

Articles of Association of Qingdao Port International Co., Ltd.

CHAPTER I GENERAL PROVISIONS

Article 1 The Articles of Association is formulated in accordance with laws and regulations such as the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Guidelines for the Articles of Association of Listed Companies (上市公司章程指引) (hereinafter referred to as the “Guidelines for Articles of Association”), the Rules Governing the Listing of Stocks on Shanghai Stock Exchange (上海證券交易所股票上市規則), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Listing Rules”), with an aim to safeguard the legitimate rights and interests of Qingdao Port International Co., Ltd. (hereinafter referred to as the “Company”) and its shareholders and creditors, and to regulate the organization and activities of the Company.

The Company shall abide by and comply with the Company Law and the Articles of Association. The Company shall not allow or render any amendments to the Articles of Association at any time, resulting in the non-compliance of the Articles of Association to the relevant requirements stipulated in the Hong Kong Listing Rules and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Securities Law, and other relevant laws and administrative regulations of the People’s Republic of China (hereinafter referred to as the “PRC”, for the purpose of the Articles of Association and the appendices hereto, excluding Hong Kong, Macau and Taiwan).

The Company was incorporated by way of promotion with the approval by the State-owned Assets Supervision and Administration Commission of Qingdao (青島市人民政府國有資產監督管理委員會), as evidenced by the Circular Qing Guo Zi Gui [2013] No.38. The Company was registered with the Administration for Industry and Commerce of Qingdao and was granted a business license on 15 November 2013.

The Company's legal person business license number is 370200020002936.

The promoters of the Company are as follows: Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司), Shenzhen Malai Storage Company Limited (碼來倉儲(深圳)有限公司), Qingdao Ocean Shipping Co., Ltd. (青島遠洋運輸有限公司), China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司), Everbright (Qingdao) Financial Leasing Co., Ltd. (光大控股(青島)融資租賃有限公司), Qingdao International Investment Co., Ltd. (青島國際投資有限公司).

Article 3 The registered name of the Company is:

In Chinese: 青島港國際股份有限公司

In English: Qingdao Port International Co., Ltd.

Article 4 The place of domicile of the Company: No. 12 Jingba Road, Huangdao District, Qingdao City, the PRC

Postal code: 266500

Tel: 0532-82982189

Fax: 0532-82822878

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

Article 6 The Company is a joint stock limited company in perpetual existence.

The Company is an independent legal person under the jurisdiction and protection of the laws, administrative regulations and other relevant regulations of the PRC.

The capital of the Company shall be divided into shares of equal value and the respective rights and liabilities of the shareholders of the Company shall be limited to the shares held by them. The Company shall be held liable for its debts with all of its assets.

Article 7 The Articles of Association shall constitute a legally binding document which regulates the Company's organization and acts, and the rights and obligations between the Company and its shareholders and among the shareholders from the date on which it becomes effective.

Article 8 The Articles of Association shall have binding effect on the Company and its shareholders, directors, supervisors, general manager, vice general manager and other senior management members; any of the aforementioned persons may

assert claims in respect of the Company's affairs pursuant to the Articles of Association.

Shareholders may institute legal proceedings against the Company and its shareholders, directors, supervisors, general manager, vice general manager and other senior management members of the Company pursuant to the Articles of Association, and the Company may institute legal proceedings against the shareholders, directors, supervisors, general manager, vice general manager and other senior management members pursuant to the Articles of Association.

The term "legal proceedings" referred to in the preceding paragraph includes any legal action brought before a court and any arbitration application submitted to an arbitration institution.

The term "other senior management members" referred to in the preceding paragraph includes the financial controller of the Company and the secretary to the Board.

Article 9 The Company may invest in other limited liability companies and joint stock limited companies and shall be held responsible for the companies in which the Company has invested to the extent of the capital contribution made by it provided that, unless otherwise provided by law and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the liabilities owed by the companies in which the Company has invested, nor shall it become a shareholder of unlimited liabilities of any other profit-making organizations.

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 10 The business objectives of the Company are as follows: speed up the transformation and upgrading of the port's functions, operation mode and development method according to the requirements of the socialist market economy and modern corporate system directed by market demand and customer needs; strive to develop the Company into a terminal operator, capital operator and integrated logistics services provider possessing established rules and leading economic efficiency, carry on diversified operations and build the Qingdao Port into a strong global logistics port, an international trade center port and the hub in Northeast Asia by fully leveraging on the over 100-year-old port with excellent management mode and relying on the principal business of stevedoring.

Article 11 The Company's scope of operation shall be consistent with the scope of operation approved by the company registration authority. The

Company's scope of operation includes: "domestic coastal general cargo vessel transportation (valid period of the water transportation license shall be counted in accordance with the license); terminal and other port facilities services; cargo stevedoring and warehousing services; port passenger transportation services; port tugboat and lightering services; vessel port services; leasing and repair of port facilities, equipment and machinery; installment of pressure pipeline; pipeline installation auxiliary engineering; operation of liquefied natural gas and construction and operation of liquefied natural gas refueling stations; terminal development, operation and management; port construction project management; channel dredging, hydraulic reclamation; earthwork and stonework; municipal engineering construction; vessel, floating dock and housing rental; cargo and technology import and export business; distribution of advertisements in the PRC; international freight agency; provision of construction labour, construction labour subcontracting, installation of port navigation facilities, construction of marine traffic control projects, manufacture, installation, transformation and maintenance of machinery and equipment; manufacture, installation, transformation and maintenance of cranes; communication, informatization, building intelligentization, fire control, industrial automatization engineering construction; electronic devices installation engineering construction; development of computer technology and communication technology; port communication facilities rental; manufacturing and sales of electrical equipment; installation of fire prevention devices and power transformation and distribution devices; power transmission and transformation within port; power supply facilities maintenances, installation and maintenances of power circuit and lighting engineering; electrical engineering design and consultation; testing of power transmission, supply and receiving facilities; metrological verification, calibration and test; waterproofing, corrosion and insulation; offshore oil engineering; construction, examination and maintenance of petrochemical projects; metal steel structure and metal storage tanks manufacture and installation; wholesale and retail: electrical equipment and materials, communication equipment, computer equipment, electronic equipment. tender agent. Subject to operations of its branches: port power, water and gas supply; domestic labor dispatch; car rental; stevedoring, transfer, stacking, custody, unloading, consolidation, loading, washing and repair, and warehousing of containers; machinery and equipment leasing; road transportation; general cargo

transportation; transportation agency services; communication and information services; parking services; road freight forwarding; passenger cargo stowage, warehousing, loading and unloading, stevedoring; shipping agency; ship services; offshore oil engineering; ship engineering installation and maintenance; waiting hall; waiting hall passenger transportation services; luggage custody and depositing (excluding dangerous goods), packing, lead sealing, loading and unloading; reservation of ship tickets and platform tickets; port desilting, port engineering project management; tool manufacture; ocean shipping supply; property management; safety technology prevention engineering construction; rivet welding processing; casting process; tyre retreading; vessel manufacture and maintenances; maintenances of class II motor vehicles; whole repair, unit repair, whole maintenance, minor repair, rescue and specialty repair of motor vehicles; installation works of fire-proof and thief-proof insulation devices, communication lines and communication equipment; wholesale and retail: building materials and hardware, steel, cement, mechanical and electrical products, ores; daily necessities, stationery, textile, garments, shoes and caps, office supplies, prepackaged food; gasoline, diesel, lubricants, aquatic products and products based on aquatic products, dried and fresh fruits, cold food, beverage; production of cakes, flour, peanut oil, spring water, vermicelli, bean products, dry sausage; production and processing: needles textiles, rope netting, plastic products, clothing, tarpaulin netting; port machine tools manufacture and repair; printing; conference services, domestic freight forwarding, sales of automotive products. (permits shall be obtained from competent authorities before the operation of the businesses above if they fall into the requirements of licensure).”

The Company may lawfully adjust its scope of operation and complete relevant adjustment procedures according to any changes in the domestic and overseas markets and the development of its business and capability.

CHAPTER III SHARES AND REGISTERED CAPITAL

Article 12 The Company shall have ordinary shares at all times. Ordinary shares issued by the Company include domestic shares and foreign shares, but unless otherwise provided by applicable laws and regulations and/or the relevant listing rules, domestic shares and foreign shares are not regarded as different classes of shares. The Company may create other classes of shares if necessary, upon approval by the examining and

approving departments authorized by the State Council.

Article 13 Shares of the Company shall be in the form of share certificates. All shares issued by the Company shall have a par value of RMB 1 per share.

Article 14 Shares of the Company shall be issued in accordance with the principles of openness, fairness and justice, and shall rank *pari passu* in all respects with the shares of the same class.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance. The same price shall be paid for each of the shares subscribed for by any entity or individual.

Article 15 Subject to the registration or recordation of the China Securities Regulatory Commission (hereinafter referred to as the (the “CSRC”) or other relevant security regulatory authorities, the Company may issue shares to domestic investors and overseas investors.

The term “overseas investors” referred to in the preceding paragraph means investors located in foreign countries, Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. The term “domestic investors” means investors located in the PRC, excluding the regions mentioned above, who subscribe for shares issued by the Company.

Article 16 Shares issued by the Company to domestic investors for subscription in RMB are referred to as Domestic Shares. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as Foreign Shares. Foreign Shares which are listed overseas are referred to as Overseas-listed Foreign Shares.

The term “foreign currencies” referred to in the preceding paragraph means the freely convertible legal currencies (other than RMB) of other countries or regions which are recognized by the competent authorities of the State Administration of Foreign Exchange for the payment of share subscription to the Company.

Overseas-listed Foreign Shares of the Company listed in Hong Kong are referred to as “H Shares”. H Shares are shares which have been admitted for listing on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Hong Kong Stock Exchange”) with a par value denominated in RMB and are subscribed for and

traded in Hong Kong dollars.

Article 17 Upon approval by the examining and approving departments authorized by the State Council, the total number of ordinary shares issued prior to the initial offering of H shares of the Company was 4,000,000,000 shares (representing 100% of the total number of issued ordinary shares of the Company), all of which were subscribed for and held by the promoters, among which:

Qingdao Port (Group) Co., Ltd. (青島港(集團)有限公司) subscribed for and held 3,600,000,000 shares, representing 90% of the total number of ordinary shares issued upon the establishment of the Company;

Shenzhen Malai Storage Company Limited (碼來倉儲(深圳)有限公司) subscribed for and held 112,000,000 shares, representing 2.8% of the total number of ordinary shares issued upon the establishment of the Company;

Qingdao Ocean Shipping Co., Ltd. (青島遠洋運輸有限公司) subscribed for and held 96,000,000 shares, representing 2.4% of the total number of ordinary shares issued upon the establishment of the Company;

China Shipping Terminal Development Co., Ltd. (中海碼頭發展有限公司) subscribed for and held 96,000,000 shares, representing 2.4% of the total number of ordinary shares issued upon the establishment of the Company;

Everbright (Qingdao) Financial Leasing Co., Ltd. (光大控股(青島)融資租賃有限公司) subscribed for and held 48,000,000 shares, representing 1.2% of the total number of ordinary shares issued upon the establishment of the Company;

Qingdao International Investment Co., Ltd. (青島國際投資有限公司) subscribed for and held 48,000,000 shares, representing 1.2% of the total number of ordinary shares issued upon the establishment of the Company;

Article 18 Upon approval from the securities regulatory authorities of the State Council, the Company issued, upon the establishment of the Company, a total of 705,800,000 H shares in its initial public offering. Holders of the state-owned shares of the Company transferred 70,580,000 state-owned shares to the National Council for Social Security Fund pursuant to relevant PRC regulations regarding the disposal of state-owned shares and sold the shares at the time of the issuance. On 6 June 2014, the above aggregate of 776,380,000 H Shares were listed on the Main Board of the Hong Kong Stock Exchange.

According to the resolutions passed at the first extraordinary general meeting of the Company in 2013 and upon the approval from the securities regulatory authorities of the State Council, the joint global coordinators partially exercised the over-allotment option, pursuant to which the Company further issued 72,404,000 H Shares, while holders of the state-owned shares of the Company transferred 7,241,000 state-owned shares to the National Council for Social Security Fund pursuant to relevant PRC regulations regarding the disposal of state-owned shares and sold the shares at the time of the issuance. On 2 July 2014, the above aggregate of 79,645,000 H Shares were listed on the Main Board of the Hong Kong Stock Exchange.

Upon approval from the securities regulatory authorities of the State Council as set out in Approval on the Issuance of Overseas Listed Foreign Shares by Qingdao Port International Co., Ltd. (Zheng Jian Xu Ke [2017] No.589), the Company issued a total of 243,000,000 H shares to overseas investors. Such H shares were listed and traded on the Main Board of the Hong Kong Stock Exchange. Upon approval from State-owned Assets Supervision and Administration Commission of Qingdao (青島市人民政府國有資產監督管理委員會) as set out in Qing Guo Zi Wei [2007] No.10, the Company issued 1,015,520,000 domestic shares to Shanghai China Shipping Terminal Development Co., Ltd. (上海中海碼頭發展有限公司), and completed the centralized registration and custody procedure for domestic shares on 19 May 2017. After the completion of the issuance of the abovementioned 243,000,000 H shares and 1,015,520,000 domestic shares, the registered capital of the Company has been changed to RMB6,036.724 million.

Upon approval from the securities regulatory authorities of the State Council, as evidenced by Approval on the Initial Public Offering by Qingdao Port International Co., Ltd. (Zheng Jian Xu Ke [2018] No.1839), the Company issued 454,376,000 A shares. After the A shares issuance, the share capital structure of the Company shall be as follows: the total share capital of the Company shall be 6,491,100,000 shares, including 5,392,075,000 A shares, representing 83.07% of the total share capital of the Company, and 1,099,025,000 H shares, representing 16.93% of the total share capital of the Company.

Article 19 The Company or its subsidiary companies (including enterprises affiliated to it) shall not, in the form of grants, advances, guarantees, compensations or loans, among others, provide any financial aid to any person purchasing or intending to purchase the shares of the Company.

Article 20 The Domestic Shares issued by the Company shall be deposited in China Securities Depository and Clearing Co., Ltd. Overseas-listed Foreign Shares issued by the Company shall be deposited in accordance with Article 35 of the Articles of Association.

Article 21 The registered capital of the Company shall be RMB6,491,100,000.

Article 22 Depending on its operation and development needs, the Company may approve an increase of its registered capital in accordance with the relevant provisions of the Articles of Association.

The Company may increase its capital in the following ways:

- (1) public offering shares;
- (2) non-public offering shares;
- (3) allotment of new shares to existing shareholders;
- (4) converting its public reserve funds into share capital; and
- (5) other methods permitted by laws and administrative regulations and approved by CSRC.

