

ARTICLES OF ASSOCIATION
OF
BEIJING CAPITAL INTERNATIONAL AIRPORT COMPANY
LIMITED

(Inclusive of alterations approved
by the shareholders' general meeting up to 28 December 2023)

ARTICLES OF ASSOCIATION

* *The original version of the Articles of Association of the Company (“Articles”) is in Chinese, and the English version of the Articles is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English versions of the Articles, the Chinese version shall prevail.*

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CHAPTER 1 GENERAL PRINCIPLES

Article 1 The Company (or the “Company”) is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and other relevant laws and administrative regulations of the State.

The Company was established on 13th October, 1999 by way of promotion under the approval document Guo Jing Mao Qi Gai [1999] No. 976 issued by the State Economic and Trade Commission of the People’s Republic of China. It was registered on 15th October, 1999 with the State Administration for Industry and Commerce of the People’s Republic of China and the business licence thereof was obtained. On 18 May, 2001, the Company was registered as a foreign-invested joint stock limited company.

The business licence number of the Company is Qi Gu Guo Zi No. 000878.

The promoter of the Company is: Capital Airports Holding Company (hereinafter referred to as the “Promoter”)

Article 2 The registered name of the Company is:
Chinese name: 北京首都國際機場股份有限公司
English name: Beijing Capital International Airport Company Limited

Article 3 The domicile of the Company is: Beijing Capital International Airport, Beijing
Postal Code: 100621
Telephone No.: 64564247
Facsimile: 64570487

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

Article 5 The Company is a joint stock limited company with foreign capital existing in perpetuity.

The rights and obligations in respect of the Company enjoyed and assumed by shareholders of the Company shall be limited to the extent of the number of shares held by them. The Company shall be liable for its debts to the extent of all of its assets.

The Company is an independent legal person, governed and protected by the laws and administrative regulations of the People's Republic of China.

Article 6 Pursuant to the Company Law and the relevant provisions of other laws and administrative regulations of the State and the stock exchange on which the shares of the Company are listed, the original Articles of Association (hereinafter referred to as the "Original Articles") was amended by formulation of these Articles of Association of the Company (hereinafter referred to as the "Articles of Association of the Company" or "these Articles of Association").

Article 7 The registration of the Original Articles with the State Administration for Industry and Commerce was completed and became effective on the date of incorporation.

These Articles of Association shall become effective after being adopted by a special resolution at the Company's shareholders' general meeting and approved by the company approval authorities authorized by the State Council. Upon coming into force of these Articles of Association, the Original Articles shall be replaced.

Article 8 These Articles of Association shall constitute a legally binding document governing the organization and conducts of the Company as well as the rights and obligations between the Company and its shareholders and among the shareholders from the date on which they take effect.

Article 9 These Articles of Association of the Company are binding on the Company, its shareholders, directors, supervisors, managers and other senior management officers. All the aforementioned persons may, pursuant to these Articles of Association, raise any claims relating to the affairs of the Company.

Shareholders may bring actions against the Company in accordance with these Articles of Association. The Company may bring actions against shareholders in accordance with these Articles of Association. The shareholders may bring actions against each other in accordance with these Articles of Association. A shareholder may bring actions against the directors, supervisors, managers and other senior management officers in accordance with these Articles of Association. For the purpose of this Article, “action” includes taking court proceedings or application for arbitration.

Article 10 In accordance with the requirements of the Constitution of the Communist Party of China (the “Party”), an organization of the Communist Party of China (the “Party Committee”) shall be established within the Company. The Party Committee shall play a leadership role, providing direction, managing the overall situation and ensuring implementation. The working organs of the Party shall be established, equipped with sufficient and competent staff to deal with Party affairs and provided with sufficient funds to operate the Party organization.

Article 11 The Company may invest in other companies with limited liability and joint stock limited companies, and the Company shall be liable for such companies in which the Company has invested to the extent of the amount of the capital contributed.

The Company shall not be a shareholder with unlimited liabilities of other profit-making organizations.

Article 12 Subject to the provisions of the laws and administrative regulations of China, the Company shall have power to raise funds or borrow monies, including but not limited to the power to issue bonds, or to mortgage or pledge its properties.

CHAPTER 2 PURPOSE AND SCOPE OF BUSINESS

Article 13 The purpose of business of the Company shall be: to ensure safety and improve services; to focus on its core business and diversify its operations; to establish good standing within the country and to explore international markets.

Article 14 The scope of business of the Company shall be in accordance with the items approved by the company registration authorities.

The Company's scope of business includes: construction and operation of Beijing Capital International Airport, the provision of ground services for domestic and foreign air transportation companies and passengers;

Provision of corresponding services, including: the lease of the aviation commercial areas and building premises within the airport; commercial retailing (be limited to its branches only, and be subject to the items approved by the administrative authorities of the State); seal cutting; design, production and distribution of advertisement; video demonstration services; fee-paying parking lot services;

Construction and management of other airports; import and export of goods and technology.

Article 15

Subject to the approvals of the relevant government departments, the Company may from time to time make adjustments to its investment policy and the scope and means of business according to the domestic and international market trends, business development requirements in China and the Company's own development capabilities and business requirements and may also set up branches and offices both within and outside China and in the regions of Hong Kong, Macau and Taiwan (whether or not wholly-owned).

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 16 The Company may at any time create ordinary shares. The ordinary shares issued by the Company shall include domestic shares and foreign shares. Having regard to its requirements and upon the approval of the company approval authorities authorised by the State Council, the Company may create other class of shares.

Article 17 All the shares issued by the Company shall have a par value of Renminbi 1 per share.

The aforesaid Renminbi means the legal currency of the People's Republic of China.

Article 18 The Company may issue shares to investors inside the People's Republic of China and investors outside the People's Republic of China upon the approval of the competent securities authorities under the State Council.

The aforesaid "investors outside the People's Republic of China" means the investors from foreign countries and the regions of Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company, and the term "investors inside the People's Republic of China" means investors inside the People's Republic of China, other than the aforesaid regions, who subscribe for the shares issued by the Company.

Article 19 The shares issued by the Company to investors inside the People's Republic of China and to be subscribed for in Renminbi shall be referred to as domestic shares. The shares issued by the Company to investors outside the People's Republic of China and to be subscribed in foreign currency shall be referred to as foreign shares. Those foreign shares listed outside the People's Republic of China shall be referred to as overseas listed foreign shares. Shareholders of domestic shares and overseas listed foreign shares are ordinary shareholders and shall have the same rights and obligations.

The aforesaid foreign currency shall mean the legal currency of other countries or areas, other than Renminbi, recognized by the State's foreign exchange authority for the purpose of payment for share subscription to the Company.

Article 20 The foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares.

H shares shall mean the shares which have been admitted for listing on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “HKSE”) and the par value of which is denominated in Renminbi and are subscribed for and traded in Hong Kong currency.

Article 21 Upon approval of the company approval authorities authorised by the State Council, the total number of ordinary shares permitted to be issued by the Company shall be 4,579,178,977 shares. The Company upon its establishment issued 2,500,000,000 shares to the Promoter.

Article 22 The Company shall after its establishment issue 1,830,890,000 ordinary shares, all being overseas listed foreign shares (H shares). The Promoter of the Company transferred 48,474,000 ordinary shares to the National Council for Social Security Fund by way of transfer of the state-owned shares, which were converted into overseas listed foreign shares (H shares).

After obtaining the approval of the shareholders’ general meeting held on 30th July, 2019, the Company issued 248,288,977 state-owned shares to the Promoter.

