of the above conditions concerning cash dividends.

(4) Differentiating cash dividend policy: When proposing distribution of dividends, the Board shall take into account, among other things, features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure arrangements and formulate differentiating profits distribution proposals in accordance with the provisions set out below and procedures provided in the Articles of Association:

1. If the Company is at the mature stage of development and has no significant capital expenditure arrangement, the ratio of cash dividends shall be at least 80% in the profit distribution;

2. If the Company is at the mature stage of development and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 40% in the profit distribution;

3. If the Company is at the growing stage and has a significant capital expenditure arrangement, the ratio of cash dividends shall be at least 20% in the profit distribution.

If it is difficult to determine the Company's stage of development while it has a significant capital expenditure plan, the profit distribution may be dealt with pursuant to the rules applied in the previous distribution.

Article 254 The procedures for considering the profit distribution of the Company are as follows:

(1) Profit distribution proposal shall be formulated by the board of directors of the Company. In formulating a specific profit distribution proposal, the board of directors shall study and discuss, among others, the timing, conditions as well as the minimum ratio, conditions for adjustments and the requirements of the procedures for decision making in respect of the cash dividends. The independent directors shall give specific opinion. The independent directors may seek the opinion of the minority shareholders, devise a dividend distribution proposal accordingly and submit the same directly to the board of directors for consideration.

(2) The board of directors shall propose the profit distribution proposal by special resolution at a general meeting for approval after receiving clear opinions from the independent directors to effect such proposal. Prior to the consideration of the specific profit distribution proposal at the general meeting, the Company shall communicate and exchange ideas through multiple channels with shareholders (in particular minority shareholders) to obtain the opinion and requests of the minority shareholders.

(3) The board of supervisors of the Company shall supervise the formulation of the profit distribution proposal by the Board. It has the right to require the Board of Directors to make rectifications

if the Board of Directors fails to execute cash dividend policy or perform corresponding decision-making procedures thereof according to the Company's Articles of Association.

(4) When the Company does not distribute its profit as cash dividends under the special circumstances or proposes cash dividends at a percentage lower than as set out in Article 252, the board of directors shall give explanations as to the reasons of not distributing cash dividends or the lower percentage, the precise use of the undistributed profit and the anticipated gains, which will be submitted for consideration at the shareholders' general meeting after receiving opinions from independent directors, and be disclosed afterwards on the Company's designated media. The explanations of not distributing cash dividends under special circumstances must be approved by way of an ordinary resolution at the shareholders' general meeting.

(5) If the Company needs to adjust the profit distribution policy due to material changes in external operating environment or its own operating conditions, the board of directors shall make such adjustment and obtain opinions of independent directors thereon. The adjusted policy shall be subject to approval at a shareholders' general meeting by a special resolution. The meeting shall allow both on-site and online voting to provide conveniences to shareholders, especially minority shareholders, for their participation in formulating or amending the policy.

Section 2 Internal Audit

Article 255 The Company adopts the system of internal auditing and hires professional auditors to undertake internal auditing and supervision of the Company's operating activities.

Article 256 The Company's internal auditing system and duties of the auditors shall be implemented after they have been approved by the board of directors. The person in charge of audit shall be responsible to and report to the board of directors.

Chapter 17 Appointment of Accounting Firms

Article 257 The Company shall appoint an independent firm of accountants which is qualified under relevant national regulations to audit the Company's annual financial report and review other financial reports of the Company.

The first accounting firm of the Company may be appointed by the founders' meeting before the first annual shareholders' general meeting and the term of appointment of the accounting firm shall end at the close of the first annual shareholders' general meeting.

If the founders' meeting does not exercise its duties and powers according to the aforementioned provisions, then the board of directors shall exercise its duties and powers.

Article 258 The term of appointment of the accounting firm shall begin at the close of the current annual shareholders' general meeting and end at the close of the next annual shareholders' general meeting. At the expiry of the term of office of the accounting firm, the appointment may be renewed.