The Company's increase of share capital through issuance of new shares, after approval is obtained in accordance with the provisions of the Articles of Association, shall be implemented in accordance with the procedures set out in the relevant laws and administrative regulations of the PRC.

Article 23 Unless otherwise provided for by the laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

Article 24 The Company does not accept any pledge created over the Company's shares.

Article 25 Shares held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares issued by the Company prior to the initial public offering shall not be transferred within one year from the first day of listing and trading of the Company's shares on any stock exchange.

During their terms of office, directors, supervisors and other senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer in a given year during their terms of office more than 25% of the total number of shares of the Company held by them;

the shares of the Company held by them shall not be transferred within one year from the first day on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date when they leave office.

Article 26 Where any director, supervisor, senior management or shareholder holding or jointly holding with others through agreements or other arrangements 5% or above of the Company's shares in issue sell his shares or other equity securities in the Company within a period six (6) months after their purchase, or purchase shares in the Company again within a period of six (6) months after their disposal, the gains so earned shall belong to the Company, and the board of directors of the Company (the "Board") may forfeit such gains for the benefit of the Company.

For the purpose of the preceding paragraph in this Article, the shares or other equity securities held by a director, supervisor, senior executive, or natural person shareholder include the shares or other equity securities held by his or her spouse, parents, or children, or held by using other persons' accounts.

If the Board does not act in accordance with the provisions of the first paragraph of this Article, shareholders shall have the right to request the Board to take action within thirty (30) days from the date of request. If the Board does not take such action within the said period, then the shareholders shall be entitled to commence proceedings with the People's court directly in their own names for the benefit of the Company.

Where the Board does not act in accordance with the provisions of the first paragraph of this Article, the responsible directors shall assume joint and several liabilities.

CHAPTER IV CAPITAL REDUCTION AND REPURCHASE OF SHARES

Article 27 The Company may reduce its registered capital pursuant to the provisions of the Articles of Association. In so doing, the Company shall act in accordance with the procedures specified in the Company Law and other relevant regulations and the 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 date of the Company's resolution for reduction of registered capital and shall publish an announcement in newspapers within 30 days from the date of such resolution. A creditor of the Company shall be entitled, within thirty days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five days from the date of the announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debt.

Article 29 The Company may repurchase its outstanding shares according to the law in accordance with the laws, administrative regulations, departmental rules and regulations, the Articles of Association as well as the listing rules in the jurisdiction where the shares of the Company are listed under the following circumstances:

- (1) for the purpose of reducing the registered capital of the Company;
- (2) merging with other companies that hold shares in the Company;
- (3) utilizing shares for employee stock ownership plans or equity incentives;
- (4) acquiring the shares of dissident shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company;
- (5) utilizing shares to convert into convertible corporate bonds issued by the Company;
- (6) where it is necessary to safeguard the value of the Company and the interests of its shareholders; and
- (7) such other circumstances permitted by the laws and administrative regulations.

The Company shall not purchase or sell the Company's shares save and except for the aforesaid circumstances.

Article 30 The Company may purchase its shares in the manner of centralized public trading, or other methods approved by laws, administrative regulations and the CSRC.

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

Article 31 If the Company repurchases its own shares for the reasons under sub-paragraphs (1), (2) of Article 29 hereof, resolutions relating thereto shall be adopted at a general meeting; purchase of its own shares by the Company due to the reasons specified in sub-paragraph (3), (5) or (6) of Article 29 of this Articles of Association, shall be subject to resolutions approved by the board meeting attended by more than two-thirds of the directors. After the Company repurchases its own shares in accordance with Article 29 under the circumstances set forth in sub-paragraph (1), the shares so repurchased shall be cancelled within 10 days from the date of repurchase. In the circumstances set forth in sub-paragraphs (2) and (4), the shares so repurchased shall be transferred or cancelled within six months; and in case sub-paragraph (3), (5) or (6) circumstances of Article 29 of this Articles of Association, the number of shares held by the Company in aggregation shall not exceed 10% of the total issued shares of the Company and such shares shall be transferred or cancelled within three years.

Where the laws, regulations, securities regulatory authorities where the shares of the Company are listed stipulate on cancellation of such shares after the repurchase of shares by the Company according to law otherwise, such provisions shall prevail.

CHAPTER V SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 32 The share certificates of the Company shall be in registered form.

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

Article 33 The Company shall keep a register of members based on the evidence provided by the share registrar. The register of members shall contain the following particulars:

- (1) the name, address (place of domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable in respect of shares held by each shareholder;
- (4) the serial numbers of shares held by each shareholder;

- (5) the date on which each shareholder was registered as a shareholder; and
- (6) the date on which any shareholder ceased to be a shareholder.

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

Article 34 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authorities of the State Council and overseas securities regulatory authorities, maintain its register of holders of Overseas-listed Foreign Shares outside China and appoint overseas agent(s) to manage such register. The original register of holders of Overseas-listed Foreign Shares listed in Hong Kong shall be maintained in Hong Kong.

The Company shall maintain a copy of the register of members of Overseas-listed Foreign Shares at its place of domicile. The appointed overseas agent(s) shall ensure the consistency between the original version and the copy of register of members of Overseas-listed Foreign Shares at all times.

If there is any inconsistency between the original and the copy of register of members of Overseas-listed Foreign Shares, the original version shall prevail.

Article 35 The Company shall maintain a complete register of members.

The register of members shall include the following parts:

(1) the register of members which is maintained at the Company's place of domicile (other than those share registers which are described in paragraphs (2) and (3) of this Article);

(2) the register of members with respect to the holders of Overseas-listed Foreign Shares of the Company which is maintained at the place where the overseas stock exchange on which the shares are listed is located; and

(3) the register of members which is maintained in such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 36 Different parts of the register of members shall not overlap. No transfer of the shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register of members.

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

Article 37 All fully paid-up Overseas-listed Foreign Shares listed in Hong Kong are freely transferable pursuant to the Articles of Association. The Board may refuse to recognize any instrument of transfer without explanation unless such transfer meets the following conditions:

(1) the document of transfer and other documents relating to or which may affect the ownership of any shares shall be registered, and the payment of fees as provided by Hong Kong Listing Rules shall be made to the Company in relation to such registration;

(2) the document of transfer involves only the Overseas-listed Foreign Shares listed in Hong Kong;

(3) the stamp duty payable on the document of transfer has been paid in accordance with the laws;

(4) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares shall be provided or any other documents required by the Hong Kong Listing Rules;

(5) if the shares are to be transferred to joint holders, the number of shareholders registered jointly shall not exceed 4;

(6) the relevant Shares are not subject to the lien of any company; and

(7) no share shall be transferred to a minor or an individual with unsound mind or individual of legal incapacity.

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

All transfers of Overseas-listed Foreign Shares shall be effected by a written document of transfer in an ordinary or usual form or any other form acceptable to the Board (including the standard transfer format or form of transfer specified by the Stock Exchange of Hong Kong Limited from time to time). The written document of

transfer maybe signed by hand. Where the transferor or transferee of the Company's shares is a recognized clearing house ("Recognized Clearing House") as defined by Hong Kong Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) or its nominee, the written document of transfer may be signed in a machine-imprinted format. All instruments of transfer must be kept at the Company's domicile or such other place as the Board may designate.

Article 38 Where the laws, regulations, securities regulatory authorities where the shares of the Company are listed stipulate on the period of closure of the register of shareholders before the date of a shareholders' general meeting or before the record date set by the Company for the Company's distribution of dividend, such provisions shall prevail.

Article 39 When the Company intends to convene a general meeting, distribute dividends, enter into liquidation or engage in other activities that involve confirmation of interests, the convener of the Board meeting or general meeting shall determine a specific day for confirmation of shareholdings (the Record Date). Shareholders shown on the register of members by the end of the date for confirmation of shareholdings (the Record Date) shall be the shareholders of the Company.

Article 40 Any person who objects to the register of members and requests to have his/her name included in or removed from the register of members may apply to the court of relevant jurisdiction to correct the register of members.

Article 41 Any shareholder who is registered in, or any person requests to have his/her name entered into, the register of members may, if his/her share certificate (the "Original Certificate") is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

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

If a holder of Overseas-listed Foreign Shares loses his/her share certificate and applies for a replacement share certificate, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of members of Overseas-listed Foreign Shares is

maintained.

If a holder of H shares loses his/her share certificate and applies for a replacement share certificate, such share certificate shall be issued in compliance with the following requirements:

(1) the applicant shall submit an application to the Company in the standard form prescribed by the Company accompanied by a notarial certificate or statutory declaration containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate as well as a declaration that no other person is entitled to request to be registered as the shareholder of the Relevant Shares.

(2) before the Company decides to issue the replacement share certificate, no statement made by a person other than the applicant requesting that he shall be registered as the shareholder in respect of the Relevant Shares has been received.

(3) the Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board; the announcement shall be made at least once every 30 days for a period of 90 days.

(4) the Company shall, prior to the publication of the announcement of its proposed issuance of a replacement share certificate, deliver to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been displayed on the stock exchange. The announcement shall be displayed on the stock exchange for a period of 90 days.

In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

(5) if, upon expiration of the 90-day period of announcement and display referred to in paragraphs (3) and (4) of this article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant accordingly.

(6) where the Company issues a replacement share certificate in accordance with this article, it shall forthwith cancel the Original Certificate and record the cancellation and replacement matters in the register of members accordingly.

(7) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 42 After the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter is registered as the owner of such shares (in the case of a bona fide purchaser) shall not be deleted from the register of members.

Article 43 The Company shall not have any obligation to indemnify any person for any damages arising from the cancellation of the Original Certificate or the issuance of a replacement share certificate, unless such person concerned can prove that the Company has committed a fraudulent act.

CHAPTER VI SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 44 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is recorded in the register of members.

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

Article 45 Holders of the ordinary shares of the Company shall enjoy the following rights:

(1) the right to dividends and other profit distributions in proportion to the number of shares held;

(2) the right to propose, convene and preside over, to attend or appoint a proxy to attend the general meetings and to exercise the corresponding voting right in accordance with the law (unless individual shareholders are required by the listing rules of the place where the Company's shares are listed to abstain from voting on individual matters);

(3) the right to supervise and manage, present proposals or raise enquiries about the Company's business operations;

(4) the right to transfer, give away or pledge the shares in their possession in accordance with the laws, administrative regulations and provisions of the Articles of Association;

(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:

1. the right to obtain a copy of the Articles of Association, subject to payment of relevant costs;

2. the right to inspect and subject to a payment of a reasonable fee to copy:

(i) all parts of the register of members;

(ii) personal particulars of each of the Company's directors, supervisors, general manager, and other senior management members, including:

(A) present and former name or alias;

(B) principal address (place of domicile);

(C) nationality;

(D) full-time and all other part-time occupations and duties;

(E) identification document and its number.

(iii) reports on the status of the Company's share capital;

(iv) the latest audited financial statement of the Company, and the reports of the Board, the auditors and the supervisory committee of the Company (hereinafter referred to as the "Supervisory Committee") respectively;

(v) resolutions of the shareholders' general meeting of the Company, the Board and the Board of Supervisors;

(vi) a copy of the latest annual return filed with the administration for industry and commerce;

(vii) reports showing the total nominal value and number of shares repurchased by the Company since the end of the last fiscal year, the highest and the lowest price paid and the aggregate amount paid by the Company in respect of each class of its shares repurchased;

(viii) the minutes of shareholders' meetings;

(ix) corporate bond certificates and financial accounting reports.

Documents of items (i) to (viii) mentioned above (excluding item (ii)) shall be made available by the Company, according to the requirements of the Hong Kong Listing Rules, at the Company's address in Hong Kong, for the public and holders of Overseas-listed Foreign Shares to inspect free of charge, provided that item (viii) is only made available for shareholders.

(6) to participate in the distribution of the residual assets of the Company in proportion to the number of shares held in the event of termination or liquidation of the Company;

(7) to request the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the general meeting of the Company; and

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

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that person or persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

Article 46 A shareholder who requires access to the relevant information as set out in the preceding article shall provide the Company with written documents evidencing the class and number of shares held by the said shareholder, and the Company shall provide such information as required upon authentication of the said shareholder at reasonable cost.

Article 47 If any resolution of a shareholders' general meeting or Board meeting is in violation of the laws and administrative regulations, the shareholders shall have the right to request the people's court to invalidate the said resolution.

If the meeting convening procedures and voting method of the shareholders' general meetings or Board meetings are in violation of the laws and administrative regulations or the Articles of Association or if the contents of any resolution are in breach of the Articles of Association, the shareholders shall have the right to request the people's court to cancel the said procedures, method or resolution within sixty (60) days after the resolution has been made.

Article 48 Where any director or member of the senior management staff violates any law, administrative regulation or the Articles of Association in the course of performing his duties and thereby cause any loss to the Company, a shareholder who

individually or jointly holds 1% or more of the Company's shares for a period of consecutive 180 days or more may request the Board of Supervisors in writing to initiate a lawsuit in the people's court. Where the Board of Supervisors violates any law, administrative regulation or the Articles of Association in the course of performing its duties and thereby cause any loss to the Company, a shareholder may request the Board in writing to initiate a lawsuit in the people's court.

If the Board of Supervisors or the Board refuses to lodge a lawsuit after it receives an aforementioned written request in the preceding paragraph, or if it fails to initiate a lawsuit within 30 days after it receives the request, or if, it is in an emergency that the failure to lodge a lawsuit immediately may cause irretrievable damage to the interests of the Company, the aforementioned shareholder in the preceding paragraph may, in the interest of the Company, directly lodge a lawsuit in the people's court in his own name.

If the legitimate rights and interests of the Company are impaired and any losses are caused to the Company, the aforementioned shareholder in the first paragraph of this Article may initiate a lawsuit in the people's court in accordance with the provisions of the 1st and 2nd paragraphs of this Article.

Article 49 If any director or member of the senior manager staff does any act jeopardizing the shareholders' interests by violating any law, administrative regulation or the Articles of Association, a shareholder may lodge a lawsuit in the people's court.

Article 50 Holders of ordinary shares of the Company shall assume the following obligations:

(1) to comply with laws and administrative regulations and the Articles of Association;

(2) to pay subscription money according to the number of shares subscribed and the method of subscription;

(3) not to divest the shares except otherwise provided by laws and regulations;

(4) not to abuse their rights as shareholders to damage the interests of the Company or other shareholders; and not to abuse the Company's independent status of legal entity or shareholders' limited liability to damage the interests of the creditors of the Company;

A shareholder who abuses shareholder's right shall be liable for indemnification to any loss so caused to the Company or other shareholders according to law.

A shareholder who abuses the Company's independent status of legal entity or

shareholder's limited liability to evade debts thereby causing serious damage to the interests of the creditors of the Company shall bear joint liability for the Company's debts.