The share capital structure of the Company after the issue of the shares as aforesaid shall be: 4,579,178,977 ordinary shares, of which 2,699,814,977 state shares are held by the Promoter, and 1,879,364,000 shares are held by the shareholders of overseas listed foreign shares (H shares).

Article 23 Upon the plan for the issue by the Company of overseas listed foreign shares and domestic shares being approved by the competent securities authorities under the State Council, the board of directors of the Company may implement arrangement for the respective issue thereof.

The plan for the issue of overseas listed foreign shares and domestic shares may be implemented respectively by the Company pursuant to the preceding provisions within 15 months from the date of the approval of the China Securities Regulatory Commission.

Article 24 Where the total number of shares to be issued by the Company as determined under the plan includes the number of overseas listed foreign shares and the number of domestic shares, every such issue shall be fully subscribed for by one installment; where every such issue cannot be fully subscribed for by one installment under special circumstances, the shares may be issued by separate installments subject to the approval of the China Securities Regulatory Commission.

Article 25 The registered capital of the Company is RMB4,579,178,977.

Article 26 The Company may, based on its operation and development requirements, approve an increase in its capital in accordance with the relevant provisions of the Articles of Association of the Company.

The Company may increase its capital in the following manners:

- (1) offer of new shares to non-specific investors;
- (2) placing of new shares to existing shareholders;
- (3) bonus issue of new shares to existing shareholders;
- (4) other methods as permitted by the laws and administrative regulations.

The increase in the capital of the Company by way of issuing new shares shall be implemented in accordance with the relevant State laws and administrative regulations upon approval in accordance with the Articles of Association of the Company.

Article 27 Unless otherwise provided in the laws and administrative regulations, the shares of the Company may be freely transferable and shall be free from any lien.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 28 The Company may reduce its registered capital pursuant to the provisions of these Articles of Association.

Article 29 In reducing its registered capital, the Company shall prepare a balance sheet and a list of its property.

The Company shall notify its creditor(s) within 10 days from the date of adoption of the resolution for the reduction of registered capital and shall publish the notice at least three times in a newspaper within 30 days thereof. The creditor(s) who have received the said notice in writing shall have the right within 30 days from the date of receiving the notice, and the creditors who have not received the said notice shall have the right within 90 days from the date of the notice was first published in the newspaper, to demand the Company to settle the debts or to provide corresponding security in respect of the debts. The registered capital shall not be less than the statutory minimum requirement after the reduction of capital.

Article 30 In the following circumstances, the Company may repurchase its issued and outstanding shares upon the adoption of resolutions following the procedures provided in these Articles of Association and submission to and approval of the relevant competent authorities of the State:

to cancel shares for the purpose of reducing capital of the Company;

to merge with other companies holding shares in the Company;

other circumstances which are permitted by the laws and administrative regulations.

The Company shall repurchase its issued and outstanding shares in accordance with the provisions of Articles 31 to 34 herein.

Article 31 The Company may, with the approval of the relevant competent authorities of the State, repurchase its shares in any of the following manners:

- (1) to make a repurchase offer to all shareholders in the same proportion;
- (2) to repurchase shares in open transactions on a securities exchange;
- (3) to repurchase shares by an agreement other than through a stock exchange.

Article 32 Where the Company repurchases shares by way of agreement other than through a stock exchange, it shall obtain the prior approval of the shareholders at a shareholders' general meeting according to the provisions of these Articles of Association. Where prior approval has been obtained at a shareholders' general meeting in the same manner, the Company may terminate or modify the contract concluded in the aforesaid manner or waive any of its rights under such contract.

The contract to repurchase shares referred to above shall include (but not be limited to) agreements whereby the obligations to repurchase shares are assumed or the rights to repurchase shares are acquired.

The Company shall not transfer the contract for the repurchase of its shares or any of the rights provided therein.

Article 33 After the repurchase of shares by the Company according to the law, the Company shall cancel the portion of the shares repurchased within the period prescribed by the laws and administrative regulations and shall apply to the original company registration authority for registration of the changes in its registered capital.

The registered capital of the Company will be reduced by the total nominal value of the shares so cancelled.

Article 34 Unless the Company is in the process of liquidation, the repurchase of its issued and outstanding shares by the Company shall be subject to the following provisions:

- (1) If the shares are repurchased at par value, payment shall be deducted from the balance of the distributable profits in the books of the Company or from the proceeds of fresh issue of new shares for the purpose of repurchase of existing shares;

- (2) If the shares are repurchased at a premium to the par value, the portion equivalent to the par value shall be deducted from the balance of the distributable profits in the books of the Company or from the proceeds of fresh issue of new shares for the purpose of repurchase of existing shares; the portion in excess of the par value shall be handled in the following manners:
- (i) if the repurchased shares were issued at par value, the amount shall be deducted from the balance of distributable profits in the books of the Company;
 - (ii) if the repurchased shares were issued at a premium to the par value, the amount shall be deducted from the balance of distributable profits in the books of the Company or from the proceeds of fresh issue of new shares for the purpose of repurchase of existing shares, provided that, the amount deducted from the proceeds of fresh issue of new shares shall not exceed the aggregate of premium obtained on the issue of the existing shares repurchased, nor may it exceed the amount in the capital common reserve fund account of the Company at the time of such repurchase (including the amount of the premium from the fresh issue of new shares);

- (3) The payment for the following purposes shall be made out of the distributable profits of the Company:
- (i) the acquisition of rights to repurchase its shares;
 - (ii) the amendment of the contract for the repurchase of its shares;
 - (iii) the release from any of its obligations under the repurchase contract.
- (4) After the registered capital of the Company has been reduced by the total nominal amount of the shares so cancelled pursuant to the relevant provisions, the amount which has been deducted from the distributable profits and used for share repurchase at par value shall be credited to the account of capital common reserve fund of the Company.

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

Article 35

No financial assistance shall be provided at any time and in any manner by the Company or its subsidiaries to any person acquiring or intending to acquire the shares of the Company. The person(s) acquiring the shares of the Company aforesaid shall include the person(s) who undertake(s), directly or indirectly, obligations as a result of an acquisition of the shares of the Company.

No financial assistance shall be provided at any time and in any manner by the Company and its subsidiaries to the said obligors to reduce or release their obligations. This Article shall not apply to the circumstances stated in Article 37 in this Chapter.

Article 36

For the purpose of this Chapter, the financial assistance shall include (but not be limited to) the assistance in the following ways:

- (1) given by way of gift;
- (2) guarantee (including provision by the guarantor of an undertaking or property to secure the performance of obligations by the obligor), indemnity (other than an indemnity arising out of the Company's own fault) and a release or waiver of rights;
- (3) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled before the obligations of any other party, the novation of the loan or changes of the parties to the contract and the assignment of rights under the loan or the contract;
- (4) any other financial assistance given by the Company in any other manner when the Company is insolvent or has no net assets or when its net assets would thereby be reduced by a material extent.

The "undertaking obligations" referred to in this Chapter shall include the undertaking of obligations by the obligor as a result of the conclusion of a contract or making an arrangement (whether or not such contracts or arrangements are enforceable or to be undertaken individually or jointly with others), or changes in its financial position in any other manner.