Article 259 The accounting firm appointed by the Company shall enjoy the following rights:

(1) examining the books, records and vouchers of the Company at any time, and requiring the directors, general manager or other senior management personnel of the Company to provide relevant information and explanations;

(2) requiring the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanations that are required for the performance of duties; and

(3) attending the shareholders' general meeting, receiving notice of shareholders' general meeting or other information in relation to the shareholders' general meeting and giving speeches at the meeting with regard to matters involving its duties as an accounting firm appointed by the Company.

Article 260 If a vacancy occurs on the post of accounting firm, 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 act during the period during which a vacancy arises.

Article 261 The shareholders' general meeting may decide to dismiss an accounting firm by adopting ordinary resolution before the expiration of the term of office of the accounting firm, regardless of the terms and conditions of the contract between the accounting firm and the Company. If the relevant accounting firm has the right to make claim to the Company due to its dismissal, such right shall not be affected.

Article 262 The compensation of the accounting firm or the method of determining the compensation shall be decided by the shareholders' general meeting. The compensation of the accounting firm appointed by the board of directors to fill a vacancy shall be decided by the board of directors.

Article 263 The decision on engaging, dismissing or not renewing the appointment of an accounting firm shall be made by the shareholders' general meeting, and reported to the securities regulatory authority of the State Council for filing.

If the shareholders' general meeting plans, by passing resolutions, to recruit a non-incumbent accounting firm to fill up any vacancy of the post of accounting firm, or renew the engagement of an accounting firm appointed by the board of directors to fill up the vacancy, or dismiss an accounting firm before the expiration of its term of office, the following provisions must be satisfied:

(1) The relevant proposal on engagement or dismissal shall be sent to the accounting firm proposed to be engaged or proposing to leave the post or the firm which has left the post in the relevant accounting year before the issuance of the notice of shareholders' general meeting. Leaving the post includes dismissal, resignation and retirement;

(2) If the accounting firm about to leave the post makes a written statement, and asks the Company to inform the shareholders of its statement, unless the time of receiving the written statement is too late, the Company must adopt the following measures:

1. stating in the notice issued for making resolutions that the accounting firm about to leave the post has made a statement; and

2. sending the duplicate copy of the statement in the form of an attachment to the notice to shareholders in a way stipulated by these Articles of Association;

(3) If the Company fails to circulate the statement of the relevant accounting firm in the manner set out in item (2) hereof, the accounting firm may ask the statement to be read at the shareholders' general meeting and make further appeal;

(4) An accounting firm about to leave the post has the right to attend the following meetings:

1. shareholders' general meeting at which its term of office shall expire;
2. shareholders' general meeting at which the vacancy due to its dismissal is to be filled up; and
3. shareholders' general meeting convened due to its resignation from its post.

The accounting firm about to leave the post has the right to receive all notices of the aforesaid meetings or other information in relation to the meetings and give speeches at the aforesaid meetings with regard to matters involving its duties as the previous accounting firm appointed by the Company.

Article 264 The Company shall ensure the accounting firm hired to provide true and complete accounting vouchers, account books, financial and accounting reports and other accounting information and not to refuse to provide, conceal or fraudulently report those documents.

Article 265 Prior notice shall be given to the accounting firm 30 days in advance if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm has the right to make representations at the shareholders' general meeting. Where the accounting firm resigns from its position, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign its office by depositing at the Company's legal domicile a resignation notice 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 contain the following statements:

(1) a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or

(2) a statement of any such circumstances.

The Company shall send copies of the aforesaid written notice to relevant competent authorities within 14 days from the date of receiving the aforesaid notice. If the notice carries the statements mentioned in the two items of the preceding paragraph, the Company shall deposit the duplicate copy of the statements in the Company for shareholders' reference. The Company shall also send the duplicate copy of the aforesaid statements to each shareholder of overseas-listed foreign-invested shares in accordance with the delivery method prescribed in these Articles of Association or by prepaid post, and the address registered in the register of shareholders shall be the address of the recipient.

If the resignation notice of the accounting firm carries a statement in respect of the above, the accounting firm may ask the board of directors to convene an extraordinary shareholders' general meeting to listen to its explanation on relevant circumstances of its resignation.

Chapter 18 Staff System

Article 266 In compliance with the State's laws and regulations, the Company shall establish a healthy and complete employee management system and effectively develop and utilize human resources.