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

Shareholders shall not be liable to make any further contributions to the share capital other than according to the terms agreed by the subscribers at the time of share subscription.

Article 51 Where a shareholder holding shares of 5% or more carrying voting rights pledges his shares, he shall report to the Company in writing on the date on which the shares are pledged.

Article 52 Neither the controlling shareholder nor the de facto controller of the Company may prejudice the interests of the Company by taking advantage of his connected relationship. Anyone who causes any loss to the Company as a result of violating the provisions shall be liable for the compensation.

The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and its publicly issued shares shareholders. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the legitimate rights and interests of the Company and the publicly issued shares shareholders in the ways of profit distribution, asset reorganization, overseas investment, capital use and loans and guarantees, and shall not impair the interests of the Company and the publicly issued shares shareholders by using its controlling status in the Company.

Article 53 The term "controlling shareholder" referred to in this Articles of Association means a person who satisfies any one of the following conditions:

(1) S/he severally or jointly, acting in concert with others, is entitled to elect half or more members of the Board;

(2) S/he severally or jointly, acting in concert with others, is entitled to exercise or to control the exercise of 30% or more of the voting rights of the Company;

(3) S/he severally or jointly, acting in concert with others, holds 30% or more of the outstanding issued shares of the Company; or

(4) S/he severally or jointly, acting in concert with others, has de facto control over the Company in any other manners.

For the purposes hereof, the term “de facto controller” means the person(s), not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.

CHAPTER VII GENERAL MEETINGS

Article 54 The general meeting is the Company’s authoritative organ which shall exercise its functions and powers in accordance with the laws.

Article 55 The general meeting shall have the following functions and powers:

- (1) to decide the Company’s operational policies and investment plans;
- (2) to elect and replace directors who are not appointed from the employees’ representatives and decide on matters relating to their remuneration;
- (3) to elect and replace supervisors who are not appointed from the employees’ representatives and decide on matters relating to their remuneration;
- (4) to consider and approve the reports of the Board;
- (5) to consider and approve the reports of the Supervisory Committee;
- (6) to consider and approve the Company’s proposed annual budgets and final accounts;
- (7) to consider and approve the Company’s profit distribution plans and loss recovery plans;
- (8) to resolve on the increase or reduction of the Company’s registered capital and the acquisition of the Company’s shares;
- (9) to resolve on the merger, division, dissolution, liquidation of the Company or change of corporate form of the Company;
- (10) to resolve on the issue of corporate bonds of the Company;
- (11) to resolve on the appointment, dismissal or non-reappointment of

accounting firms;

(12) to amend the Articles of Association;

(13) to consider resolutions proposed by shareholders representing 3% or more of voting shares of the Company;

(14) to consider and approve the provision of guarantees under Article 56 of the Articles of Association;

(15) to consider the Company's significant acquisition or disposal of material assets with a value exceeding 30% of the latest audited total assets of the Company within one year;

(16) to consider the matters in relation to connected transactions or other transactions, which should be resolved by the shareholders at general meetings in accordance with the requirements of the listing rules in the jurisdiction where the shares of the Company are listed;

(17) to consider and approve the changes in the use of proceeds from share offerings;

(18) to consider the share incentive schemes and employee stock ownership plan; and

(19) to consider other matters which, according to the laws, administrative regulations, departmental rules and regulations, the listing rules in the jurisdiction where the shares of the Company are listed or the Articles of Association, should be resolved by the shareholders at general meetings.

Article 56 The following guarantees provided to third parties provided by the Company shall be subject to consideration and approval at general meetings:

(1) any provision of guarantee, where the total amount of external guarantees provided by the Company or its subsidiaries exceeds 50% of the latest audited net assets;

(2) any provision of guarantee, where the total amount of external guarantees provided by the Company exceeds 30% of the latest audited total assets;

(3) guarantees provided by the Company within one year exceed 30% of the Company's audited total assets of the last period;

(4) any provision of guarantee to anyone whose gearing ratio exceeds 70%;

(5) any provision of a single guarantee in the amount exceeding 10% of the

latest audited net assets;

(6) any provision of guarantee to shareholders, de facto controller and their related parties; and

(7) such other guarantees as defined by the stock exchange on which the shares of the Company are listed and the Articles of Association which should be resolved by the shareholders at general meetings.

When the general meeting is considering a proposal to provide guarantee for any shareholder, de facto controller or their related party, the said shareholder or the shareholders controlled by the de facto controller shall abstain from voting on the proposal, and the proposal shall be subject to adoption by more than half of the voting rights of the other shareholders present at the general meeting.

Save for the foregoing, other external guarantees are subject to consideration and approval by the Board as authorized by way of resolution made by two-thirds or more of the directors present at the board meeting.

If the Company's external guarantee violates the approval authority and deliberation procedures and causes losses to the Company, the Company has the right to pursue responsibilities with the relevant responsible persons.

Article 57 Unless in crisis or other emergency situations, the Company shall not, without prior approval of shareholders at general meetings, enter into any contract with any person other than a director, supervisor, general manager, vice general manager and other senior management members whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

Article 58 General meetings are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings are held once a year and within 6 months from the end of the preceding fiscal year.

Under any of the following circumstances, the Board shall convene an extraordinary general meeting within 2 months:

(1) the number of directors is less than the quorum required by the Company Law or two thirds of the number of directors specified in the Articles of Association;

(2) the accrued losses of the Company amount to one-third of the total amount of its share capital;

(3) shareholder(s) holding, individually or jointly, 10% or more of the Company's outstanding issued shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;

(4) it is deemed necessary by the Board or requested by the Supervisory Committee to convene an extraordinary general meeting; and

(5) such other circumstance specified in the laws, administrative regulations, departmental rules or the Articles of Association.

Article 59 When the Company convenes an annual general meeting, a written notice of the meeting shall be given 20 days before the date of the meeting, and when the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given 15 days before the date of the meeting, to notify all shareholders whose names appear in the register of members of the matters to be considered at and the date and place of the meeting.

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

Where the laws, regulations and listing rules in the jurisdiction where the shares of the Company are listed stipulate the aforesaid matters otherwise, such provisions shall prevail.

Article 60 Whenever the Company convenes a general meeting, the Board, the Supervisory Committee and shareholder(s) severally or jointly holding more than 3% of the total number of the Company's shares shall have the right to propose resolutions to the Company in writing. The Company shall include matters falling within the scope of functions and powers of the general meeting into the agenda of such meeting.

Shareholder(s) severally or jointly holding more than 3% of the total number of the Company's shares shall have the right to propose an extraordinary resolution 10 days prior to the general meeting by submitting the same to the convener in writing. The convener shall issue a supplemental notice of general meeting within two days after receiving the proposed resolution to announce the contents of an extraordinary resolution the extempore motion.

Article 61 A notice of a shareholders' meeting shall be subject to and conditional upon:

(1) the place, date and time of the meeting;

(2) the matters and proposals submitted to the meeting for deliberation;

(3) a statement in conspicuous Chinese characters that: all common shareholders (including preferred shareholders whose voting rights are restored) have the right to attend the shareholders' meeting and may attend the meeting and vote by proxy in writing, and proxies are not necessarily shareholders of the Company;

(4) the date of record of shareholders entitled to attend the shareholders' meeting;

(5) the name and telephone number of the permanent liaison for meeting affairs;

(6) voting time and voting procedures by online or other means; and

(7) the requirements as set out by laws, administrative regulations, departmental rules, and stock exchange where the Company's shares are listed and other requirements as set out by the Articles of Association.

The notice of the Shareholders' general meeting and the supplemental notice shall disclose all the content of the proposed motions adequately and completely. If the matters to be discussed need the opinion of the independent directors, the opinion and reasons of the independent directors shall be disclosed contemporaneously with the announcement of the notice of the Shareholders' general meeting and the supplemental notice.

The period between the date of record and the date of meeting shall not exceed seven working days. Once the date of record is confirmed, it shall not be changed.

Article 62 If the shareholders' general meeting intends to discuss the election of directors or supervisors, the notice of the shareholders' general meeting should disclose full information of the candidates for directors and supervisors. The notice should at least include the following:

(1) Personal circumstances such as education background, work experience, other simultaneous appointments;

(2) Whether there is associate relationship with the Company or the controlling shareholder and the de fact controller of the Company;

(3) Disclose the number of shares held in the Company;

(4) Whether subject to punishment by the securities regulatory authorities of the State Council and other relevant department and sanctioned by the securities exchange; and

(5) Other matters required to be disclosed under the listing rules of the place where the shares of the Company are listed.

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

Article 63 The venue of a general meeting of the Company shall be the domicile of the Company or other specific places notified by the convenor of the general meeting.

The Company shall arrange for the venue for an on-site meeting to be held. Where the general meeting is to be conducted online or by way of other means, the time and procedure of such online voting or other means of voting shall be clearly stated in the notice of general meeting. The online voting or other means of voting of the general meeting shall commence no earlier than 3:00 p.m. of a day prior to the date of the general meeting but no later than 9:30 a.m. on the date of the general meeting and it shall terminate no earlier than 3:00 p.m. on the date of conclusion of the general meeting.

Article 64 Notice of general meeting shall be served on the shareholders (whether or not they are entitled to vote at the meeting), by hand or by prepaid mail at their addresses as shown in the register of members. The notice of meetings may be issued by way of announcement.

In the event that a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or where such a person has not received the notice of meeting, the meeting and any resolution made therein shall not become void accordingly.

Article 65 Any shareholder entitled to attend and vote at a meeting of the Company shall be entitled to appoint one or more other persons (whether a shareholder or not) as his/her proxy (proxies) to attend and vote on his/her behalf. A proxy so appointed shall be entitled to exercise the following rights pursuant to the authorization from that shareholder:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demanding a poll; and

(3) the right to vote on a show of hands or on a poll, unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, but for a shareholder who has appointed more than one proxy, such proxies may only vote on a poll.

Article 66 When personally attending a shareholders' meeting, an individual shareholder shall produce his or her identity card or any other valid identification or certificate that can prove his or her identity and stock account card. When he or she attends the meeting by proxy, the proxy shall produce his or her valid identification and a power of attorney issued by the shareholder.

The legal representative of a corporate shareholder shall attend the meeting in person or by proxy. When personally attending the meeting, the legal representative shall produce his or her identity card and a valid certificate on his or her qualification as the legal representative; when he or she attends the meeting by proxy, the proxy shall produce his or her identity card and a written power of attorney legally issued by the legal representative of the corporate shareholder.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorized in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or attorney duly authorized. Such power of attorney shall contain:

- (1) the name of the appointer and the name of the proxy;
- (2) the number of shares represented by a proxy (if several persons are appointed as proxies, the number of shares represented by each proxy should be specified);
- (3) whether or not the proxy is entitled to vote;
- (4) the instructions in relation to voting for or against, or abstaining from voting on each item to be considered at the general meeting;
- (5) whether the proxy has voting power in respect of ad hoc proposals which may be included in the agenda of the general meeting. If the proxy has voting power, specific instruction as to what kind of voting power shall be exercised; and

(6) the date of the issue and the valid term of the letter of attorney.

Article 67 An instrument appointing a proxy for voting shall be deposited at the domicile of the Company or any other addresses specified in the notice convening the meeting 24 hours before the time for convening the meeting or the time for voting. If an instrument appointing a proxy is signed by an attorney authorized by an appointer, the relevant power of attorney or any other authority shall be notarized. The power of attorney or other authority so notarized together with the instrument appointing a proxy shall be deposited at the domicile of the Company or any other addresses specified in the notice convening the meeting.

If an appointer is a legal person, its legal representative or any other person authorized by its Board or by other decision-making authorities may attend a general meeting on behalf of such appointer.

Where such shareholder is a Recognized Clearing House (or its nominees), the shareholder may authorize one person or more than one person as he thinks fit to act as his/her representative(s) at any general meeting, provided that if more than one person is so authorized, the authorization must specify the number and class of shares in respect of which each such person is so authorized and be signed by the authorizer from such Recognized Clearing House. The person so authorized is entitled to attend the meeting and exercise the rights on behalf of the Recognized Clearing House (or its nominees) without presenting shareholding proof, notarized authority and/or any further proof to support his/her being duly authorized, as if he was an individual shareholder of the Company.

Article 68 Any instrument issued to a shareholder by the Board of the Company for use in appointing a proxy shall be in such format as to enable the shareholder to instruct the proxy to vote in favor of or against the resolutions according to his/her free will, and instructions shall be given in respect of each individual matter to be voted on at the meeting. The instrument of proxy shall contain a statement that in the absence of instructions by the shareholder the proxy may vote as it thinks fit.

Proxies should, when attending the general meeting on behalf of the shareholders, present their identification proof and the power of attorney signed by the appointer or signed by a legal representative of the appointer or a duly appointed nominee. The power of attorney should specify the date of issuance.

If a corporate shareholder (other than the Recognized Clearing House or its nominees) delegates its legal representative to attend the meeting, the Company shall have the right to request such legal representative to provide a proof of his/her identity and a valid proof of his/her legal representative qualification.

Article 69 A vote given by a proxy in accordance with the terms of an instrument of proxy shall remain valid notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no notice in writing of such aforesaid issues shall have been received by the Company before the commencement of the meeting.

Article 70 A registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending corporations), their identity card numbers, residential address, number of shares carrying voting rights held or represented, and names of the appointers (or the appointing corporation), etc.

Article 71 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares carrying voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights.

Article 72 All Directors, Supervisors and Secretary to the Board shall attend general meetings. The general manager and other senior management members shall be present at the meeting.

Article 73 The Company shall formulate the Rules of Procedures for General Meetings which shall set out in detail the convening and voting procedures in respect of the general meeting (including notice, registration, consideration and approval for proposals, voting, vote counting, announcement of voting results, the resolution-

making process, meeting minutes and signing, announcements and other matters) and the principles of granting authorization to the Board at the general meeting. The scope of authorization shall be specified in detail. The Rules of Procedures for General Meetings shall be prepared by the Board, approved at a general meeting and attached to the Articles of Association as an appendix.

Article 74 At annual general meetings, the Board and the Board of Supervisors shall report their work in the preceding year to the general meeting. Each independent director shall also state their work performance report.

Article 75 Directors, supervisors and senior management members shall give explanations and statements on shareholders' enquiries and recommendations.

Article 76 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of their shares carrying voting rights, which shall be the number of shareholders and proxies attending the meeting in person and the total number of their shares carrying voting rights as indicated in the meeting's registration record.

Article 77 Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

To adopt an ordinary resolution at a general meeting, votes representing more than one half of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

To adopt a special resolution at a general meeting, votes representing more than two thirds of the voting rights represented by the shareholders (including the proxies) present at the meeting must be exercised in favor of the resolution in order for it to be passed.