Article 37

The following activities shall not be deemed to be prohibited by Article 35 of this Chapter:

- (1) the provision of financial assistance is given in good faith in the interests of the Company and the principal purpose in giving such assistance is not for acquisition of shares in the Company, or the giving of the assistance is but an incidental part of a master plan of the Company;

- (2) the distribution of the property of the Company by way of dividends in accordance with law;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, repurchase of shares of the Company, shareholding restructuring of the Company in accordance with these Articles of Association;
- (5) the provision of loan by the Company in the ordinary course of its business within the scope of business (provided that the net assets of the Company are not thereby reduced or if the same constitutes a reduction, the financial assistance was paid out of the distributable profits of the Company);
- (6) the provision of money by the Company for contributions to the share option scheme for employees (provided that the net assets of the Company are not thereby reduced or if the same constitutes a reduction, the financial assistance was not paid out of the distributable profits of the Company).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 38 The shares issued by the Company shall be in registered form.

The share certificates of the Company shall contain the following major particulars:

- (1) the name of the Company;
- (2) the date of incorporation of the Company;
- (3) the class of the shares, nominal value and number of shares represented;
- (4) the serial number of the share certificate;
- (5) other items to be contained as required by the Company Law and the stock exchange on which the shares of the Company are listed.

Article 39 The shares of the Company may be transferred, donated, inherited and charged in accordance with the relevant laws, administrative regulations and these Articles of Association.

The transfer and assignment of shares shall be registered with the share registrar appointed by the Company.

Article 40

Share certificates shall be signed by the chairman and also be signed by other senior management officers of the Company if required by the stock exchange on which the shares of the Company are listed. The share certificates shall come into effect when the seal of the Company (including the Company's securities seal) has been affixed or being affixed in the mode of printing. The affixing or affixing in mode of printing of the Company seal on the share certificates shall require the authority of the board of directors previously given. The signature of the chairman or other relevant senior management officers of the Company may be affixed to share certificates in the mode of printing.

Article 41

The Company shall keep a register of shareholders and enter therein the following particulars:

- (1) the name, address (residential), occupation or nature of each shareholder;
- (2) class and number of shares held by each shareholder;
- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the serial number of the share certificates held by each shareholder;
- (5) the date on which each person was registered as a shareholder;
- (6) the date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of holding of shares in the Company by a shareholder.

Article 42

The Company may, in accordance with the understanding or agreement between the competent securities authorities under the State Council and securities regulatory authorities outside the People's Republic of China, keep the register of shareholders in relation to overseas listed foreign shares outside the People's Republic of China and may appoint overseas agencies to manage such register. The original register of shareholders in relation to overseas listed foreign shares of the Company shall be kept in Hong Kong.

A duplicate copy of the register of shareholders in relation to overseas listed foreign shares shall be kept at the domicile of the Company. The appointed overseas agencies shall from time to time ensure that the original register of shareholders in relation to overseas listed foreign shares and its duplicate copy be consistent.

Where there is any inconsistency between the original register of shareholders of overseas listed foreign shares and the copies thereof, the original shall prevail.

Article 43

The Company shall have a complete register of shareholders.

The register of shareholders shall contain the following parts:

- (1) the register of shareholders other than those provided in paragraphs (2) and (3) of this Article kept at the domicile of the Company;
- (2) the register of shareholders in relation to overseas listed foreign shares kept at the location of the overseas stock exchange on which those shares are listed;
- (3) the register of shareholders kept in other place(s) decided by the board of directors of the Company as necessary for the purpose of listing the shares of the Company.

Article 44

The different parts of the register of shareholders shall not overlap. No transfer of any shares registered in any part of the register of shareholders, shall during the continuance of that registration, be registered in any other part of the register of shareholders.

All the fully paid overseas listed foreign shares that are listed in Hong Kong shall be freely transferable pursuant to these Articles of Association. However, the board of directors may refuse to recognize any instrument of transfer without assigning any reason thereof, unless the following conditions are fulfilled:

- (1) a sum of HK\$2.5 or such higher amount as approved by the HKSE for the time being has been paid to the Company for registering any instrument of transfer or other documents related to or affecting the ownership of any shares;
- (2) the instrument of transfer only involves overseas listed foreign shares listed in Hong Kong;
- (3) the stamp duty payable in respect of the instrument of transfer has been paid;
- (4) relevant share certificates and such other evidence as the board of directors may reasonably require to show the right of the transferor to make the transfer have been produced;
- (5) if the shares are transferred to joint holders, the number of joint holders shall not exceed 4; and
- (6) the Company has no lien on the shares concerned.

The transfer of the overseas listed foreign shares of the Company shall be effected in writing by an instrument of transfer in an ordinary or regular way or a way acceptable to the board of directors; such instrument of transfer may be executed by way of affixing of seal in mode of printing. All instruments of transfer shall be placed at the legal address of the Company or any other place designated by the board of directors from time to time.

Any amendments or corrections to each part of the register of shareholders shall be carried out according to the laws of the places where each part the register of shareholders is kept.

Article 45 Where laws, administrative regulations, other normative documents and relevant stock exchange or regulatory authorities in the place where the Company's shares are listed have provisions regarding the period of closure of register of shareholders before the shareholders' general meeting or the record date for determining the distribution of dividends of the Company, such provisions shall be complied with.

Article 46 In the event the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated or engage in other activities which require the determining of shareholdings, the board of directors shall fix a date as a record date for determining the shareholdings. The shareholders of the Company shall be those shareholders registered on the register at the end of the record date.

Article 47 Any person who challenges the register of shareholders and requests to have his name registered thereon or removed therefrom may apply to the competent court for rectification of the register.

Article 48

Any shareholder whose name is registered in the register of shareholders or any person who requests to have his name registered in the register of shareholders who has lost his share certificate (the “Original Certificate”), may apply to the Company for issuing new share certificate in respect of such shares (the “Relevant Shares”).

Holders of domestic shares who have lost their share certificates may apply for the issue of new share certificate in accordance with Article 143 of the Company Law.

Holders of overseas listed foreign shares who have lost their share certificates may apply for the issue of new share certificates in accordance with the laws, stock exchange rules and other relevant regulations of the place where the original register of shareholders in relation to overseas listed foreign shares is kept.

Application for replacement of lost share certificate made by a holder of H shares shall be subject to the following requirements:

- (1) Applicant shall submit the application in standard form prescribed by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason of the application made by the applicant, the circumstances under which the share certificate was lost and the supporting evidence and a declaration that no other person shall be entitled to register as a shareholder in respect of the Relevant Shares.
- (2) No declaration made by any person other than the applicant has been received by the Company for registration as a shareholder of the Relevant Shares prior to the determination of the Company to issue new certificate.
- (3) If the Company determines to issue new share certificate to the applicant as replacement, it shall publish a notification of its intention to do so in the newspaper or periodicals designated by the board of directors. The period for such public notification shall be 90 days and such notification shall be published at least once every 30 days.
- (4) Prior to the publishing of the public notification to issue new certificate for replacement purpose, the Company shall submit a copy of the notification to be published to the stock exchange where its shares are listed. The notification may be published upon the reply of

such stock exchange confirming that the said notification has been exhibited in such stock exchange. The period for the exhibition of the notification in such stock exchange shall be 90 days.

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

- (5) Upon the expiry of 90 days for the publication and exhibition of the notification as provided in paragraphs (3) and (4) hereof and no objection has been received from any person against the issuance of a replacement share certificate, a new share certificate shall be issued to the applicant based on his application.
- (6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the Original Certificate and make such entry in the register of shareholders in order to record such cancellation and issue.
- (7) All expenses relating to the cancellation of Original Certificate and the issuance of new share certificate by the Company shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant can provide reasonable security.

Article 49 After the issuance by the Company of a replacement share certificate pursuant to the provisions of these Articles of Association, the name of the bona fide purchaser of the replacement share certificate mentioned above or the person who is subsequently registered as the shareholder of the said shares (if a bona fide purchaser) shall not be removed from the register of shareholders.