Article 267 Based on its business needs and subject to the Company's internal rules and regulations, the Company shall employ, dismiss or terminate employees labor contracts in its discretion within the scope stipulated by the State's laws and regulations.

Article 268 Pursuant to the relevant requirements of the State and the Articles of Association, the

Company shall establish the salary, insurance, benefits systems. In light of the economic and social development and business operations of the Company, the Company shall make endeavors to enhance the overall benefits for its employees, and improve their working conditions.

Article 269 Pursuant to the State's regulations, the Company shall develop an employees training system based on its business development and employees needs, to best pave the path for employees professional development.

Chapter 19 The Union

Article 270 The employees of the Company shall, duly organize the trade union, develop its event programs and protect the employee's lawful rights. The Company shall provide the necessary conditions for the union to carry out its activities.

Chapter 20 Merger and Division

Article 271 The Company may implement a merger or division according to law. For a merger or division of the Company, the board of directors shall put forward a proposal, and the formalities for approval shall be handled according to law after the proposal has been adopted according to the procedures specified in these Articles of Association. The board of directors shall adopt the necessary measures to protect the legitimate rights and interests of shareholders who oppose the Company's merger or division plans. Shareholders who oppose the Company's merger or division plans have the right to ask the Company or the shareholders who approve the merger or division plans to purchase their shares at a fair price.

The contents of the resolution on the merger or division of the Company shall be made into special document which shall be available for shareholders for perusal. The aforesaid document shall be sent to holders of the overseas-listed foreign-invested shares by prepaid post or other methods prescribed in these Articles of Association.

Article 272 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

A merger by absorption refers to the situation where a company absorbs another company and the absorbed company is dissolved. A merger by the establishment of a new company refers to the situation where two or more companies merge and establish a new company and all of the parties to the merger are dissolved.

Article 273 In the case of a merger of the Company, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of adoption of the resolution on the merger and shall publish a public announcement in newspaper within 30 days from the date of the resolution. The creditors may, within 30 days from the date of receipt of the notice or, in the case of failure to receive such notice, within 45 days from the date of the public announcement, require the Company to repay its debts or provide corresponding guarantees.

Article 274 After the merger of the Company, the claims and debts of the parties to the merger shall be assumed by the surviving company or the newly established company.

Article 275 In the case of a division of the Company, its assets shall be divided accordingly.

In the case of a division of the Company, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of adoption of the resolution on the division and shall publish a public notice in newspaper within 30 days from the date of the resolution.

Article 276 The companies which exist after the division shall be jointly and severally liable for the debts of the Company prior to the division, except when the Company has reached a written agreement on debt settlement with the creditors before the division.

Article 277 Where a merger or division of the Company involves any change in the registered items, such changes shall be registered with the company registration authority according to law. Where the Company is dissolved, cancellation of the Company's registration shall be carried out according to law. Where a new company is incorporated, the registration of the Company's establishment shall be carried out pursuant to law.

Chapter 21 Dissolution and Liquidation

Article 278 The Company shall be dissolved and liquidated according to law upon the occurrence of any one of the following events:

- (1) a resolution regarding the dissolution is passed by the shareholders' general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared insolvent due to its failure to repay debts as they become due;

(4) the Company is revoked of its business license, ordered to be closed down or deregistered according to law; and

(5) where the Company encounters serious difficulties in its operation and management, its continued existence causes material harm to shareholders' interest, and the problems could not be solved through other means, the Company is dissolved by the people's court according to law upon the request of shareholders who hold 10% or more of all voting shares of the Company.

Article 279 Where the Company is dissolved due to items (1), (4) and (5) of paragraph 1 of Article 277, a liquidation committee shall be formed within 15 days from the date of occurrence of the reason for the dissolution. Members of the liquidation committee shall be determined by the board of directors or the shareholders' general meeting. In the case of failure to establish a liquidation committee according to schedule, the creditors may apply for liquidation to be carried out by a liquidation committee which is composed of members designated by the people's court.

Where the Company is dissolved due to item (2) of paragraph 1 of Article 277, the liquidation shall be carried out by the parties to the merger or demerger in accordance with the contract signed at the time of the merger or demerger.