Article 78 Shares of the Company are without voting rights and such shares shall not be taken in the total number of voting shares represented at the meeting.

In the case of voting at general meetings, shareholders (including their proxies) may exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote.

When major matters affecting the interests of small and medium investors are considered at the general meeting, votes shall be counted separately for small and

medium investors. The results of separate counting of votes shall be publicly disclosed in a timely manner.

Where a shareholder purchases shares of the Company with voting rights in violation of the provisions of paragraphs 1 and 2 of Article 63 of the Securities Law, the voting rights of the shares exceeding the prescribed proportion shall neither be exercised within 36 months after the purchase, nor be included in the total number of shares with voting rights attending the shareholders' meeting.

The Board, independent directors and shareholders holding more than 1% of voting shares, or investor protection agencies established according to laws, administrative regulations or provisions of the securities regulatory authority under the State Council may, as the collector, independently or by entrusting a securities company or securities service agency, publicly request the shareholders of the Company to entrust it to attend the shareholders' general meeting on their behalf and to exercise shareholder rights such as the right to propose and the right to vote.

While soliciting votes of shareholders, sufficient disclosure of information such as the specific voting reference shall be made to the shareholders from whom voting rights are being solicited. No consideration or other form of de facto consideration shall be involved in the solicitation of voting rights from shareholders. The Company shall not impose any limitation related to the minimum shareholding ratio on the solicitation of voting rights, except under statutory conditions.

Article 79 When connected transactions are being considered at a general meeting, the connected shareholders shall abstain from voting, and the number of shares carrying voting rights held by them shall not be counted in the total number of valid votes; the announcement on the resolutions of a general meeting shall fully disclose the voting results of non-connected shareholders.

Article 80 While ensuring the lawfulness and validity of general meetings, the Company shall facilitate the participation of shareholders in general meetings by various means and ways, with priority first giving to the provision of modern information technology means, such as an online voting platform, etc.

Article 81 Resolutions submitted to a shareholders' general meeting for voting shall be voted by poll, but subject to the requirements of the listing rules of where

the shares of the Company are listed, the chairman of the meeting may in good faith allow resolutions purely related to procedural or administrative matters to be voted on by a show of hands.

Article 82 A poll shall be taken in such manner (including the use of ballot or voting papers or tickets) at designated time and place (no later than 30 days from the date of the meeting or adjourned meeting at which the poll was taken) as the chairman directs. No notice needs to be given in respect of a poll not taken immediately. The result of the poll shall be deemed to be the resolution of the meeting.

Where a resolution is voted on by a show of hands as permitted under the Listing Rules, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not passed, and an entry to that effect in the minute book of the Company shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

Article 83 A poll on the election of the chairman of the meeting, or on adjournment of the meeting, shall be taken forthwith. A poll demanded on any other issues shall be taken at such time as the chairman of the meeting directs, and any matter other than that upon which a poll has been demanded may proceed with, pending the taking of the poll. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 84 The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) working reports of the Board and the Supervisory Committee;
- (2) plans formulated by the Board for distribution of profits and for recovery of losses;
- (3) appointment and removal of any members of the Board and members of the Supervisory Committee (other than employee directors and supervisors), and determination of their remuneration and method of payment;
- (4) annual preliminary and final budget, balance sheet, profit and loss account and other financial statements of the Company;

(5) annual reports of the Company; and

(6) such other matters other than those specified by the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association to be resolved by special resolutions.

Article 85 The following matters shall be resolved by a special resolution at a general meeting:

(1) the increase or decrease in registered capital of the Company;

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

(3) amendments to the Articles of Association;

(4) any plans of the Company to purchase or sell major assets or provides a guarantee, within a year, the amount of which exceeds 30% of the Company's latest audited total assets;

(5) share incentive scheme; and

(6) such other matters provided by the laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Articles of Association and be considered by the general meeting by way of an ordinary resolution to be of a nature which may have a material impact on the Company and shall be adopted by a special resolution.

Article 86 Where independent directors propose to convene an extraordinary general meeting, the Board shall, in accordance with the laws, regulations and the Articles of Association, give its reply in writing stating whether it agrees or disagrees to convene the extraordinary general meeting within ten (10) days upon receipt of such proposal. If the Board agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within five (5) days after the Board passed the relevant resolution. If the Board disagrees to convene the extraordinary general meeting, it shall issue an announcement to state the reasons.

Article 87 The Board of Supervisors has the right to propose to the Board to convene an extraordinary general meeting and shall propose the same to the Board in writing. The Board shall give its reply in writing stating whether it agrees or

disagrees to convene the extraordinary general meeting within 10 days upon the receipt of the said proposal in accordance with the laws, regulations and the Articles of Association.

Where the Board agrees to convene the extraordinary general meeting, a notice for convening the extraordinary general meeting shall be issued within five (5) days after the Board passed the relevant resolution. Any change to the original proposal in the notice shall be subject to the agreement of the Board of Supervisors.

Where the Board disagrees to convene the extraordinary general meeting or fails to give the reply in writing within ten (10) days upon receipt of the proposal, this shall be deemed as the Board being unable or failing to exercise the functions and powers of convening the general meeting. As such, the Board of Supervisors can convene and preside over the meeting by itself.

Article 88 Shareholders demanding an extraordinary general meeting of shareholders shall abide by the following procedures:

(1) two or more shareholders in aggregate holding of 10% (including 10%) or more of the shares carrying the right to vote at the meeting can request the Board to convene an extraordinary general meeting by signing one or several copies in counterparts of written request(s) in the same form and content, and state the subject of meeting and resolutions proposed. The shareholdings referred to above shall be calculated as at the date of written request made. The Board shall, within ten (10) days upon the receipt of such written requests, reply in writing on whether or not the Board agrees to convene an extraordinary general meeting.

If the Board agrees to convene an extraordinary general meeting, it will issue a notice of meeting within five (5) days after the resolution is made by the Board. Any change to the original request in the notice shall be subject to the consent from relevant shareholders.

(2) if the Board does not agree to convene an extraordinary general meeting, or does not reply within ten (10) days upon the receipt of the request, shareholders individually or jointly holding 10% or more of the shares carrying the right to vote at the proposed meeting shall have the right to propose to the Board of Supervisors on convening an extraordinary general meeting and such proposal shall be made in the form of written request to the Board of Supervisors.

(3) if the Board of Supervisors agrees to convene an extraordinary meeting, it shall issue a notice of meeting within five (5) days upon the receipt of the request. Any

change to the original proposal in the notice shall be subject to the consent from relevant shareholders.

The Board of Supervisors' failure to issue the notice of meeting within the prescribed period shall be deemed as the Board of Supervisors not convening and not presiding over the meeting. As such, shareholders individually or jointly holding more than 10% of the shares of the Company for more than ninety (90) consecutive days can convene and hold the meeting by themselves.

Any reasonable expenses incurred by shareholders or the Supervisory Committee in convening and presiding over a meeting by reason of the failure of the Board to duly convene a meeting as requested above shall be borne by the Company and shall be set off against sums owed by the Company to the directors in default.

Article 89 In the event that the Board of Supervisors or the shareholder(s) decide(s) to convene the general meeting on its or their own, the Board of Supervisors or the shareholder(s) shall notify the Board in writing and file with the stock exchange.

The shareholding in the Company of the shareholder(s) who convene(s) a general meeting shall be not less than 10% prior to the announcement of resolutions of the general meeting.

The Supervisory Committee or the convening shareholder(s) shall submit relevant evidencing documents to the stock exchange upon the issuance of notice for the general meeting and announcement of resolutions of the general meeting.

Article 90 The Board and the Secretary to the Board shall cooperate when the Board of Supervisors or the shareholder(s) convene(s) a general meeting on its or their own. The Board shall provide the register of shareholders as at the record date.

Article 91 A general meeting shall be convened by the Board and the chairman of the Board presides over the meeting and serves as the chairman. If the chairman fails to attend the meeting for any reasons, the vice chairman shall convene and preside over the meeting (if the Company has two (2) or more vice chairmen of the Board, the one elected by more than one half of the directors shall preside over the meeting); if the chairman and vice chairman fail to attend the meeting, a director elected by more than one half of the directors shall convene and preside over the meeting on their behalf. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. Where the shareholders fail to elect a chairman for any reasons, the shareholder (including his/her proxy) present who holds the largest

number of shares carrying the right to vote shall be the chairman of the meeting.

General meetings convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, a supervisor designated by more than half of the supervisors shall preside over the meeting on his/her behalf.

A general meeting convened by the shareholders themselves shall be presided over by a representative nominated by the convening shareholders.

When a general meeting is held and the chairman of the meeting violates the terms of reference such that the general meeting cannot proceed, a person may be elected to preside over the meeting, subject to approval of shareholders entitled to more than half of the voting rights present at the meeting.

Article 92 Minutes of general meetings shall be kept by the secretary to the Board. The minutes of meetings shall set forth:

- (1) time and date, venue and agenda of the meeting, and the name of the convener;
- (2) names of the chairman of the meeting and the directors, supervisors, general manager and other senior management present at or attending the meeting;
- (3) number of shareholders and their proxies present at the meeting, total number of voting shares held by them and as a percentage of the total number of the Company's shares;
- (4) the course of consideration of each resolution, key points of statements made at the meeting and the voting results;
- (5) details of inquiries or suggestions of the shareholders, and the corresponding responses or explanations;
- (6) names of the lawyer, vote counting officer and scrutinizer; and
- (7) other information that shall be recorded in the minutes in accordance with the Articles of Association.

The attending directors, supervisors, secretary to the Board, convener or representative thereof and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting, the signed attendance record for the shareholders present in person and the powers of attorney for attendance by proxy, the valid information relating to the online voting or by other means shall be kept for at least 10 years.

Copies of the meeting minutes shall be available for inspection during business hours of the Company by any shareholder without charge. Where any shareholder demands from the Company a copy of such minutes, the Company shall deliver the copy within 7 days after the receipt of reasonable costs.

Article 93 The convener shall ensure that the general meeting is being conducted continuously until resolutions have been resulted. In the event of special reasons such as force majeure resulting in the termination of meeting or the failure of resulting in resolutions, necessary measures shall be taken to resume the general meeting as soon as practicable; alternatively, the meeting may be terminated in such circumstances with an announcement timely made. At the same time, the convener shall deliver a report to the branch office of the China Securities Regulatory Commission at the place where the Company resides and the stock exchange.

Article 94 The list of candidates for the directors and supervisors shall be submitted to the general meeting for approval.

When election of the directors and supervisors is voted at the general meeting, in accordance with the provisions of the Articles of Association or the resolution of the general meeting, if a single shareholder and its persons acting in concert are interested in 30% or more of the shares of the Company and the shareholders' general meeting plans to elect more than two directors or supervisors, the cumulative voting system is required.

The cumulative voting system as mentioned in the preceding paragraph means that when the directors or supervisors are elected at the general meeting, each share shall have the same number of votes as the number of directors or supervisors candidates, and the voting right owned by the shareholders may be cumulatively used. The Board shall provide shareholders with the profiles and background information of the director or supervisor candidates.

The implementation of cumulative voting system shall comply with the following rules:

1. The election of independent directors, non-independent directors and supervisors shall be voted separately.

(I) When electing independent directors, the number of the voting rights held by shareholders present equals to the total number of shares held by them times the number of independent directors to be elected, such portion of voting rights shall only be voted when electing independent director candidates.

(II) When electing non-independent directors, the number of the voting rights held by shareholders present equals to the total number of shares held by them times the number of non-independent directors to be elected, such portion of voting rights shall only be voted when electing non-independent director candidates.

(III) When electing supervisors, the number of the voting rights held by shareholders present equals to the total number of shares held by them times the number of supervisors to be elected, such portion voting rights shall only be voted when electing supervisor candidates.

Shareholders' general meeting shall vote on each candidate of directors and supervisors during the respective election. Shareholders may exercise their own voting rights collectively to vote for one candidate or exercise separately to vote for several candidates in the same class, while the number of cumulative voting rights voted by shareholders shall not exceed the total number of votes that shareholders entitle to have in such class.

2. Whether a candidate for the director and supervisor is elected or not is decided according to the numbers of votes received, while the number of votes received by each elected director and supervisor shall, at least, reach more than one-half of voting rights of shares held by shareholders who attend the shareholders' general meeting.

3. Prior to the voting on director and supervisor candidates, the chairman of the shareholders' general meeting shall clearly clarify the method of cumulative voting on director and supervisor candidates to shareholders present. The Board must prepare ballot papers which are suitable for carrying out cumulative voting method, and the Secretary to the Board shall specify and explain the method for cumulative voting and the method for completing the ballot papers.

Article 95 Save for the accumulative voting system, the general meeting shall vote on each proposal individually. Where there are different proposals on the same issue, voting should be done according to the order of the proposals raised. Except for special reasons such as force majeure causing the general meeting to suspend or unable to reach a resolution, the general meeting shall not set aside any proposal or have any proposal not voted on.

Article 96 When considering a proposal at a general meeting, no amendments shall be made thereto. Otherwise, any change made thereto shall be considered as a new proposal, on which the voting shall not proceed in such general meeting.

Article 97 A voting right shall be exercised once through either on-site voting, online voting or voting by other means. If the same voting right be exercised repeatedly, the result of the first vote shall prevail.

Article 98 The voting by poll at the general meeting shall be taken in a registered form.

Article 99 Before the relevant proposed resolution is voted on at the general meeting, two representatives of the shareholders shall be elected to take part in counting the votes and scrutinizing the conduct of the poll. Any shareholder who is related to the matter under consideration and his proxy shall not take part in counting the votes or scrutinizing the conduct of the poll.

When the relevant proposed resolution is being voted on at the general meeting, one of the lawyers, shareholders' representatives, representatives of Supervisors and auditors or H-Share registrar or external accountants qualified to serve as an auditor respectively shall be jointly responsible for counting the votes and scrutinizing the conduct of the poll, and the voting result shall be announced at the meeting. The voting results relating to such proposed resolution shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies, who have cast their votes by online voting or by other means, shall have the right to check the voting results through the respective voting system.

Article 100 The on-site general meeting shall not end earlier than the online meeting or meeting delivered through other means. The chairman of the meeting shall announce the voting status and voting result for each proposal and announce whether a resolution is passed according to the voting result.

Before the voting result is officially announced, the Company, counter, scrutineer, substantial shareholders, network services provider and other related parties involved in the on-site general meeting, online meeting or meeting delivered through other means shall keep in confidential the voting result.

Article 101 Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: to vote for, vote against or abstain from voting. Except for the securities registration and settlement institutions which, being the nominal holders of shares subject to the interconnection mechanism of the Mainland and Hong Kong stock market transactions, shall make declaration according to the intentions of actual holders.