Article 50 The Company shall not be liable for any damage suffered by any person as a result of the cancellation of the Original Certificate or the issuance of the new replacement share certificate, unless it can be proved by such person that the Company is fraudulent.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 51 Shareholders of the Company shall be the persons who lawfully hold the shares of the Company and have their names registered in the register of shareholders.

Shareholders shall enjoy the rights and assume the obligations according to the class of and number of shares held by them. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

Article 52

A holder of ordinary shares of the Company shall have the following rights:

- (1) to receive dividends and distribution of profits in any other form in proportion to the number of shares held;
- (2) to attend or appoint proxy to attend shareholders' meetings and to vote thereat;
- (3) to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;
- (4) to transfer shares in accordance with the laws, administrative regulations and these Articles of Association;
- (5) to receive information as provided in these Articles of Association of the Company, including:
 1. the right to a copy of these Articles of Association upon payment of the costs thereof;

2. upon payment of reasonable charges, the right to inspect and make copies of:
 - (i) all parts of the register of shareholders;
 - (ii) personal particulars of the directors, supervisors, managers and other senior management officers of the Company, including:
 - (a) current and previous names and any aliases;
 - (b) principal address (residential);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and duties;
 - (e) identification documents and their numbers.
 - (iii) the status of the share capital of the Company;
 - (iv) reports showing the total nominal value, number of shares, and the highest and lowest prices of each class of shares repurchased by the Company since the end of the last financial year, and the total expenses paid by the Company in respect of each class of its shares repurchased;
 - (v) minutes of the shareholders' meetings.
- (6) to participate in the distribution of the remaining property of the Company in proportion to the number of shares held by them in the event of the termination or liquidation of the Company;
- (7) other rights conferred by the laws, administrative regulations and these Articles of Association.

Article 53

A holder of ordinary shares of the Company shall undertake the following obligations:

- (1) to comply with these Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) other obligations imposed by the laws, administrative regulations and these Articles of Association. A shareholder shall not be liable to make further contribution to the share capital other than the conditions as agreed by the subscriber at the time of subscription.

Article 54

In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, the controlling shareholder, in exercising the power as a shareholder, shall not exercise his voting rights in a manner prejudicial to the interests of all or part of the shareholders when making decision on the following matters:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another), in any guise, the property of the Company, including (but not limited to) an opportunity beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another) the individual rights of other shareholders, including (but not limited to) rights to distributions and voting rights save and except restructuring of the Company submitted for approval by the shareholders' general meeting in accordance with these Articles of Association.

Article 55

A controlling shareholder referred to in the preceding Article means a person who satisfies any one of the following conditions:

- (1) he may alone or acting in concert with others have the power to elect more than half of the directors;
- (2) he may alone or acting in concert with others have the power to exercise 30 per cent or more of the voting rights in the Company or control the exercise of 30 per cent or more of the voting rights in the Company;
- (3) he may alone or acting in concert with others hold 30 per cent or more of the issued and outstanding shares of the Company;
- (4) he may alone or acting in concert with others have de facto control of the Company in any other manner.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

Article 56

The shareholders' general meeting shall be the organ of authority of the Company and shall exercise its powers according to the laws.

Article 57

The shareholders' general meeting shall exercise the following powers:

- (1) to determine the business policies and investment plans;
- (2) to elect and replace directors and to determine the remuneration of the directors;
- (3) to elect and replace supervisors who are representatives of the shareholders and to determine the remuneration of such supervisors;

- (4) to consider and to approve the report of the board of directors;
- (5) to consider and to approve the report of the supervisory committee;
- (6) to consider and to approve the annual financial budgets and final accounts;
- (7) to consider and to approve the plan for profit distribution and plan for making up losses;
- (8) to resolve on the increase in or reduction of the registered capital of the Company;
- (9) to resolve on the merger, division, dissolution and liquidation of the Company;
- (10) to resolve on the issuance of bonds by the Company;
- (11) to resolve on the appointment, dismissal or termination of appointment of an accounting firm;
- (12) to amend the Articles of Association of the Company;
- (13) to consider the motion put forward by the shareholders together representing 5 per cent or more of the shares of the Company carrying voting rights;
- (14) other matters to be resolved at the shareholders' general meeting as required by the laws, administrative regulations and these Articles of Association.

The shareholders' general meeting may authorize or appoint the board of directors to effect those matters authorised or appointed by the shareholders' general meeting.

Article 58

Without the prior approval by the shareholders' general meeting, the Company shall not enter into contract with any person other than a director, supervisor, manager or other senior management officers of the Company whereby such person undertakes the management and administration of the whole or any substantial part of the business of the Company.

Article 59

Shareholders' general meetings are divided into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meeting shall be convened once every year and shall be held within six months after the preceding financial year ends.

Under any of the following circumstances, the board of directors shall convene an extraordinary general meeting within two months thereof:

- (1) when the number of directors falls below the number required by the Company Law or two-thirds of the number required by these Articles of Association;
- (2) when the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
- (3) upon requisition of shareholders holding 10 per cent or more of the issued shares of the Company carrying voting rights for the convening of an extraordinary general meeting;
- (4) when the board of directors deems necessary or the supervisory committee proposes to convene the same;
- (5) when more than two independent directors propose to convene the same.

Article 60

When the Company convenes an annual general meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this general meeting 20 days before the meeting. When the Company convenes an extraordinary general meeting, a written notice of the meeting shall be given to the shareholders entitled to attend this general meeting 15 days before the meeting. Where it is otherwise provided in the laws, administrative regulations, other normative documents and the securities regulatory authorities or stock exchange in the place where the Company's shares are listed, such provisions shall prevail.

Article 61

In the case of annual shareholders' general meeting, shareholders together holding 5 per cent or more of the total number of shares carrying voting rights shall be entitled to propose new motions in writing to the Company and the Company shall include the same, which falls within the scope of duties of the shareholders' general meeting, into the agenda of such meeting.

Article 62

Notice of a shareholders' general meeting shall satisfy the following requirements:

- (1) it shall be in writing;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall state the matters to be considered at the meeting;
- (4) it shall provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the matters to be considered, this principle including but not limiting where a proposal is made to merge the Company with another, to repurchase shares of the Company, to reorganize the share capital, or to restructure the Company in any way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement (if any), and the causes and effects of such proposal must be properly explained.
- (5) it shall contain a disclosure of the nature and extent, if any, of material interests of any director, supervisor, manager or senior management officer in any matter to be discussed and the difference in the effect of the matters on them in their capacity as shareholders in so far as it is different from the effect on the interests of the shareholders of the same class.
- (6) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (7) it shall contain conspicuously a statement that a shareholder entitled to attend and vote at the meeting shall be entitled to appoint one or more proxies to attend such meeting and to vote thereat on his behalf and that a proxy need not be a shareholder;
- (8) it shall specify the time and place for lodging proxy forms for the relevant meeting.

Article 63 As for holders of H shares, the Company's communications are available on the website of the Company. As for holders of domestic shares, the notice of a shareholders' general meeting may be given in the form of public notice.

Article 64 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 notice shall not invalidate the meeting and the resolutions passed at such meeting.

Article 65 Any shareholder who is entitled to attend the shareholders' general meeting and to vote thereat shall be entitled to appoint one or more persons (who need not be a shareholder) as his proxy to attend and vote on his behalf. Such proxy or proxies shall exercise the following rights pursuant to the appointment made by the appointing shareholder:

- (1) the same right as such shareholder to speak at the shareholders' general meeting;
- (2) the right to demand or join in demanding a poll;
- (3) the right to vote by show of hands or on a poll; however, but a proxy of a shareholder who has appointed more than one proxy may only vote on a poll.