Where the Company is dissolved due to item (3) of paragraph 1 of Article 277, the people's court shall, in accordance with the requirement of relevant laws, organize the shareholders and relevant bodies and professionals to form a liquidation committee to carry out liquidation.

Article 280 If the board of directors decides that the Company shall carry out liquidation (except for liquidation resulting from the Company's declaration of bankruptcy), it shall state in the notice of

shareholders' general meeting convened for this purpose that the board of directors has conducted comprehensive investigation on the Company's conditions and believes that the Company is able to pay off all its debts within 12 months following the commencement of liquidation.

The functions and powers of the board of directors of the Company shall terminate immediately when the shareholders' general meeting adopts the resolution on liquidation.

The liquidation committee shall follow the directions of the shareholders' general meeting to report on its income and expenditures, the Company's business and progress of liquidation at least once a year to the shareholders' general meeting and make a final report to the shareholders' general meeting at the end of liquidation.

Article 281 The liquidation committee shall exercise the following functions and powers during the period of liquidation:

- (1) to categorize the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to dispose of and liquidate any unfinished businesses of the Company;
- (4) to pay all outstanding taxes and taxes incurred in the course of liquidation;
- (5) to settle claims and debts;
- (6) to deal with the surplus assets remaining after repayment by the Company of its debts; and
- (7) to represent the Company in any civil proceedings.

Article 282 The liquidation committee shall inform its creditors within 10 days from the date of its establishment, and shall publish a public announcement in newspaper within 60 days from the date of its establishment. The creditors shall, within 30 days from the date of receipt of the notice or, in the case of failure to receive such notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee. The liquidation committee shall register the creditors' rights.

The creditor who declares the creditor's right shall state the relevant matter in relation to the debt, and provide evidentiary materials. The liquidation committee shall register the creditors' rights.

During the liquidation period, the liquidation committee shall not settle any debt with the creditor.

Article 283 After the liquidation committee has sorted the Company's assets and prepared a balance sheet and an inventory of assets, it shall prepare a liquidation plan and submit it to the shareholders' general meeting or the people's court for confirmation.

Article 284 The Company's assets shall be used to pay off its debts in the following order:

- (1) expenditure of the liquidation;
- (2) outstanding workers' and staff salaries, social insurance premiums and statutory compensatory amounts;

(3) outstanding taxes;

(4) debts of the Company; and

(5) distribution to shareholders in proportion to their shareholding.

The Company shall not distribute its assets to shareholders before paying off items (1) to (4) of the preceding paragraph.

Article 285 The Company shall continue to exist during the period of liquidation. However, it shall not conduct any business activities having no relevance to liquidation.

Article 286 If the liquidation committee, having sorted the Company's assets and prepared the balance sheet and an inventory of assets, discovers that there are insufficient assets in the Company to pay off its debts, it shall apply to the people's court forthwith for a declaration of bankruptcy of the Company.

Upon the declaration of bankruptcy of the Company by the people's court, the liquidation committee shall hand over the liquidation matters to the people's court.

Article 287 Upon the completion of liquidation, the liquidation committee shall prepare a liquidation report and an income and expenditure statement and financial account for the period of liquidation and, after they are certified by a Chinese certified public accountant, submit them to the shareholders' general meeting or the relevant competent authority for confirmation.

The liquidation committee shall, within 30 days from the date of confirmation by the shareholders' general meeting or the relevant competent authority, submit the aforesaid documents to the company registration authority for cancellation of the Company's registration and announce the Company's termination.

Article 288 Members of the liquidation committee shall be faithful in the discharge of their duties and perform their liquidation obligations according to law. They shall not abuse their authority to accept bribes or other illegal income and shall not seize company property.

Any member of the liquidation committee who willfully or through gross negligence causes losses to the company or its creditors shall be liable for compensation.

Article 289 Where the Company is declared bankrupt according to law, it shall carry out bankruptcy liquidation in accordance with relevant enterprise bankruptcy laws.

Chapter 22 Procedures for Amendment of the Articles of Association

Article 290 The Company may make amendments to these Articles of Association in accordance with laws, administrative regulations and the provisions of these Articles of Association.