Any votes which are uncompleted, erroneously completed or illegible, or uncast

votes shall be considered as an abstention of voting rights by the voter and the outcome of votes carried with the shares held by such voter shall be counted as “abstain from voting”.

Abstention from voting and giving up voting shall be treated as votes with voting rights in the calculation of voting results of the Company.

Article 102 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder or proxy present object to the result announced by the chairman of the meeting are entitled to demand that the votes be counted immediately after the declaration of the voting result, and the chairman of the meeting shall have the votes counted immediately.

Article 103 If votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting.

The minutes of the meeting together with the attendance records and the proxy forms shall be kept at the premises of the Company.

Article 104 The announcement of the resolutions passed at the general meeting shall be timely published and specify the number of the shareholders and proxies attending the meeting, the number of shares carrying voting rights held by them and the percentage of such shares to the total number of shares of the Company, the means of voting, the voting result of each resolution and the details of the resolutions passed.

Article 105 Where the proposed resolution is not passed, or the general meeting alters the resolution(s) passed at the previous general meeting, a special note shall be made in the announcement of the resolutions of the general meeting.

Article 106 Where proposed resolutions in relation to the election of directors or supervisors are passed at a general meeting, the term of office for the new directors or supervisors shall take effect upon the date of passing such resolutions at the general meeting or other date determined by the general meeting.

Where the date on which an employee representative director in a new session of the Board or an employee representative supervisor in a new session of the Board of Supervisors is elected is earlier than the date of establishment of the new session of the Board or the new session of the Board of Supervisors, the term of office for the employee representative director or the employee representative

supervisor shall take effect upon the date of establishment of the new session of the Board or the new session of the Board of Supervisors; otherwise, the term of office for the employee representative director or the employee representative supervisor shall take effect upon the date on which he is elected democratically.

Article 107 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalisation of capital reserves has been passed at a general meeting, the Company shall implement the specific plans within two (2) months after the conclusion of such general meeting.

Article 108 The Company, when convening a general meeting, shall hire lawyers to provide legal opinions on the following matters and arrange publication of such opinions:

(1) whether or not the convening and the convening procedures of the meeting are in compliance with the laws, administrative regulations and the Articles of Association;

(2) whether or not the qualifications of the persons attending the meeting and the qualification of the convener is lawful and valid;

(3) whether or not the voting procedures and the voting results are lawful and valid; and

(4) other matters as required by the Company.

CHAPTER VIII BOARD OF DIRECTORS

Section 1 Board of Directors

Article 109 The Company shall have a board of directors (the “Board”), consisting of 9 directors, including 3 independent non-executive directors. The Company’s board of directors shall have one chairman and various vice chairmen.

Article 110 Directors shall be elected at the general meetings for a term of office of 3 years. Upon expiration of the term of office, a director is eligible to offer himself for re-election and re-appointment.

All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Each director

(including director for a specific term) shall be subject to retirement by rotation, at least once every three years.

The term of office of a director shall start from the date on which the said director takes office to the expiry of the current session of the Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as a director pursuant to relevant laws, administrative regulations, departmental rules and the Articles of Association until a new director is elected and appointed.

The general manager or other senior management members may concurrently serve as directors, provided that the total number of directors served by the general manager or other senior management members and employee representatives shall not exceed half of the total number of directors of the Company.

Written notice of intention to nominate a candidate for the post of director and the candidate's agreement to be nominated as director shall be given to the Company, and the Company offers a period of not less than seven days for nomination and the acceptance thereof. Such seven-day period for notification shall commence no earlier than the second day after the issue of the notice of the meeting at which such election shall be conducted and no later than seven days prior to the convening of the general meeting.

The chairman and the vice chairman shall be appointed and removed through voting by more than half of all the directors. The chairman and the vice chairman shall serve a term of 3 years and be eligible be for re-election.

Subject to the compliance with the relevant laws and administrative regulations, directors can be removed before the expiration of his/her term of office (but without prejudice to any claim for damages under any contracts) by an ordinary resolution passed at a general meeting.

Article 111 Directors shall abide by laws, administrative regulations and the Articles of Association and have the following duties of loyalty to the Company:

(1) may not accept bribes or obtain any other illegal income by taking advantage of their functions or appropriate any property of the Company;

(2) may not misappropriate the funds of the Company;

(3) may not open accounts in their own names or in other individuals' names to deposit any assets or funds of the Company;

(4) may not, in violation of the Articles of Association, lend any funds of the Company to others or provide security for others with any property of the Company without the permission of the shareholders' meeting or the board of directors;

(5) may not enter into contracts or transact with the Company in violation of the provisions of the Articles of Association or without the permission of the shareholders' meeting;

(6) without the permission of the shareholders' meeting, may not take advantage of their positions to seek, for themselves or others, business opportunities that otherwise belong to the Company, or operate the same kind of business as the Company for their own accounts or on behalf of others;

(7) may not accept any commissions from others on transactions conducted with the Company;

(8) may not disclose any secret of the Company without authorization;

(9) may not use their relations to damage the interests of the Company; and

(10) other duties of loyalty as set out by laws, administrative regulations, departmental rules, listing Rules at the place where the Company resides, and the Articles of Association.

Income obtained by directors in violation of this article shall belong to the Company, and directors who cause any losses to the Company shall assume compensatory liability.

Article 112 Directors shall abide by laws, administrative regulations and the Articles of Association and have the following duties of diligence to the Company:

(1) shall prudentially, carefully and diligently exercise the rights conferred by the Company to ensure that the business conduct of the Company complies with the requirements of the laws and administrative regulations of the state and various economic policies of the state and the commercial transactions are within the scope of business indicated in the business license of the Company;

(2) shall fairly treat all shareholders;

(3) shall keep them informed in a timely manner of the operating and management conditions of the Company;

(4) shall confirm in writing and sign the periodic reports of the Company, and ensure the veracity, accuracy and completeness of the information disclosed by the Company;

(5) shall honestly provide relevant information and materials to the board of supervisors, and may not interfere with the exercise of functions by the board of supervisors or supervisors; and

(6) other duties of diligence as set out by laws, administrative regulations, departmental rules, listing Rules at the place where the Company resides, and the Articles of Association.

Article 113 A director who fails to attend a board meeting in person successively for two times and fails to appoint another director to attend the board meeting shall be deemed unable to discharge his duties. The Board shall put forward a proposal at the shareholders' meeting to replace such director.

Article 114 No directors shall act, in their personal capacity, on behalf of the Company or the Board in contravention of provisions of the Articles of Association or without appropriate authorization by the Board. The director(s) shall, when acting in his/her personal capacity, state his/her standings and identities in advance if a third party has reasons to believe that the said director is acting on behalf of the Company or the Board.

Article 115 Any director who violates any laws, regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation for any loss incurred by the Company.

Article 116 The board of directors is accountable to the general meeting and exercises the following powers and functions:

(1) to be responsible for the convening of general meetings and report its work at the general meetings;

(2) to execute resolutions passed at the general meetings;

(3) to decide on business operation plans and investment proposals of the Company;

(4) to prepare the annual financial budget and final accounts of the Company;

- (5) to prepare plans for profit distribution and recovery of losses for the Company;
- (6) to formulate proposals for the increase or reduction in the Company's registered capital and the issuance of corporate bonds and other securities and proposal for listing;
- (7) to draw up plans for material acquisitions, share repurchases, merger, division, dissolution or change of corporate form of the Company;
- (8) to decide on matters relating to the Company's external investments, assets acquisitions and disposals, assets pledges, entrusted financial management and connected transactions, external donation and other matters within the authorization granted by the general meeting;
- (9) to decide on the establishment of an internal management department of the Company;
- (10) to appoint or dismiss the Company's general manager, the board secretary and the company secretary and determine matters concerning their remuneration, reward and punishment; and pursuant to the general manager's nominations, to appoint or dismiss the vice general manager and other senior management of the Company and determine matters concerning their remunerations, reward and punishment;
- (11) to formulate the basic management system of the Company;
- (12) to formulate proposals for amendments to the Articles of Association;
- (13) to formulate proposals for material acquisitions or disposals of the Company;
- (14) to manage the information disclosure issue of the Company;
- (15) to propose to the general meeting for the engagement or change of accounting firm for the audit work of the Company;
- (16) to receive the work report (regular or non-regular) and to review the work of the general manager of the Company;
- (17) to review any major transactions, very substantial disposals, very substantial acquisitions, reverse takeover of the Company under the Hong Kong Listing Rules, and submit to shareholders for approval;

(18) to approve any notifiable transactions other than major transactions, very substantial disposals, very substantial acquisitions, reverse takeover of the Company under the Hong Kong Listing Rules, and submit to shareholders for approval;

(19) to approve connected transactions that are not subject to the approval and announcement by the general meetings under the listing rules of the place where the Company's shares are listed;

(20) to review connected transactions which need to be approved by the general meetings under the listing rules of the place where the Company's shares are listed; and

(21) such other powers conferred by the laws, administrative regulations, departmental rules, listing rules of the place where the Company's shares are listed, general meeting or the Articles of Association.

Resolutions by the Board on matters referred to in the preceding paragraph may be passed by the affirmative vote of more than half of the directors with the exception of resolutions on matters referred to in items (6), (7) and (12), which shall require the affirmative vote of more than two-thirds of the directors.

Article 117 For the following matters subject to the determination of the Board under the authorization of the general meeting, the Board should confirm the authorizations and formulate stringent examination and approval system for external investments, acquisitions or disposal of assets, mortgage of assets, entrusted wealth management, entrusted loans, connected transactions and external guarantees, external donation and other matters and establish stringent examination and decision-making procedures; and specialists or professional personnel shall be organized to assess and examine any material investment projects, and matters subject to the general meeting under the laws, administrative regulations, departmental rules and regulations as well as the Articles of Association shall be submitted to the general meeting for approval by the Board after consideration. The Board shall have the right to make decision on the following matters:

(1) the Company's financing activities other than issuance of the bonds or other securities as well as the listing with a single amount not exceeding 50% of the Company's latest audited net asset;

(2) the Company's external investment with a single amount not exceeding 30% of the Company's latest audited net asset, including equity investments, asset acquisitions and fixed asset investment;

(3) entrusted financial management matters with an accumulated amount not exceeding 30% of the Company's latest audited net asset;

(4) asset collaterals and pledges of the Company set for its own debts with a single amount not exceeding 30% of the Company's latest audited net asset;

(5) external donations or sponsorship with a single amount not exceeding RMB10 million;

(6) other contracts, transactions and arrangements with an amount not exceeding 30% of the Company's latest audited net asset;

(7) the connected transaction (excluding provision of guarantees and the donated cash assets) between the connected person and the Company the size test ratio of which as required under the Hong Kong Listing Rules is less than 5% and the transaction amount of which is less than 5% of the absolute value of the Company's latest audited net asset. For connected transaction matters which can be exempted from consideration and disclosure as connected transactions under relevant provisions of the stock exchanges where the Company is listed, the Company may be exempted from or apply for a waiver for being exempted from consideration and disclosure of such matters as connected transactions under relevant provisions; and

(8) external guarantees other than that stipulated in Article 56 in the Articles of Association.

Article 118 The Board shall provide explanations on audit report about financial report of the Company to the general meeting, if there are non-standard opinions of the certified public accountants in the audit report.

Article 119 The Board shall formulate the rules of procedures of Board meetings to ensure the Board to implement the resolutions approved at the general meeting, work efficiently and be scientific in decision making.

Article 120 The chairman of the Board shall exercise the following functions and powers:

(1) to preside over the general meeting, and to convene and preside over the meetings of the Board;

(2) to review the implementation of board resolutions;

(3) to ensure directors receive sufficient information in time, and such information shall also be accurate, clear, complete and reliable;

(4) to ensure the Board operate effectively and perform its duties and obligations, and make discussion on all appropriate matters of importance timely;

(5) to ensure the Company establish sound corporate governance practices and procedures;

(6) to ensure appropriate steps are taken to keep in contact with shareholders effectively;

(7) to execute the securities issued by the Company;

(8) to nominate any candidate for the position of the secretary to the Board;

(9) in the event of emergency of force majeure events such as extraordinary natural disasters, to exercise discretion which are in compliance with laws and are in the interests of the Company with regard to affairs of the Company and report to the Board and the general meeting thereafter; and

(10) to perform other duties entrusted by the Board or provided in the listing rules of the place where the Company's shares are listed.

The vice chairman of the Board shall provide assistance to the work of the chairman of the Board. If the chairman of the Board is unable to perform his/her duties, the vice chairman of the Board shall perform such duties (if the Company has two or more vice Chairmen of the Board, the one elected by more than one half of the directors shall perform such duties). Should the vice chairman of the Board is unable or fails to perform his/her duties, a director elected by more than a half of the directors shall perform such duties.

Article 121 The Board authorizes the chairman of the Board of the Company to exercise decision-making-power over the following matters:

(1) the Company's financing activities other than issuance of the bonds or other securities as well as the listing with a single amount not exceeding 10% of the Company's latest audited net asset;

(2) the Company's external investment with a single amount not exceeding 5% of the Company's latest audited net asset, including equity investments, asset acquisitions and fixed asset investment;

(3) entrusted financial management matters with an accumulated amount not exceeding 10% of the Company's latest audited net asset;

(4) asset collaterals and pledges of the Company set for its own debts with a single amount not exceeding 5% of the Company's latest audited net asset;

(5) external donations or sponsorship with a single amount not exceeding RMB2 million;

(6) other contracts, transactions and arrangements with an amount not exceeding 10% of the Company's latest audited net asset; and

(7) wage level, benefit and incentives of the Company, subject to relevant rules in the PRC.

Article 122 Board meetings shall be held at least four times every year and shall be convened by the chairman of the Board by serving a notice on all the directors 14 days prior to the convening date of the meeting. An extraordinary Board meeting shall be convened and presided by the chairman of the Board upon occurrence of anyone of the following circumstances:

(1) it is considered necessary by the chairman of the Board or proposed by the general manager;

(2) it is proposed by shareholders representing more than 1/10 (one tenth) of voting rights;

(3) it is proposed by more than 1/3 (one third) of the directors;

(4) it is proposed by the Supervisory Committee; and

(5) it is requested to be convened by the relevant regulatory authorities.

Article 123 Notice of Board meetings and extraordinary Board meetings shall be given by telephone, facsimile or email; and such notice shall be delivered, in case of notices of a Board meeting, 14 days prior to the meeting; and, in case of notices of an extraordinary Board meeting, without time limit but shall be given a reasonable notice. Notice of a board meeting shall contain at least the following information:

(1) the date and venue of the meeting;

(2) the method by which the meeting is held;

(3) the matters to be considered (proposals of the meeting);

(4) the convener and the chairman of the meeting, the person who proposes the

extraordinary meeting and his/her written proposal;

(5) the request for the personal attendance of the directors or the attendance through the appointment of an alternate director;

(6) the contact person and the method of contact; and

(7) the issue date of the notice.