Article 66 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a legal person, either under its seal or under the hand of a director or attorney duly authorised.

Such written instrument shall specify the number of shares of the appointer as are represented by the proxy.

Article 67 The instrument appointing a proxy shall be deposited at the domicile of the Company or such other place as is specified in the notice of meeting not less than 24 hours before the time appointed for the meeting at which the proxy is authorized to vote or, 24 hours before the time appointed for taking of the poll. Where such instrument is signed by another person authorized by the appointer, the power of attorney or other instrument authorizing the signature shall be notarized. A notarially certified copy of that power of attorney or other authorizing document together with the instrument appointing the proxy shall be deposited at the domicile of the Company or such other place as is specified in the notice of the meeting.

If the appointer is a legal person, the legal representative or such person authorized by the resolution of its board of directors or other decision-making body may attend the shareholders' general meeting of the Company as the representative of such legal person.

Article 68

Any form issued to a shareholder by the board of directors for use in the appointment of a proxy shall enable the shareholder to elect freely to instruct the proxy in the casting of votes, in favour or against, and give instructions in respect of each matter of every business to be transacted at the meeting. The instrument of appointment shall specify that in the absence of such instructions, the proxy may vote according to his own will.

Article 69

A vote given in accordance with an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the appointer or revocation of the proxy or power of authority under which the proxy was signed or the transfer of the relevant shares, provided that no notice in writing of such matters as aforesaid shall have been received by the Company before the commencement of the meeting in connection therewith.

Article 70

A proxy who attends the shareholders' general meeting on behalf of the shareholder shall produce the document of his identity and the power of attorney signed by the appointer or the legal representative of the appointer. The power of attorney shall specify the date of issue. If a corporate shareholder appoints its legal representative to attend the meeting, the legal representative shall produce the document of his identity and a notarially certified copy of the resolution of the board of directors or other authority of the legal person appointing such legal representative or other certified thereof as permitted by the Company.

Article 71

Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

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

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

Shareholders (including proxies) present at the shareholder's general meeting shall specifically vote clearly for or against each matter put to the vote. Any abstained vote or waiver to vote shall not be counted as a vote with voting rights by the Company in calculating the voting results of that matter.

Where any shareholder is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and/or any relevant laws, rules or regulations, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 72

For the purpose of voting at the shareholders' general meeting, a shareholder (including proxy) shall exercise voting rights in accordance with the number of shares carrying voting rights represented by him. Each such share shall have one vote.

Article 73

Unless a poll is demanded by the following person before or after the voting by show of hands, or subject to the rules prescribed by any relevant exchange from time to time or any relevant laws, rules or regulations state otherwise, a resolution put to the vote at general meeting shall be decided on a show of hands:

- (1) the chairman of the meeting; or
- (2) at least two shareholders present in person or by proxy having the right to vote on the resolution; or
- (3) one or several shareholders (including proxies) holding, alone or jointly, more than 10% (including 10%) shares with voting rights at the meeting. Unless a poll is demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried or lost and an entry to that effect in the minutes book shall be the conclusive evidence of the fact without any proof of the number or proportion of the votes recorded in favour of or against the resolution passed at the meeting. A demand for a poll may be withdrawn by the person making such demand.

Article 74

A poll demanded on the election of a chairman or on the adjournment of the meeting shall be taken forthwith, and a poll demanded on any other matter shall be taken at such time as decided by the chairman of the meeting. The meeting may proceed to the discussion of other matters. The result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

Article 75 On a poll, a shareholder (including proxy) entitled to two or more votes need not exercise all his voting rights in favour of or against a resolution.

Article 76 In case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

Article 77 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

- (1) the working reports of the board of directors and the supervisory committee;
- (2) plan for distribution of profits and plans for making up losses prepared by the board of directors;
- (3) the appointment and removal of the members of the board of directors and the supervisory committee and their remuneration and method of payment;
- (4) annual financial budgets and statements of final accounts, balance sheets, profit statements and other financial statements of the Company;
- (5) matters not otherwise required by the laws, administrative regulations or these Articles of Association to be passed by special resolutions.

Article 78

The share following matters shall be resolved by a special resolution at holders' general meetings:

- (1) the increase in and reduction of the share capital of the Company, and the issue of any class of shares, warrants or other similar securities;
- (2) the issue of bonds of the Company;
- (3) the division, merger, dissolution and liquidation of the Company and major acquisitions and disposals;
- (4) amendments to these Articles of Association;
- (5) other matters which have been adopted by ordinary resolutions at the shareholders' general meeting, and which are considered to have such significant effect on the Company that shall be adopted by special resolutions.

Article 79

Any resolution adopted at a shareholders' general meeting shall comply with the relevant provisions of the laws and administrative regulations of China and these Articles of Association.

Article 80

The procedures for convening an extraordinary general meeting or a class meeting of the shareholders on requisition of the shareholders shall be as follow:

- (1) Two or more shareholders who hold an aggregate of 10 per cent or more of the shares carrying voting rights at such meeting may sign one or more written requisition in the same form and substance requesting the board of directors to convene an extraordinary shareholders' meeting or a class meeting of the shareholders, and specifying the business to be transacted at the meeting. Upon receipt of the said written requisition, the board of directors shall convene an extraordinary shareholders' general meeting or a class meeting of shareholders as soon as possible. The number of the shares held as aforesaid shall be calculated based on the shares held by the shareholders as at the date of the written requisition.

- (2) Where the board of director fails to give a notice to convene the meeting within 30 days upon the receipt of the said written requisition, the requesting shareholders may themselves convene a meeting within four months upon the receipt of the said requisition by the board of directors. A meeting convened by the requesting shareholders shall be convened in the same manner, as nearly as possible, as that in which meetings are to be convened by the board of directors.

Where shareholders convene and hold a meeting by reason of the failure of the board of directors to hold such meeting pursuant to a request as mentioned above, the reasonable expenses incurred by such shareholders shall be borne by the Company, and shall be deducted from the sums owed by the Company to the negligent directors.

Article 81

A shareholders' general meeting shall be convened and presided over by the chairman of the board of directors. Where the chairman of the board of directors is unable to attend the meeting for any reason, such meeting shall be convened and presided over by the vice chairman of the board of directors. Where the chairman and vice chairman of the board of directors are unable to attend the meeting, the board of directors shall appoint a director of the Company to convene and preside over such meeting. Where no chairman of the meeting has been appointed, the shareholders present may elect one of their members to act as the chairman of the meeting. If for any reason no chairman is elected by the shareholders, the shareholder (including proxy) holding the highest number of shares carrying the right to vote shall preside over the meeting.

Article 82

The chairman of the meeting shall be responsible for determining whether a resolution of the shareholders' general meeting is passed or not and his decision shall be final and conclusive and the same shall be announced at such meeting and recorded in the minutes of the meeting.

Article 83

If the chairman of the meeting has any doubt about the result of a resolution put to the vote at the meeting, he may count the number of votes cast. If the chairman of the meeting fails to count the votes, any shareholder who is present in person or by proxy and who challenges the result announced by the chairman of the meeting shall have a right to request counting of votes immediately after the announcement of the result, and the chairman shall count the votes forthwith.

Article 84

If counting of votes is held at a shareholders' general meeting, the result thereof shall be recorded in the minutes of the meeting.