Article 291 The Company shall make amendment to the Articles upon the occurrence of any one of the following events:

(1) the Company Law or the relevant laws or administrative regulations are amended and these Articles of Association are in conflict with the amended laws or administrative regulations;

(2) any change in the Company's situation which leads to the inconsistency with matters stated in the Articles; and

(3) a resolution regarding the amendment of the Articles is passed by the shareholders' general meeting.

Article 292 Any amendment of these Articles of Association shall be made in the following manner:

(1) The board of directors draws up a proposal for amendment of these Articles of Association in accordance with these Articles of Association;

(2) The foregoing proposal shall be furnished to the shareholders and a shareholders' general meeting shall be convened for voting;

(3) The amendments shall be approved by a special resolution in a shareholders' general meeting.

Article 293 Any amendment to the Articles of Association adopted by a resolution in a shareholders' general meeting that shall be examined and approved by the competent authority must be submitted to the competent authority for approval. Those involving the registered particulars of the Company shall be made for the change in registration in accordance with law.

Article 294 The board of directors shall amend these Articles of Association pursuant to the resolution of shareholders in a general meeting for amendment of these Articles of Association and the approval opinions of the competent authority.

Article 295 Amendment of these Articles of Association involving the contents of the Mandatory Provisions shall become effective upon the approval of the department responsible for the examination and approval of companies as authorized by the State Council.

Article 296 The amendment to the Articles of Association is a matter which is required by the relevant laws and regulations to be disclosed, an announcement shall be made in accordance with the provisions of those laws and regulations.

Chapter 23 Settlement of Disputes

Article 297 The Company shall abide by the following principles for settlement of disputes:

(1) Whenever any disputes or claims arises between holders of overseas-listed foreign shares and the Company, or between holders of overseas-listed foreign shares and the directors, supervisors or senior management personnel of the Company, or between holders of overseas-listed foreign shares and holders of domestic shares in respect of any disputes or claims in relation to the affairs of the Company as a result of any rights or obligations arising from the Articles of Association, the Company Law or other relevant laws or administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration;

Where a dispute or claim of rights aforesaid is referred to arbitration, the entire claim or dispute must be referred to arbitration, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the settlement of such dispute or claim, shall, where such person is the Company or the Company's shareholder, director, supervisor or senior management personnel, comply with the decisions made in the arbitration. Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders need not be settled by arbitration;

(2) A claimant may elect for arbitration to be carried out at either the China International Economic or Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant;

(3) If a claimant elects for arbitration to be carried out at the Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Centre;

(4) Unless otherwise provided in the laws and administrative regulations, the laws of the People's Republic of China shall apply for any disputes or claims referred to in item (1) which are settled by way of arbitration;

(5) The judgment of the arbitral body shall be final and binding on all parties.

Chapter 24 Notice

Article 298 Notices of the Company may be sent out by the following means:

(1) by hand;

(2) by fax or email;

(3) by post;

(4) by making announcements in the Company's website and the websites designated by Hong Kong Stock Exchange provided that doing so will be in compliance with laws, administrative regulations and listing rules of the place of listing;

(5) by public announcements;

(6) by other means as agreed between the recipient of the notice and the Company in advance or recognized by the recipient of the notice after receiving such notice;

(7) other manners as recognized by securities regulatory authorities at the place where the Company's shares are listed or as provided in these Articles of Association.

Whilst these Articles of Association may have otherwise provided for the delivery methods of any notice, communication or any other written material, the Company may publish its communications by the means specified in sub-paragraph (4) of this Article to replace the means of sending written documents to each holder of the overseas-listed foreign-invested shares by hand or by prepaid mail provided that doing so will be in compliance with the relevant regulations of securities regulatory authorities in the places of listing. The said communications refer to any documents sent or to be sent by the Company to the shareholders for reference or taking action, including but not limited to report of the board of directors (together with balance sheet and income statement), annual report (including annual financial reports), interim report (including interim financial reports), listing documents, meeting notice, circulars, proxy forms and reply slips, etc.