Verbal notice shall at least include the details of item (1) and (2) and the reason for convening an urgent extraordinary Board meeting with short notice.

Directors who have attended the meeting will be deemed to have been issued a notice of Board meeting if they had not raised any issues of not having received such notice before or during the Board meeting.

Article 124 The Board meetings shall be held only if more than half of the directors are present.

Each director shall have one vote. A simple majority of the votes of all directors is required for passing of a board resolution.

Article 125 If any director has connection with the enterprise involved in the resolution made at a Board meeting, the said director shall not vote on the said resolution for himself or on behalf of other director. The Board meeting may be held when more than half of the non-connected directors or representatives authorized by him/her attend the meeting. The resolution of the Board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the matter shall be submitted to the general meeting for consideration.

Article 126 Directors shall attend the Board meeting in person. Where a director is unable to attend for some reasons, he/she may authorize in writing another director to attend the Board meeting in his/her stead. The power of attorney shall specify the scope of authorization.

The director attending the meeting for another director shall exercise the rights of the latter director within the scope of authorization. Any director who is unable to attend a particular Board meeting and has not authorized a proxy to attend in his/her stead shall be deemed to have waived the right to vote at that meeting.

Article 127 The extraordinary meeting of the Board may be convened by means of telephone or video conference, with the resolution being signed by the participating directors, provided that all directors can fully express their opinions.

Unless otherwise stipulated in the relevant laws or the listing rules of the place where the Company's shares are listed, the Board may vote on written resolution by correspondence in lieu of convening the board meeting, but the copy of such resolution shall be sent by means of personal delivery, mail, telegram, email or fax to each director. If the Board has distributed the relevant written resolution to all directors, and the number of directors who have signed the resolution and sent to the secretary of the Board by the aforesaid means amounts to the quorum for decision, such resolution shall be passed as the resolution of the Board and no Board meeting is required to be convened.

Article 128 The Board shall keep minutes of its decisions on the matters considered at meetings, on which directors attending the meeting and the person taking the minutes shall sign their names. Directors shall be responsible for the resolutions of the Board. Where a resolution of the Board violates the laws, administrative regulations or the Articles of Association and causes serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company. However, if a director who voted against the resolution can be proved to have expressed his/her opposition to such resolution when it was put to the vote, and such opposition has been recorded in the minutes, the director may be relieved of such liability.

The opinions expressed by independent directors should be stated in the resolutions of the Board.

Article 129 The minutes of the meeting shall contain the following information:

- (1) the session of the meeting, date and time, venue and the manner in which the meeting was convened;
- (2) the particulars of issuing the notice of the meeting;
- (3) the convener and the chairman of the meeting;
- (4) the particulars of the directors attending in person or by proxy;

(5) the proposals considered in the meeting, the key points of speeches and major opinions given by each director;

(6) the voting result of each proposal (specifying numbers of affirmative, dissenting and abstention votes); and

(7) such other matters to be recorded as the directors attending the meeting consider appropriate.

The minutes of meetings of the Board meetings shall be retained as files of the Company for, at a minimum, 10 years.

Section 2 Board Committees under the Board

Article 130 The Company establishes four Board committees under the Board, namely the Strategy and Development Committee, Audit Committee, Nomination Committee and Remuneration Committee.

Article 131 The Company establishes terms of reference for the Board committee under the Board, which have been approved by the Board. Each Board committee of the Board shall exercise its powers under the terms of reference and the Articles of Association, be accountable to and report to the Board.

Section 3 Independent Directors

Article 132 Independent directors of the Company refer to directors who hold no other positions at the Company other than as directors and have no relationship with the Company, its substantial shareholders and other related parties that may affect their independent and objective judgment.

Article 133 Independent directors shall possess qualifications and independence provided by laws, regulations, regulatory documents and the securities regulatory authorities where the Company's shares are listed.

Article 134 More than one third of the members of the Board (and at least three) shall be independent directors, and the independent directors should be the majority of the Audit Committee, Nomination Committee and Remuneration Committee under the Board and shall act as the convener. For the Audit Committee, at least one independent director must be the accounting professionals.

Each term of office of the independent directors shall be the same as other directors of the Company. The independent director may be elected for re-appointment upon the expiry of his/her term. The successive terms which may not exceed six years.

Article 135 The Company shall set up a working system for independent directors, to specify their qualifications, nomination, election and replacement, rights and obligations, legal responsibilities, etc. Such system shall be subject to the approval by the general meeting.

For matters in respect of independent directors not covered herein, laws, regulations, regulatory documents, listing rules of the place where the Company's shares are listed and relevant provisions of the Articles of Association regarding the directors of the Company shall apply.

CHAPTER IX SECRETARY TO THE BOARD OF THE COMPANY

Article 136 The Company shall have a secretary to the Board, who is a senior management member of the Company. The Secretary to the Board shall be appointed or dismissed by the Board and shall be accountable to the Board. The term of office of the Secretary to the Board shall be three years and renewable upon re-appointment.

Article 137 The secretary to the Board of the Company is responsible for the preparations, retention of documents, management of materials on shareholders of the Company, and handling of information disclosure and other matters for the shareholders' meeting of the Company and the Board meeting.

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

CHAPTER X GENERAL MANAGER AND VICE GENERAL MANAGER OF THE COMPANY

Article 138 The Company has one general manager and various vice general managers, who shall be appointed or dismissed by the Board. The vice general manager shall assist the general manager in his/her work, and shall be accountable to the general manager. In absence or incapability of the general manager in performing

his/her duties, such duties shall be performed by the vice general manager(s). The Board may decide upon whether a member of the Board shall concurrently act as the general manager.

Each general manager, vice general manager and other senior management members shall have a term of office of three years, and shall be eligible for re-election and re-appointment.

Article 139 Persons who hold positions other than directors in any entity of the controlling shareholder or de facto controller of the Company shall not be appointed as senior management of the Company.

The senior management of the Company only receive salaries from the Company and the controlling shareholder shall not pay salaries thereto on behalf of the Company.

Article 140 The general manager shall be accountable to the Board and exercise the following functions and powers:

(1) to be in charge of the Company's production, operation and management and to organize the implementation of the resolutions of the Board;

(2) to organize the implementation of the Company's annual business plans and investment plans;

(3) to draft plans for the establishment of the Company's internal management structure;

(4) to establish the Company's basic management system;

(5) to formulate basic rules and regulations for the Company;

(6) to propose the appointment or dismissal of the Company's vice general manager(s) and Chief Financial Officer;

(7) to decide the connected transaction (excluding provision of guarantees and the donated cash assets) with a transaction amount not reaching the level for disclosure as required under the listing rules of where the shares of the Company are listed; and

(8) to perform other duties entrusted by the Articles of Association and the Board.

Article 141 The general manager may be present at a meeting of the Board. The general manager has no voting rights at the Board meetings unless he is also a director.

Article 142 The general manager of the Company shall formulate the detailed working rules of the general manager, which shall be submitted to the Board for approval before implementation.

Article 143 The working rules of the general manager shall include the following:

(1) Specifying conditions, procedures and participants of the general manager meeting;

(2) Specifying responsibilities and work allocation of the general manager and other senior management members;

(3) The authorities to the Company's capital and asset operation and entering into material contracts and reporting policies of the Board and the Board of Supervisors; and

(4) Other matters which the Board considers it necessary.

Article 144 The general manager and other senior management members may resign prior to the expiry of his term of office. The specific procedures and methods of resignation of the general manager and other senior management members shall be governed by their employment contracts with the Company, save as otherwise provided in laws, administrative regulations and rules in the jurisdiction where the shares of the Company are listed.

Article 145 Where the Company incurs losses as a result of general manager and senior management members violating the regulation of the laws, administrative regulations, departmental rules or the Articles of Association in the course of performing their duties with the Company, they shall be liable for the losses.

Article 146 The senior management of the Company shall fulfill the obligations of loyalty and diligence in accordance with the provisions of the laws, regulations and Articles 111 and 112 of the Articles of Association, and safeguard the best interests of the Company and all shareholders. The senior management of the Company who fail to faithfully perform their duties or violate their fiduciary duties, causing damage to the interests of the Company and public shareholders, shall be liable for compensation in accordance with the law.

CHAPTER XI SUPERVISORY COMMITTEE

Article 147 The Company shall have a Supervisory Committee. The Supervisory Committee is a standing supervisory agency of the Company which is responsible of the supervision of Board and its members and senior management members such as the general manager and vice general manager so as to prevent them from the abuse of powers and infringing upon lawful rights of the shareholder, the Company and the Company's employees.

Article 148 The Supervisory Committee shall be composed of six supervisors, one of which shall be the chairman of the Supervisory Committee. The term of office of each supervisor shall be a period of 3 years and shall be eligible for re-election and re-appointment.

The chairman of the Supervisory Committee is subject to election or removal with the consent of two thirds or more of all the members of the Supervisory Committee.

If the term of office of a supervisor expires but re-election cannot be held immediately or if any supervisor resigns during his term of office so that the number of the board of supervisors falls short of the legal minimum, the said supervisor shall continue to fulfil the duties as a supervisor pursuant to the laws, administrative regulations and the Articles of Association until a new supervisor is elected.

Article 149 The Supervisory Committee shall be composed of two shareholder representative supervisors, two employee representative supervisors of the Company and two independent supervisors.

Non-employee representative supervisors shall be subject to election and removal at a general meeting. Supervisors represented by employees shall be elected and removed by the employees of the Company democratically. Employee representative supervisors shall be no less than one third of all supervisors.

Article 150 The directors, general manager and other senior management members of the Company may not hold the office of a supervisor concurrently.

Article 151 The supervisors shall not use their connected relationship to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.

Article 152 Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his

duties and causes losses to the Company shall be liable for making compensation for any loss caused to the Company.

Article 153 A meeting of the Supervisory Committee shall be convened by the chairman of the Supervisory Committee at least once every six months.

Any supervisor may propose for an extraordinary meeting of the Supervisory Committee to be held.

Notice of regular meeting shall be served to all of the supervisors five days before the date of the meeting, while notice of extraordinary meeting shall be served on all of the supervisors two days before the date of the meeting. In case of emergency, the Board of Supervisors may give notice of extraordinary meeting by telephone or in words, and the convener (chairman) shall give explanation on the meeting correspondingly.

If the chairman of the Supervisory Committee fails to or is unable to perform and exercise his functions and powers, a meeting of the Supervisory Committee shall be convened and chaired by a supervisor nominated by more than half of all supervisors.

Article 154 The Supervisory Committee is accountable to the general meeting, and shall exercise the following functions and powers pursuant to the laws:

(1) to audit the regular reports of the Company and provide audit opinions in writing;

(2) to inspect the Company's financial position;

(3) to monitor the performance of duties of directors, general manager, vice general managers and other senior management members, and the proposing of dismissal of any directors and senior management members who have breached the laws, administrative regulations and the Articles of Association or resolutions of general meeting;

(4) to demand for rectification in the event of any damages to the interests of the Company caused by any of the directors, general manager, vice general managers and other senior management members;

(5) to inspect the financial reports, operation reports and profit distribution proposals prepared by the Board to be submitted to general meetings. In the case of any doubts, the Supervisory Committee may appoint a registered accountant or practicing auditor to help with the review in the name of the Company; to conduct investigations whenever unusual conditions of operation of the Company arises and if

necessary, to engage professional institutions such as accounting firms and lawyers to assist in the investigations;

(6) to propose the convening of an extraordinary general meeting, and convening and chairing of a general meeting in the event of the Board having failed to perform its duties;

(7) to negotiate with any of the directors and senior management members, or instituting proceedings against any of the directors and senior management members;

(8) to propose resolutions to general meetings;

(9) to propose the convening of an extraordinary board meeting; and

(10) to perform other duties prescribed by the Articles of Association.

The supervisors shall attend Board meetings and make inquiries or suggestions in relation to the resolutions of such meetings.

The supervisors shall guarantee the veracity, accuracy and completeness of the information disclosed by the Company, and confirm in writing and sign the periodic reports of the Company.

Article 155 A meeting of the Supervisory Committee shall only be convened with the attendance of two thirds or more of the supervisors.

Each supervisor shall have one vote. A resolution of the Supervisory Committee shall be passed by over two thirds of all the members of the Supervisory Committee.

Article 156 The Board of Supervisors shall establish rules of procedures of the Board of Supervisor, stipulating the formats of discussion and the voting procedure of the Board of Supervisors so as to ensure efficiency and scientific decision making in the Board of Supervisors.

Article 157 The matters discussed at the Board of Supervisors shall be recorded in the minutes of the meeting. Minutes of such meeting shall be signed by the attending supervisors.

Supervisors attending the meeting shall have the right to request to add certain explanatory descriptions of their statements made at the meeting to the minutes. Minutes of the meetings of the Board of Supervisors shall be kept as part of the corporate documents for at least ten years.

Article 158 A notice of Board of Supervisors meeting shall at least contain the following details:

- (1) the date, place and duration of the meeting;
- (2) main content and agenda of the meeting; and
- (3) the date of the notice.

Article 159 All reasonable fees incurred in respect of the engagement of professionals such as lawyers, certified public accountants or practicing auditors by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

Article 160 The supervisors shall abide by laws, administrative regulations and the Articles of Association, and have the duties of loyalty and the duties of diligence to the Company, may not accept bribes or obtain any other illegal income by taking advantage of their functions, and may not appropriate any property of the Company.

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

Article 161 A person shall be disqualified for being a director, a supervisor, a general manager, a vice general manager or other senior management members of the Company in any of the following circumstances:

(1) the individual has no capacity to undertake civil liabilities or restricted capacity to undertake civil liabilities;

(2) a period of five years has not yet elapsed since the penalization on conviction of corruption, bribery, unauthorized taking of property, misappropriation of property or disrupting social and economic order; or a period of five years has not yet elapsed since being deprived of political rights for commission of offences;

(3) a period of three years has not yet elapsed since the completion of the liquidation of any Company or enterprise which was insolvent due to unsound business operation and management and where the person acted as a director, factory manager or manager of such Company or enterprise and was personally liable for such insolvency;

(4) a period of three years has not yet elapsed since revocation of the business license of a company or enterprise due to illegal business operations where the person was the legal representative of such company or enterprise and for which he was personally liable;

(5) the person is personally liable for a substantial loan which is due for payment but remains unpaid;

(6) the person is banned by the CSRC from access to the securities market, and the ban has not yet expired; and

(7) any other circumstances as prescribed by laws, administrative regulations or the rules of the jurisdiction where shares of the Company are listed.