The secretary shall take the minutes in respect of every shareholders' general meeting and the minutes shall be signed by the directors present at the meeting.

Memorandum of the meeting shall be made in respect of all resolutions passed at shareholders' general meeting. Minutes and memorandum of a meeting shall be written in Chinese. Minutes together with the shareholders' attendance lists and instruments appointing proxies shall be kept at the domicile of the Company.

Article 85 A shareholder shall be entitled to inspect copies of minutes of any meeting free of charge during the business hours of the Company. If the shareholder demands from the Company a copy of such minutes, the Company shall send him the copy within seven days after having received reasonable charges.

CHAPTER 9 SPECIAL PROCEDURES FOR THE VOTING OF CLASS SHAREHOLDERS

Article 86 Shareholders of different classes of shares shall be classified as class shareholders.

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

Article 87 The rights conferred on any class of shares may be varied or abrogated with the sanction of a special resolution passed at the shareholders' general meeting and by holders of shares of the affected class passed at a separate general meeting of the holders of shares of the class convened in accordance with Articles 90 to Article 94 respectively.

Article 88

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

- (1) to increase or reduce the number of shares in that class or to increase or reduce the number of shares in a class of shares which have rights on voting, distribution or other privileges equal or superior to that class of shares;
- (2) to exchange all or part of the shares of that class for shares of another class, or to exchange all or part of the shares of another class for shares of that class or to grant the rights to exchange the same;
- (3) to cancel or reduce the rights to claiming all the accrued dividends or cumulative dividends of shares of that class;
- (4) to reduce or remove the preferential rights of that class to receive the dividends or the distribution of assets upon the liquidation of the Company;
- (5) to increase, cancel or reduce the rights to conversion of shares, options, voting rights, rights of transfer, preemptive rights to rights issue and the rights to acquire the securities of the Company of such class;
- (6) to cancel or reduce the rights to receive the monies payable by the Company in a particular currency of the shares of that class;
- (7) to create a new class of shares which have the rights to vote, distribution and other privileges equal or superior to that class of shares;

- (8) to restrict or to impose more restrictions on the transfer or ownership of that class of shares;
- (9) to issue rights to subscribe for or convert into, shares of such class or another class;
- (10) to increase the rights and privileges of another class of shares;
- (11) to restructure the Company in such a way that different class shareholders will undertake disproportionate obligations under the proposed restructuring;
- (12) to vary or abrogate the provisions of Chapter 9 of these Articles of Association.

Article 89

The class shareholders so affected whether or not otherwise have voting rights at a shareholders' general meeting, shall be entitled to vote at the class meeting involving matters provided in paragraphs (2) to (8) and (11) to (12) of Article 89, provided that any interested shareholders shall not be entitled to vote at that class meeting.

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

- (1) Where the Company has made a repurchase offer to all shareholders in the same proportion in accordance with the provisions of Article 31 of these Articles of Association or repurchases its shares on a stock exchange through open transactions, "interested shareholder" shall mean the controlling shareholder as defined in Article 55 of these Articles of Association;

- (2) Where the Company repurchases its shares by way of an agreement otherwise than on a stock exchange in accordance with the provisions of Article 31 of these Articles of Association, “interested shareholder” shall mean the shareholder to which the agreement relates;
- (3) In the restructuring scheme of the Company, “interested shareholder” shall mean a shareholder who undertakes obligations by a lower proportion than that of other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 90 Resolution of a class meeting shall be passed by two-thirds or more of the shares with voting rights held by the class shareholders who, according to Article 90 are entitled to vote at that class meeting.

Article 91 The Company shall, 45 days before the date of class meeting of shareholders (including the date of meeting), send written notice of the class meeting and inform all registered shareholders of that class of the matters to be considered at the class meeting and the date and venue of the class meeting. Those shareholders of the class who intend to attend shall send the written reply to the Company 20 days before the class meeting.

Where the number of class shares held by those shareholders who intend to attend and who have the right to vote is more than one-half of the total number of shares of that class with the voting rights, the Company may convene that class meeting, failing which the Company shall, within 5 days, inform the shareholders of the class again in the form of public notice the proposed matters for consideration at the class meeting and the date and venue of the class meeting. Class meeting may be convened after such notification.

Article 92 The notice of a class meeting shall only be given to the shareholders who are entitled to vote at such meeting only.

The proceedings of a class meeting shall be as nearly as possible as that of a shareholders' general meeting. The provisions in these Articles of Association relating to the proceedings of a shareholders' general meeting shall apply to the class meeting.

Article 93 In addition to holders of other classes of shares, domestic shareholders and shareholders of overseas listed foreign shares shall be deemed to be different classes of shareholders.

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

- (1) Where, upon approval by a special resolution passed at a shareholders' general meeting, the Company issues domestic shares and overseas listed foreign shares either separately or concurrently once every twelve months, and the amount of the domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20 per cent of their issued amount respectively; or
- (2) Where the Company's plan to issue domestic shares and overseas listed foreign shares on establishment is completed within fifteen months from the date of approval by the China Securities Regulatory Commission.

CHAPTER 10 PARTY COMMITTEE

Article 94 The Company shall establish the Party Committee. The Party Committee shall consist of one secretary, and the number of deputy secretaries and members of the Party Committee shall be determined in accordance with official approval and reply from the Party organizations of higher levels. The secretary, deputy secretary and members of the Party Committee shall be elected or appointed in accordance with the Constitution of the China Communist Party and related provisions. Eligible members of the Party Committee may serve as members of the board of directors, the supervisory committee and the management through legal procedures, while eligible Party members of the board of directors, the supervisory committee and management may also join the Party Committee pursuant to relevant provisions and procedures. Meanwhile, the disciplinary inspection committee shall be established in accordance with the provisions.

Article 95

The Party Committee shall fulfill the following responsibilities in accordance with the Constitution of the Communist Party of China and other regulations as prescribed by the Party:

- (1) To ensure and supervise the Company's implementation of the policies and guidelines of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations of higher levels.
- (2) To uphold the integration of the principle of the Party's management of cadres with the lawful selection of the management by the board of directors, as well as the lawful exercise of the management's power to select staff. The Party Committee shall consider the candidates nominated by the board of directors and the general manager and put forward opinions and suggestions, or recommend candidates to the board of directors and the general manager. The Party Committee shall evaluate candidates together with the board of directors, and put forward opinions and suggestions collectively.
- (3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employees' interests, and provide comments and suggestions.
- (4) To support the shareholders' general meeting, the board of directors, the supervisory committee and the management in performing their duties in accordance with the law.
- (5) To lead the Company's ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of organisations such as the labor union and the Communist Youth League, as well as to support the employee representatives' meeting in carrying out its work.
- (6) To undertake the responsibility to comprehensively and strictly administer Party, and lead the construction of the Party's conduct and its clean and honest administration, as well as to support the disciplinary inspection committee in earnestly performing its supervisory responsibilities.

Article 96

The work of the Party organization and construction of the Party shall be carried out in accordance with the Constitution of the Communist Party of China as well as the other relevant provisions.

CHAPTER 11 BOARD OF DIRECTORS

Article 97

There shall be a board of directors comprising nine to fifteen members. External directors (being directors not internally employed by the Company, such term having the same meaning as hereinafter appearing) shall account for more than one-half in number of members of the board of directors, of which more than one-third shall be independent (non-executive) directors (being a director independent from the shareholders of the Company and not internally employed by the Company, such term having the same meaning as hereinafter appearing).

The board of directors shall have one chairman and eight to fourteen directors. Directors shall manage the affairs authorised by the board of directors.