Article 299 When the Company is required to send, mail, pass, deliver, issue or provide relevant documents of the Company in both English and Chinese according to the relevant requirements of the

securities regulatory authorities at the place where the Company's shares are listed, if the Company has made appropriate arrangement to ensure whether its shareholders expect to receive an English copy only or a Chinese copy only, the Company may (based on the intention clearly presented by its shareholders) send an English copy or Chinese copy only to relevant shareholders within the scope permitted by applicable laws and regulations and in accordance with such applicable laws and regulations.

Article 300 Where a notice from the Company is sent out by hand, to be signed (or stamped) by the recipient on the return receipt of delivery, the date of the recipient's signature shall be deemed to be the delivery date. Where the notice is sent out via post, the delivery date shall be 48 hours after such notice is delivered to the post office. Where the notice is sent out by fax or email or published on website, the delivery date shall be the date when the notice is sent out. Where the notice is sent out by announcement, the delivery date shall be the first date of publication of such announcement provided that such announcement is published in newspapers or websites that meet relevant requirements, and the notice shall be deemed as received by all relevant parties.

Article 301 A notice sent by the Company for the convening of a shareholders' general meeting shall be sent out by hand, fax, post or other means specified in the rules of procedure of the general meeting.

Article 302 A notice sent by the Company for the convening of a board of directors' meeting shall be sent out by hand, fax, post or other means specified in the rules of procedure of the board of directors' meeting.

Article 303 A notice sent by the Company for the convening of a supervisor meeting shall be sent out by hand, fax, post or other means specified in the rules of procedure of the supervisor meeting.

Article 304 The "announcements" referred to herein, except as the context otherwise required, shall, in respect of the notices sent to holders of domestic shares listed in the PRC or required to be sent in the PRC under the relevant provisions and the Articles of Association, mean the public announcements published on the newspapers or websites in the PRC as specified by the laws, administrative regulations of the PRC or by the State Council's securities supervisory authority; or shall, in respect of the notices sent to the holders of foreign shares listed overseas or required to be sent in Hong Kong under the relevant provisions and the Articles of Association, be sent in accordance with the Listing Rules of The Stock Exchange of Hong Kong.

Chapter 25 Supplementary

Article 305 Definition

(1) A "controlling shareholder" means a person who meets any of the following conditions:

1. he, either acting alone or acting in concert with others, has the power to elect more than half of the members of the board of directors;

2. he, either acting alone or acting in concert with others, has the power to exercise or to control the exercise of over thirty percent of the voting rights in the Company;

3. he, either acting alone or acting in concert with others, holds over thirty percent of the issued and outstanding shares of the Company;

4. he, either acting alone or acting in concert with others, de facto controls the Company in any

other manner.

(2) “Acting in concert” 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;

(3) “De facto controllers” means persons, not being shareholders of the Company, who are able to exercise de facto control over the acts of the Company through an investment relationship, agreement or other arrangement; and

(4) “Affiliated relation” means the relation between the controlling shareholders of the Company, de facto controllers, directors, supervisors, senior management and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow state-controlled enterprises shall not be deemed as affiliated relation merely because they are both controlled by the State.

Article 306 The board of directors may formulate detailed rules and regulations of the Articles of Association in accordance with the provisions of these Articles of Association. The detailed rules and regulations of the Articles of Association shall not be in conflict with the provisions of these Articles of Association.

Article 307 These Articles of Association are written in Chinese. Where versions in other languages or different versions have different interpretations or meanings, the latest verified Chinese version registered in the Company registration authority shall prevail.

Article 308 The expressions of “above”, “within”, “below” shall include the figures mentioned whilst the expressions of “short of”, “without”, “less than” and “more than” shall not include the figures mentioned.

Article 309 It shall be the responsibility of the board of directors to interpret these Articles of Association.

Article 310 If these Articles of Association are in conflict with the laws, administrative regulations, provisions of other regulatory documents or regulatory provisions in the place where the Company’s shares are listed promulgated, from time to time, such laws, administrative regulations and provisions of other regulatory documents or regulatory provisions in the place where the Company’s shares are listed shall prevail.

Article 311 In these Articles of Association, references to “accounting firm” shall have the same meaning as “auditors”.