Article 162 In addition to the obligations imposed by the laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, each director, supervisor, general manager, vice general manager and other senior management members of the Company shall, in the exercise of the functions and powers of the Company entrusted to him/her, be obliged to bear the following duties towards each shareholder:

(1) not to cause the Company to exceed the scope of business stipulated in its business license;

(2) to act honestly in the best interest of the Company;

(3) not to expropriate the Company's property by any means, including but not limited to opportunities advantageous to the Company; and

(4) not to expropriate the personal rights of shareholders, including but not limited to rights to distribution and voting rights, save for a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

Article 163 Each director, supervisor, general manager, vice general manager, and other senior management members of the Company shall, in the exercise of his/her powers and discharge of his/her obligations, be obliged to exercise the care, diligence and skill that a prudent person would reasonably exercise in comparable circumstances.

Article 164 Where no re-election is made in time upon expiry of the term of a director, or any director's resignation results in the number of members of the Board falls below the statutory number, the original director shall, prior to a new director entering into office, continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the Articles of Association.

A director may resign before the expiration of his/her term. The resigning director shall submit to the Board a written resignation. The Board shall disclose the relevant information within two days.

Save for the circumstances specified in this Articles of Association that the resignation of a director resulted in the number of members of the Board to fall below the statutory number, the resignation of a director shall be effective when the written resignation is served to the Board.

Subject to the relevant laws and regulations, as well as regulatory rules of the local authority where the shares of the Company are listed, if the Board appoints a new director to fill a vacancy or as an additional director, the term of office of the appointed director shall expire at the next general meeting of the Company. Upon expiry of term of office, the director shall be eligible for re-election and re-appointment.

Article 165 The fiduciary duties of each director, supervisor, general manager, vice general manager and other senior management members of the Company shall hold his or her duties of loyalty to the Company and shareholders, and shall not necessarily be discharged upon expiry of his or her term of office and remain effective during a reasonable period specified by the Articles of Association.

Article 166 Where a director, supervisor, general manager, vice general manager and any other senior management members of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than an employment contract of each director, supervisor, general manager, vice general manager and any other senior management members with the Company), he/she shall declare the nature and extent of his/her interests to the Board at the earliest opportunity, whether or not the relevant issues shall be otherwise subject to approval of the Board.

Unless an interested director, supervisor, general manager, vice general manager and other senior management members discloses his/her interests in accordance with the preceding paragraph of this article and the contracts, transactions or arrangements are approved by the Board at a meeting at which such interested director, supervisor, general manager, vice general manager or other senior management members shall not be counted in the quorum and shall have abstained from voting, such contract, transaction or arrangement in which that particular director, supervisor, general manager and other senior management members is materially interested may be revoked by the Company, except as against a bona fide party thereto acting without notice of the breach of duty by the interested director, supervisor, general manager, vice general manager or other senior management members.

If the related party of the director, supervisor, general manager, vice general manager and other senior management members of the Company has interests in any contract, transaction or arrangement, such director, supervisor, general manager, vice general manager and other senior management members will be deemed to be so interested.

A director may not vote for any resolution of the Board in relation to any contract, transaction or arrangement or any other relevant proposal in which he/she or any of his/her associate(s) (as defined in the applicable Hong Kong Listing Rule in force from time to time) has material interests and he/she shall not be counted in the quorum of the meeting, except for the followings:

(1) any security or indemnity to the director or his/her associate(s) in respect of the loans provided to the Company or any of its subsidiaries by such director or his/her associate(s) or obligations incurred or undertaken by such director or any of his/her associate(s) at the request of or for the benefit of the Company or any of its subsidiaries;

or any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his/her associate(s) has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or security;

(2) any offer, by other persons or the Company, of shares or debentures or other securities of the Company or any other companies which the Company may promote or be interested in for subscription or purchase, where the director or his/her associate(s) is or is to be interested as a participant(s) in the underwriting or sub-underwriting of the offer;

(3) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

1. the adoption, modification or implementation of any employees share scheme or any share incentive or share option scheme from which the director or his/her associate(s) may benefit;

2. the adoption, modification or implementation of a pension fund scheme, retirement scheme or death or disability benefits scheme which relates to the directors, their associates(s) and employees of the Company or any of its subsidiaries without providing any special rights to any director or his/her associate(s) which is not generally accorded to the persons relating to such scheme or fund;

(4) any contract or arrangement in which the director or his/her associate(s) is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/her interests in shares or debentures or other securities of the Company.

If substantial shareholders or the Board have material conflict of interests in the matters to be considered in the procedures of the Board, the related matters shall be considered at the Board meetings (other than by written resolution). Independent non-executive directors who, together with their associates, have no material interests in the matters shall attend such meetings.

Article 167 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, general manager, vice general manager or other senior management members of the Company is in breach of his/her duties to the Company, the Company shall have the right to:

(1) claim damages from such director, supervisor, general manager, vice general manager and other senior management members for losses sustained by the Company as a result of such breach;

(2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager, vice general manager and other senior management members or with a third party (where such third party knows or should know that there is such a breach of obligations by such a director, supervisor, general manager, vice general manager and other senior management members);

(3) demand the director, supervisor, general manager, vice general manager and other senior management members to surrender the profits made due to the breach of his/her obligations;

(4) recover any monies received by the director, supervisor, general manager, vice general manager and other senior management members which should otherwise have been received by the Company, including but not limited to commissions; and

(5) request such director, supervisor, general manager, vice general manager and other senior management members to return the interests accrued or may be accrued on the monies which otherwise should have been paid to the Company.

Article 168 The Company shall enter into a written contract with each of the directors, supervisors and senior management members.

Article 169 With the approval of the general meeting of shareholders, the Company shall purchase liability insurance for directors and supervisors. The scope of liability insurance shall be agreed upon in the contract, except for the liability of directors and supervisors resulting from the violation of laws and regulations and the provisions of the articles of association.

CHAPTER XIII FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 170 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and provisions issued by the relevant departments of the state.

Article 171 The Company shall after the end of each fiscal year prepare a financial report which shall be reviewed by an accounting firm engaged at the general meeting.

Article 172 Interim results or financial information published or disclosed by the Company shall be prepared in accordance with the China Accounting Standards for Business Enterprises and regulations.

Article 173 The Company shall submit and disclose its annual financial reports to the CSRC and the stock exchange within four months from the ending date of each fiscal year, its half year financial reports to the relevant branch office of the CSRC and the stock exchange within two months from the ending date of the first six months of each fiscal year, and the quarterly reports to the relevant branch office of the securities regulatory administration of the State Council and the stock exchange within one month from the ending dates of the first three and first nine months of each fiscal

year respectively. The above financial reports shall be prepared in accordance with requirements under the relevant laws, regulations departmental rules, the CSRC and the stock exchange and published in accordance with the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

If it is otherwise provided by the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall be observed.

Article 174 The Company shall not keep accounts other than those provided for by the laws.

Assets of the Company shall not be deposited under the name of any individual.

Article 175 The Company shall allocate 10% of the profits after tax to its statutory surplus reserves in the distribution of profits. The Company is not required to make appropriation to its statutory surplus reserves when such reserve exceeds 50% of the registered capital of the Company.

If the statutory surplus reserves of the Company are insufficient to offset the losses made in the previous year, the profits of the current year shall be used to offset such losses before allocating to its statutory surplus reserves in accordance with the preceding paragraph.

After allocation of its profits after tax to its statutory surplus reserves, the Company may allocate its profits after tax to its discretionary statutory reserves upon approval of the general meeting.

The remaining profits after tax after offsetting its losses and allocating to its reserves may be distributed to its shareholders pro rata to their respective shareholdings.

If at a general meeting, the requirements stipulated in the preceding paragraph are breached by distributing profits to the shareholders before offsetting losses of the Company and allocating to its statutory surplus reserves, the profits so distributed are required to be returned to the Company.

The shares held by the Company are not entitled to any profits distribution.

Article 176 The Company's capital reserves may be used to cover the Company's losses, expand the Company's production and operation or enlarge the Company's capital. However, capital reserves shall not be used for recovery of the Company's loss.

The statutory surplus reserves after capitalization shall not be less than 25% of the registered capital of the Company before capitalization.

Article 177 The Company may distribute a dividend in the following forms:

- (1) cash;
- (2) shares; and
- (3) any other form as permitted by laws, regulations and regulatory documents.

Article 178 The basic principles of the profit distribution policy of the Company are as follows:

(1) the Company shall take full account of return to investors. The profits distributed by the Company for the latest three years in the form of cash shall not be less than 30% of the achieved profits available for the average annual distribution for the latest three years;

(2) the Company shall maintain the continuity and stability of its profit distribution policy, and operate its businesses for the long-term interest of the Company, the entire interest of all its shareholders and the sustainable development of the Company; and

(3) the Company shall give priority to dividend distribution in cash.

Article 179 The profit distribution policy of the Company is specified as follows:

(1) the Company may distribute dividends in cash, in shares or in a combination of both, or any other form as permitted by the laws, regulations and regulatory documents;

(2) if the Company records profit for the year and its accumulated undistributed profit is positive, and the auditing institution has issued a standard audit report with unqualified opinions on the financial report for the financial year, the Company may distribute dividends in cash, and the aggregate profits distributed in cash for the latest three years shall not be less than 30% of the average annual distributable profits realized for the latest three years. Undistributed distributable profits for the year shall be retained for distribution for the following years. The Company's profit distribution shall neither exceed the amount of accumulated distributable profit nor undermine its ongoing operation;

(3) where the cash dividend conditions stipulated by the Articles of Association are satisfied, the Company shall proactively issue cash dividends for profit distribution. In principle, cash dividends distributions are made annually. The Board of the Company may propose interim profit distribution based on the Company's profit and capital needs; and

(4) depending on the accumulated distributable profits, capital reserve and cash flow, the Company may distribute profits by way of shares to match share capital expansion with business growth provided that the minimum cash dividend payout ratio and above condition for cash dividends are maintained.

Article 180 Procedures for reviewing the profit distribution plan of the Company are as follows:

(1) the Company's profit distribution plan shall be proposed and drafted by the management of the Company with reference to requirements under the Articles of Association, profitability and capital needs, and shall then be submitted to the Board for consideration. The Board shall thoroughly discuss the rationality of the profit distribution plan and form a specific resolution and submit it to the general meeting for consideration.

When formulating a specific profit distribution plan, the board of directors should carefully study and demonstrate the timing, conditions and minimum proportion of the Company's cash dividends, the adjustment conditions and the requirements of its decision-making procedures. The independent directors shall express clear opinions. The independent directors may solicit opinions from minority shareholders, put forward proposals for dividends, and submit them directly to the board of directors for review. The Company shall actively communicate with the shareholders, especially small and medium shareholders through various channels, fully listen to their opinions and demands on specific cash dividend plans.

(2) when the cash dividend distribution plan is considered at the general meeting, access to online voting for shareholders shall be provided by the Company; or the Board, independent directors and shareholders satisfying relevant requirements shall initiate a voting regarding profit distribution proposal through gathering votes from shareholders (especially minority shareholders) from record date to the date on which

the general meeting is to be held;

(3) where the cash dividend conditions stipulated by the Articles of Association are satisfied, and the Company decides to set aside the cash distribution plan for the moment considering significant capital needs for material opportunities and prospect for investment or other special circumstances arise, the Board shall form a specific resolution as to the specific reason for non-distribution, the purpose of undistributed dividends maintained in the Company and use plan, and submit such resolution to the general meeting for consideration and disclose on designated media after the independent directors expressing their views.

(4) if the Company needs to adjust or change the cash dividend policy as determined in the Articles of Association, it shall base on the shareholders' interests. The Board shall thoroughly discuss the rationality of adjustment or changes to the distribution plan and put forward a proposal to the general meeting for consideration and approval and shall be passed by shareholders present in the general meeting representing not less than two-thirds of voting rights.

Article 181 The Company may adjust the profit distribution policy in the event of the following:

(1) where there is war, natural disasters and other force majeure;

(2) where there are new laws, regulations or regulatory documents issued by relevant state authorities in respect of the profit distribution policy of listed companies;

(3) where there are changes in the external operational environment of the Company, resulting in material impact on the production and operation of the Company;

(4) where there are relatively significant changes in the Company's operational position, which requires the Company to adjust its profit distribution policy; and

(5) where it is necessary to adjust the profit distribution policy of the Company in the principle of protecting shareholders' rights or maintaining the sustainable development of the Company.

Article 182 After the profit distribution plan has been resolved at a general meeting, the Board shall complete the dividend (or share) distribution within two

months after the same is considered and passed at the general meeting.

Article 183 Any amount paid up on any shares before the date of a call confirmed by the Company shall bear interest thereon. However, the shareholder shall not be entitled to any dividends on such pre-paid share capital before the date of the call.

Subject to the relevant laws and regulations, the Company may forfeit unclaimed dividends after the expiry of the applicable term of validity commencing from the date of declaration of relevant dividends.

If dividend warrants have been left uncashed on two consecutive occasions, the Company is entitled to stop sending dividend warrants to holders of Overseas-Listed Foreign Shares by post. However, such power may be exercised after the first occasion on which such a warrant is returned undelivered.

For bearer warrant, no new warrant shall be issued to replace the destroyed or lost warrant unless the Company is reasonably convinced that the original warrant has been destroyed or lost.

The Company shall have the power to sell, in such manner as the board thinks fit, any shares of a shareholder of Overseas-listed Foreign Shares who is untraceable subject to the following conditions:

(1) the Company has distributed dividends at least three times in respect of such shares within 12 years, but none of such dividends was claimed; and

(2) the Company, after the expiration of a period of 12 years, made an announcement on one or more newspapers in the place in which the Company is listed, stating its intention to sell such shares, and notify the securities regulatory authority of the place in which the Company is listed of such intention.

Article 184 The Company shall appoint receiving agents for holders of the Overseas-listed Foreign Shares in Hong Kong. The receiving agents shall, on behalf of the relevant shareholders, receive the dividends distributed and other amounts payable to the shareholders in respect of Overseas-listed Foreign Shares and proceeds from which shall be managed by it on such shareholders' behalf to be paid to them.

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

Article 185 The Company shall implement its internal audit system with its own audit personnel to audit and supervise the income and expenditure and financial activities of the Company.

Article 186 The internal audit system and the duties of the audit personnel shall be implemented upon the approval of the Board. Person in charge of the audit shall be responsible to and report to the Board.

CHAPTER XIV APPOINTMENT OF AN ACCOUNTING FIRM

Article 187 The Company shall appoint an accounting firm in compliance with the provisions of the Securities Law to audit its accounting statements, verify its net assets and provide other relevant advisory services; and the term of appointment shall be one year and renewable.

The appointment of the accounting firm of the Company shall be decided at general meeting, the Board shall not appoint the Company's accounting firm prior to obtaining approval at general meeting.