Article 98

The board of directors of the Company shall be independent from the controlling organization and shall be free from interference by the controlling organization. The number of senior management officers of the controlling organization (chairman and executive director) who hold the office of the chairman of the Company and perform the role of directors shall not exceed two. Directors shall be elected at the shareholders' general meeting for a term of three years. Upon the expiry of the term, a director shall be eligible for re-election.

The written notice of intention to nominate a candidate to be elected as a director and a notice by such candidate of his willingness to be nominated shall be delivered to the Company not earlier than the day after the dispatch of the notice of the shareholders' general meeting and not later than seven days prior to the date of the meeting.

Candidates for directors (executive directors and non-executive directors) of the first board of directors shall be nominated by the promoter and elected at the founding meeting for the establishment of the Company. The number of directors elected shall be not less than the number specified in Article 94 and not more than the maximum number of directors fixed by the ordinary resolution passed at the shareholders' general meeting. If the number of directors voted for is more than the maximum number of directors prescribed, directors who obtained the highest number of votes with reference to the maximum number of directors so fixed shall be elected as directors.

Subject to the provisions of the relevant laws and administrative regulations, the shareholders' general meeting may by an ordinary resolution remove a director before the expiration of his term of office but without prejudice to any claim for damages under any contract.

The chairman shall be elected and removed by a simple majority of the directors. The term of office for the chairman and directors shall be three years and they shall be eligible for re-election.

External directors shall have sufficient time and the necessary knowledge and skills in order to be capable of performing their duties.

In performing his duties by an external director, the Company shall provide all the necessary information. Among other things, independent (non-executive) directors may report directly to the shareholders' general meeting, the securities supervisory and regulatory body of the State Council and to other relevant authorities.

A director other than an external director or an independent (non-executive) director may assume the office of any other senior management officer of the Company save and except the office of supervisor.

A director shall not be required to hold any shares of the Company.

Article 99

The board of directors shall be responsible to the shareholders' general meeting and shall exercise the following powers and duties:

- (1) to be responsible for convening shareholders' general meeting and to report on its work to the shareholders' general meeting;
- (2) to implement resolutions of the shareholders' general meeting;
- (3) to determine the business plans and investment proposals of the Company;
- (4) to prepare the annual financial budgets and final accounts of the Company;

- (5) to prepare plans for profit distribution and plans for making up losses for the Company;
- (6) to formulate the Company's borrowing and financial policies, proposals for the increase in and reduction of registered capital and the issue of bonds of the Company;
- (7) to formulate proposals for major acquisitions or disposals and for the merger, division and dissolution of the Company;
- (8) to decide on the internal management structure of the Company;
- (9) to appoint or dismiss the manager and to appoint or dismiss the deputy manager, the financial officer upon the nominations from the manager and to determine their remuneration;
- (10) to set up the basic management systems of the Company, including the financial management and personnel management systems;
- (11) to formulate proposals for amendments of the Articles of Association;
- (12) other powers conferred by the shareholders' general meeting and these Articles of Association.

Except for the directors' resolutions in respect of the matters specified in items (6), (7) or (11) above which call for the approval of more than two-thirds or more of the directors, directors' resolutions in respect of all other matters above may be passed by more than one half of the directors. The board of directors shall seek opinions from the Party Committee before making decisions on the material issues of the Company. Board resolutions in relation to connected transactions shall take effect only after the signing by the independent (non-executive) directors.

Article 100

If the board of directors proposes to dispose of the Company's fixed assets, where the expected value of the fixed assets to be disposed of and the value of any fixed assets having been disposed of in the period of 4 months immediately preceding the proposed disposal totals more than 33 per cent of the value of the fixed assets as shown in the latest balance sheet laid before the Company in shareholders' general meeting held, the board of directors shall not dispose of or agree to dispose of the said fixed assets without the prior approval of the shareholders' general meeting.

The proposed disposal of fixed assets referred to in this Article shall include the acts of transferring certain interests in that assets but exclude the acts of charging that fixed assets by way of security.

The validity of the transaction on the disposal of fixed assets by the Company shall not be affected by the breach of the first paragraph of this Article.

During the decision-making process of the board of directors in relation to market development, merger and acquisition, investments in a new domain etc. and where the amount of investment or value of assets under the merger or acquisition represents more than 10 per cent of its total asset value (such total asset value being determined in accordance with its last published audited accounts or consolidated accounts (if applicable) and the information sufficiently disclosed to the shareholders), the Company shall appoint a public consultancy institution to provide professional advice as the key reference for the board of directors in their decision making.

Article 101

The chairman shall exercise the following powers and duties:

- (1) to preside over the shareholders' general meetings and to convene and preside over the meeting of the board of directors;
- (2) to examine the implementation of the resolutions of the board of directors;
- (3) to sign the securities issued by the Company;
- (4) other powers conferred by the board of directors.

Where the chairman is unable to perform his duties, he may designate a vice chairman or any one of the directors to perform the same on his behalf.

Article 102

Meeting of the board of directors shall be held at least four times every year and shall be convened by the chairman. The notice for such meeting shall be given to all directors fourteen days in advance. In case of emergency, an interim meeting of the board of directors may be convened at the request of the directors in such number equal to one-third or more of the total number of directors or the manager of the Company and shall not be restricted by the notice of meeting requirement under Article 104.

Meeting of the board of directors shall in principle be held at the domicile of the Company. However, it may be held at other place inside the People's Republic of China if the board of directors so resolved.

The language used at the meeting of the board of directors shall be Chinese. Where necessary, interpreters may also attend the meeting to provide simultaneous interpretation service between Chinese and English languages.

Article 103

Notice of the meeting of the board of directors shall be served in the following manner:

- (1) Where the time and place of regular meeting of the board of directors have been fixed by the board of directors in advance, no notice shall be served.
- (2) Unless otherwise specified in Article 103, where the time and place of the meeting of the board of directors have not been fixed by the board of directors in advance, notice of the meeting of the board of directors specifying the time and place of the meeting shall be given by the chairman to the directors by telex, telegraph, facsimile, express courier service, registered mail or by hand at least ten days (but not more than thirty days) before the meeting.
- (3) The notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed therein and the notice shall include agenda of the meeting.

Any director may waive the right to receive notice of the meeting of the board of directors.

Article 104

All such major and important matters which require the approval of the board of directors shall be notified to all executive directors and external directors within the prescribed time limit under Article 104, sufficient information shall be supplied and the stipulated requirements in relation to the conduct of such procedures shall be strictly adhered to. Directors may request the provision of supplemental materials. When more than one-fourth of directors or more than two external directors are of the view that the materials are not sufficient or the submission is inaccurate, they may jointly propose to postpone the meeting of the board of directors or to postpone the discussion of certain matters in the meeting of the board of directors, and the board of directors shall so adopt.

A director shall be deemed to have received the notice of meeting if he is present at the meeting and does not raise the issue of the non-receipt of such notice prior to or at the time of his arrival at the meeting.

The regular meeting or interim meeting of the board of directors may be held by conference telephone or similar communication device. So long as all the directors participating at the meeting can clearly hear and communicate with each other, all such directors at the meeting shall be deemed to be present in person at the meeting.

Article 105

The quorum of the meeting of the board of directors shall be more than one-half of the directors (including those directors who have been appointed in writing by other directors to attend the meeting on their behalf under Article 107 of these Articles of Association). Each director shall have one vote. Resolutions of the meeting of the board of directors shall be passed by a simple majority of all the directors. In case of an equality of votes, the chairman shall have a second vote.