Article 188 The accounting firm appointed by the Company shall have the following rights:

(1) a right to review the books, records and vouchers of the Company at any time and the right to require directors, general manager, vice general manager or other senior management members of the Company to supply relevant information and explanations;

(2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the purpose of discharging its duties; and

(3) a right to attend general meeting and to receive all notices of, and other information relating to, any general meeting which any shareholder is entitled to receive, and to speak at any general meeting in relation to matters concerning its role as the Company's accounting firm.

Article 189 The Company guarantees that the accounting documents, account books, financial and accounting reports and other information related to accounting which are provided to the accountants by the Company are true and complete. The Company must neither reject to provide information, nor hide it, nor lie about it.

Article 190 Notwithstanding the stipulations in the contract between the Company and an accounting firm, shareholders at a general meeting may, by ordinary resolution, remove the accounting firm before the expiration of its term of office, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 191 The auditing fees payable to the accounting firm shall be subject to the decision of the shareholders' meeting.

Article 192 The Company's appointment, removal or non-reappointment of an accounting firm shall be resolved upon by shareholders in general meeting. The resolution of the general meeting shall be filed with the securities regulatory authorities of the State Council.

Article 193 Prior to the removal or the non-renewal of the appointment of the accounting firm, notice of such removal or non-renewal shall be given in advance to the accounting firm and such firm shall be entitled to make representation at the general meeting. Where the accounting firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

CHAPTER XV MERGER AND DIVISION OF THE COMPANY

Article 194 The merger or division of the Company shall be proposed by the Board and the proposal shall be submitted to the general meeting for approval in accordance with the procedures set out in the Articles of Association. Approval for merger or division shall be sought in accordance with the relevant legal requirements. A shareholder who disagrees with the proposed merger or division shall have the right to demand the Company or the consenting shareholders to acquire his/her shares at a fair price. The resolution of merger or division of the Company shall be contained in a special document for inspection by shareholders.

Article 195 The Company's merger may either be effected in the form of consolidation or establishment of a new company.

For the Company's merger, the parties thereto shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall inform the creditors within 10 days after the date of making the resolution for such merger, and make newspaper announcements within 30 days thereafter. The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

Upon merger, the credits and liabilities of each of the parties thereto shall be carried on or assumed by the surviving party or the new Company.

Article 196 Where there is a division of the Company, its property shall be split correspondingly.

For the division of the Company, all the parties involved in the division execute a division agreement, and prepare a balance sheet and an inventory of assets. The Company shall inform the creditors within 10 days after the date of making the resolution for such division, and make newspaper announcements within 30 days as provided for by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company's shares are listed.

Liabilities incurred by the Company before its division shall be borne by the companies after the division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 197 The Company shall, in accordance with the laws, apply for change in its registration with the company registration authority in the event of any change in any particulars in its registration as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with the laws. Where a new company is established, the Company shall apply for registration of incorporation in accordance with the laws.

CHAPTER XVI DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 198 In one of the following cases, the Company shall be dissolved, and undergo liquidation according to law:

- (1) expiration of business term;
- (2) a resolution on dissolution is passed by shareholders at a general meeting;
- (3) the Company has to be dissolved on account of its merger or division;
- (4) the Company is declared as bankrupt according to law on account of its being unable to repay due debts;
- (5) the Company is canceled business license, ordered to close down or deregistered;
- (6) if the Company gets into serious trouble in operations and management and continuation may cause substantial loss of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the people's court to dissolve the Company; and
- (7) other circumstances of the Company to be dissolved as prescribed by the laws and regulations.

Article 199 Where the Company is dissolved pursuant to sub-clause (1) and (2) of the preceding article, a liquidation committee shall be set up within 15 days, and its members shall be determined by the general meeting through an ordinary resolution. If the Company fails to set up the liquidation committee within the specified period to carry out liquidation procedures, creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with liquidation.

Where the Company is dissolved pursuant to sub-clause (3) of the preceding article, the liquidation work shall be carried out by the parties to the merger or division in accordance with the contract entered into at the time of such merger or division.

Where the Company is dissolved pursuant to sub-clauses (4) and (6) of the preceding article, the people's court shall according to the relevant laws, organise the shareholders, the relevant authorities and the professionals to form a liquidation committee for the liquidation work.

Where the Company is dissolved pursuant to sub-clause (5) of the preceding article, the relevant competent department shall organise the shareholders, the relevant authorities and the professionals to form a liquidation committee for carrying out the liquidation work.

Article 200 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make newspaper announcements within 60 days. Creditors should, within 30 days from the date of receipt of notice, or (if no such notice is received) within 45 days from the date of the announcement, claim for

their creditors' rights to the liquidation committee. Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation committee should register such claims.

The liquidation committee may not make payment to any such creditor during the period of such creditor's claim.

Article 201 During the period of liquidation, the liquidation committee shall perform the following functions and powers:

- (1) check the Company's property and prepare the balance sheet and an inventory of assets;
- (2) notify the creditors by notice or announcement;
- (3) dispose of and settle the outstanding affairs of the Company;
- (4) pay outstanding taxes;
- (5) settle all credits and debts;
- (6) dispose of the Company's remaining assets after the settlement of debts; and
- (7) participate in civil proceedings on behalf of the Company.

Article 202 After checking the Company's property and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate the liquidation scheme and submit the same to the general meeting or the relevant competent authorities for confirmation.

The assets of the Company shall be liquidated in the following order of priority:

- (1) liquidation costs;
- (2) salaries and social insurance premiums owed to the employees of the Company;
- (3) pay outstanding taxes; and
- (4) settle debts of the Company.

The remaining assets of the Company upon repayment as specified in the preceding paragraph shall be distributed to the shareholders according to the class of their shares and their shareholding.

During the period of liquidation, the Company shall not carry out business activities unrelated to liquidation.

Article 203 In the event of Company's liquidation owing to dissolution, where the liquidation committee finds out that Company's property is not sufficient for repayment of the debts after checking Company's property and preparing the balance sheet and an inventory of assets, it shall immediately apply for declaration of bankruptcy with the people's court.

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

Article 204 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report to submit at the general meeting or to the relevant competent authorities for confirmation, file it with the company registration authority, apply for cancellation of the Company's registration, and announce the Company's dissolution.

Article 205 The members of the Liquidation Committee shall be devoted to their duties and perform their liquidation obligations in accordance with law.

Members of the Liquidation Committee shall not accept any bribes or any other illegal income by making use of his functions and powers nor may he seize any assets of the Company.

Members of the Liquidation Committee shall be responsible for compensation should he deliberately or through material negligence cause losses to the Company or to creditors.

Article 206 If the Company is declared insolvent pursuant to law, insolvent liquidation shall be proceeded in accordance with laws regarding enterprise insolvency.

CHAPTER XVII NOTICES AND ANNOUNCEMENT

Article 207 A notice of the Company maybe sent by:

(1) hand;

(2) mail;

(3) facsimile or email;

(4) announcement on the website of the Company and websites designated by stock exchange in accordance with the laws, regulations, regulatory documents and relevant rules of the securities regulatory authority where the Company's shares are listed;

(5) announcement;

(6) newspaper announcement;

(7) other means as agreed in advance between the Company and the recipient or as accepted by the recipient after receiving a notice; and

(8) such other methods accepted by the securities regulatory authority where the Company's shares are listed or provided for by the Articles of Association.

Article 208 Where a notice is served by the Company by way of notice, after the publication of such notice, all related parties shall be deemed to have received the relevant notice. The requirements of the regulatory authority of the place where the Company's shares are listed shall apply, if such requirement specifies otherwise.

All notices or other documents required under Chapter 13 of the Hong Kong Listing Rules to be sent by the Company to the Hong Kong Stock Exchange shall be in the English language, or accompanied by a certified English translation. Where a notice from the Company to holders of Overseas-listed Foreign Shares is served by way of an announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange EPS for immediate release on the website of the Hong Kong Stock Exchange in accordance with the listing rules of the place where the Company's shares are listed. The announcement shall also be published on the Company's website at the same time. In addition, the notice shall be delivered to each of the registered addresses as set forth in the register of members of Overseas-listed Foreign Shares by personal delivery or prepaid mail subject to the listing requirement of the place where the Company's shares are listed so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's Overseas-listed Foreign Shares may elect in writing to receive the corporate communication that the Company is required to send to shareholders either by electronic means or by post, and may also elect to receive either the English or Chinese version only, or both the English and Chinese versions. They shall have the right to change their choices as to the manner of receiving the same and the language at any time by reasonable prior written notice to the Company in accordance with applicable procedures.

In order to prove that such notices, documents, information or written statements have been already delivered to the Company, shareholders or directors shall provide evidence to prove that such notice, document, data or written statement have been delivered within the prescribed time by ordinary post or prepaid mail to the correct address of the Company.

Notwithstanding the aforesaid requirement on the provision of written corporate communication to shareholders, if the Company has obtained shareholders' prior written consent or implied consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may dispatch corporate communication to its shareholders by electronic means or via its website. Corporate communication includes but not limited to circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other types of corporate communication as specified in the Hong Kong Listing Rules.

Article 209 For a notice of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of acknowledgement of receipt signed by the addressee shall be deemed as the date of delivery; where a notice of the Company is sent by post, the expiration of three working days after the notice is delivered to post office shall be deemed as the date of delivery; where a notice of the Company is made via announcement, the date on which the announcement is published for the first time shall be deemed as the date of delivery.

Article 210 The accidental omission to give a notice of a meeting to or the non-receipt of notice of a meeting by any person who is entitled to receive the notice shall not invalidate the meeting and the resolutions passed at such meeting.

CHAPTER XVIII TRADE UNION AND COMMUNIST PARTY OF CHINA ORGANIZATION

Article 211 The employees of the Company shall establish a trade union to carry out trade union activities and protect the legal interests of the employees in accordance with the Trade Union Law of the PRC. The Company shall provide the trade union with all necessary conditions for its activities. The representatives of the trade union of the Company shall, on behalf of the employees of the Company, enter into collective agreements with the Company in relation to issues including wages, working hours, benefits, insurance, and labor safety and hygiene in accordance with the law.

According to the provisions of the Constitution and relevant laws, the Company exercises democratic management through employees' representatives' meeting or other means.

Article 212 The Company shall set up its organization of the Communist Party of China (hereinafter referred to as “CPC” or the “Party”) in accordance with the requirements of the Constitution of the CPC and the Company Law, and the Party’s organization shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. The Company shall adhere to and implement the simultaneous planning of the Party construction and the Company’s reform and development, the simultaneous establishment of the Party’s organization and work organizations, the simultaneous assignment of the responsible person of the Party’s organization and staff to deal with the Party affairs, and the simultaneous development of Party building work. The activities of Party’s organization at all levels of the Company shall be handled in accordance with the Constitution of the CPC and relevant policies and regulations. The Company shall provide necessary conditions to facilitate the activities of the branch of the CPC.

Article 213 The Party Committee shall be established within the Company. The Party Committee shall consist of one secretary and several other members. The chairman of the Board shall hold the position of the secretary to the Party Committee. Eligible members of the Party Committee can be elected/appointed as a member of directors, supervisors and senior management members of the Company through legal procedures.

The Party Committee shall be equipped with sufficient staff to deal with the Party affairs and provided with sufficient funds to operate the Party’s organization through maintaining a special account for the Party fees and the listing of the Company’s administrative expenses.

Article 214 The Party Committee of the Company shall perform the duties in accordance with the Constitution of the CPC and other internal laws and regulations of the Party:

(1) to carry out and implement the Party’s direction, principles and policies, national laws and regulations, and significant measures of major decisions from the higher level;

(2) to uphold the integration of the principle that the Party manages the officials with the lawful selection of the senior management by the Board and with the lawful exercise of authority of appointment, promotion and demotion of personnel by the senior management;

(3) to research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and put forth comments and suggestions; and

(4) to assume the primary responsibility to run the Party comprehensively with strict discipline, lead the construction of the Party's conduct and its clean and honest administration, support the Party discipline inspection commissions in earnestly performing its supervisory responsibilities, and lead the Company's ideological and political work, the united front work, the construction of spiritual civilization, corporate culture cultivation as well as the work of groups such as the labor union of the Company and the Communist Youth League.

Article 215 The opinions of the Party Committee shall be heard before the Board deciding on material issues of the Company, such as issues regarding the direction of reform and development of the Company, main target tasks and key work arrangements. The Party Committee shall prepare and put forth comments and suggestions on the candidates nominated by the Board or the general manager, or recommend nominees to the Board and the general manager, examine the candidates to be appointed, and put forth comments and suggestions.

CHAPTER XIX PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 216 The Company shall amend the Articles of Association on the occurrence of any of the following events:

(1) the provisions of the Articles of Association are in conflict with the laws or administrative regulations after the amendment to the Company Law or applicable laws and regulations;

(2) there are changes in the Company rendering the Articles of Association incorrect; and

(3) the amendments to the Articles of Association have been approved by the shareholders at a general meeting.

Article 217 Where any amendment to the Articles of Association adopted by a resolution of the shareholders' meeting is subject to the approval of the appropriate authorities, it shall be reported to the appropriate authorities for approval, and if there is any change relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

Article 218 The board of directors shall amend the Articles of Association according to the resolution of the shareholders' meeting to amend the Articles of Association and the opinions of the appropriate authorities expressed in their approvals.

Any amendments to the Articles of Association of the Company shall be subject to disclosure as required by the laws and regulations.

CHAPTER XX INTERPRETATION OF THE ARTICLES OF ASSOCIATION

Article 219 The Articles of Association are written in Chinese. Where there is any ambiguity between any other languages or different versions and the Chinese version of the same, the Chinese version which has been approved and registered at the company registration authority at the latest time shall prevail.

Article 220 References to “above”, “within”, “below” and “no more than” in the Articles of Association are inclusive of the item itself whereas “under”, “outside”, “less than” and “more than” are exclusive of the item itself.

Article 221 Reference to “senior management members” in the Articles of Association means the general manager, vice general manager, chief financial officer and secretary to the Board, and references to “general manager”, “vice general manager”, “chief financial officer” are “manager”, “deputy manager” and “person-in-charge of finance” in the Company Law.

Article 222 Reference to the term “Accounting Firm”, “Related” and “Related Party” shall have the same meaning as ascribed to the term “Auditors”, “Connected” and “Connected Person” respectively according to the Hong Kong Listing Rules.

Article 223 Annex to the Articles of Association shall include the procedural rules of the general meetings, the procedural rules of the Board meetings and the procedural rules of the Supervisory Committee meetings.

Article 224 The Board shall be responsible for the interpretation of the Articles of Association. Where there are matters not contained in the Articles of Association, such matters shall be passed by way of resolutions at the general meetings as proposed by the Board.

The Articles of Association is subject to consideration and approval at general meetings and shall be implemented since the date on which the Company’s RMB ordinary shares (A shares) issued in initial public offering are listed.