A director shall also not vote (or be counted in the quorum at a meeting) on any resolution relating to any contract or arrangement or other proposal in which he or any of his associates has an interest which (taken together with any interest of any of his connected person) is to his knowledge a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply and a director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

- (1) the giving to him or any of his associates of any guarantee, indemnity or security in respect of money lent or obligations undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (2) the giving to a third party of any guarantee, indemnity or security in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his associates has assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;

- (3) where the Company or any of its subsidiaries is offering securities in which offer the director or any of his associates is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which any of them is to participate;
- (4) any contract in which he or any of his associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his or their interest in shares or debentures or other securities of the Company;
- (5) any contract concerning any other company (not being a company in which the director and any of his associates in aggregate own 5 per cent or more) in which he or any of his associates is interested directly or indirectly as an officer or shareholder;
- (6) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors, their associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any director or any of his associates as such any privilege or advantage not accorded to the employees to which the fund or scheme relates;
- (7) any contract for the benefit of employees of the Company or of any of its subsidiaries under which the director or any of his associates benefits in a similar manner to the employees and which does not accord to any Director or any of his associates as such any privilege or advantage not accorded to the employees to whom the contract relates;
and

- (8) any contract for the purchase or maintenance for any director or directors of insurance against any liability.

A company shall be deemed to be one in which a director and any of his associates in aggregate own 5 per cent or more if and so long as (but only if and so long as) they are (either directly or indirectly) the holder of or beneficially interested in 5 per cent or more of any class of the equity share capital of that company (or of any third company through which the interest of the director or that of his associate is derived) or of the voting rights available to members of that company.

For the purpose of this paragraph of this Article there shall be disregarded any shares held by the director or any of his associates as bare or custodian trustee and in which he or his associate has no beneficial interest, any shares comprised in a trust in which the interest of him and his associates is in reversion or remainder if and so long as some other person is entitled to receive the income of the trust and any shares comprised in an authorised unit trust scheme in which he or any of his associates is interested only as a unit holder.

Where a company in which a director and any of his associates in aggregate own 5 per cent or more is materially interested in a contract, he also shall be deemed materially interested in that contract.

If any question arises at any meeting as to the materiality of an interest of a director (other than the chairman of the meeting) and any of his associates or as to the entitlement of any director (other than the chairman of the meeting) to vote and the question is not resolved by his voluntarily agreeing to abstain from voting, the question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the director or any of his associates concerned, so far as known to him, has not been fairly disclosed. If any question shall arise in respect of the chairman of the meeting or any of his associates and is not resolved by his voluntarily agreeing to abstain from voting, the question shall be decided by a resolution of the directors (for which purpose the chairman shall be counted in the quorum but shall not vote on the matter) and the resolution shall be final and conclusive except in a case where the nature or extent of the interest of the chairman or any of his associates, so far as know to him, has not been fairly disclosed.

For the purpose of this Article, the term “associate” has the same meaning as in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 106

Directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting, he may in writing appoint another director to attend the meeting on his behalf. The instrument of proxy shall specify the scope of the authorization.

The director attending a meeting on other’s behalf shall exercise the rights of the director who appoints him or within the scope of the authorization. If a director is unable to attend a meeting of the board of directors and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at such meeting.

The expenses incurred by the directors in attending a meeting of the board of directors shall be borne by the Company. These expenses include transportation fees between the location of the director and the place of meeting and charges for accommodation and meals during the period of the meeting of the board of directors. Miscellaneous expenses such as rental of the venue of the meeting and local transportation fees shall also be borne by the Company.

Article 107

The board of directors may accept resolutions in writing in lieu of convening a meeting of the board of directors. However, the draft of such resolutions shall be sent to every director by hand or by post, telex or facsimile. A resolution shall be a director's resolution without convening a meeting of the board of directors if it has been sent to all directors by the board of directors and approved and signed by the requisite number of directors to pass the resolution and sent back to the secretary by one of the aforesaid means.

Article 108

The board of directors shall cause the matters resolved at the meeting of the board of directors and director's resolution passed without convening meeting of the board of directors to be recorded in Chinese language in form of minutes. The opinion expressed by independent (non-executive) directors shall be set out in the board resolutions. Minutes of every meeting of board or directors shall be presented to all directors for examination as soon as possible. Directors who intend to amend or supplement the minutes shall within one week after receiving the same submit his proposed amendments to the chairman. The agreed final form of the minutes shall be signed by the directors who attended such meeting and the person taking notes of the proceeding of such meeting. Minutes of all meetings of the board of directors shall be kept at the domicile of the Company in the People's Republic of China and a complete copy of the minutes shall be sent to every director as soon as possible.

The directors shall be responsible for the resolution passed by the board of directors. Where any resolution of the board of directors contravenes the laws, administrative regulations or these Articles of Association, the directors involved in passing such resolution shall be liable to indemnify the Company for losses sustained by the Company as the consequences of such contravention; provided that it has been proved that he objected to the resolution and the objection has been recorded in the minutes of such meeting, such director may be exempt from the liability.

CHAPTER 12 SECRETARY OF THE BOARD OF DIRECTORS OF THE COMPANY

Article 109 The Company shall have one to two secretaries on the board of directors. The secretary is a senior management officer of the Company.

Article 110 The secretary of the board of directors of the Company shall be a natural person who has the requisite professional knowledge and experience. The secretary shall be appointed by the board of directors. The management staff of the controlling organization shall not concurrently hold the office of the secretary. The major duties of the secretary shall be: if the Company shall have two secretaries of the board of directors, they shall be respectively responsible for the Company's affairs in the People's Republic of China and in Hong Kong, either one of them being entitled to exercise all the authority of the secretary independently.

The secretary responsible for the PRC's affairs shall be mainly responsible for ensuring that the constitution documents and records of the Company are in order, that the necessary reports and documents are prepared and submitted to relevant PRC authorities in accordance with the laws, that the register of shareholders of the Company are properly maintained and that persons entitled to receive the records and documents of the Company are furnished with such records and documents without delay.

The secretary who is responsible for Hong Kong's affairs shall be mainly responsible for reporting and submitting relevant information and documents to the HKSE in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, preparing various documents in connection with the shareholders' general meetings and meetings of board of directors and submitting to the Registrar of Companies in Hong Kong documents relating to the Company in accordance with the instructions of the board of directors of the Company.

Where the Company has only one secretary, he shall undertake all the above mentioned responsibilities of PRC's affairs secretary and Hong Kong's affairs secretary.

Article 111 Any director or senior management officer of the Company may be appointed as the secretary.

Any accountant of the accounting firm appointed by the Company shall not be appointed the secretary of the board of directors.

Where the secretary of the board of directors of the Company is also a director and an act is required to be done by a director and a secretary separately, such person who is acting both as director and the secretary shall not perform the act in both capacities.

Article 112 The secretary of the board of directors of the Company shall perform his duties diligently in accordance with the provisions of these Articles of Association.

The secretary shall assist the Company in complying with the relevant laws of PRC and the regulations of the stock exchange on which the shares of the Company are listed.

CHAPTER 13 MANAGER OF THE COMPANY

Article 113 The Company shall have one manager who shall be appointed or dismissed by the board of directors.

Article 114 The manager shall be responsible to the board of directors and shall exercise the following powers and duties:

- (1) to be responsible for the production and management of the Company and to organize the implementation of the resolutions of the board of directors;
- (2) to organize the implementation of the annual business plans and investment proposals of the Company;
- (3) to prepare proposals for the internal management structure of the Company;

- (4) to prepare the basic management systems of the Company;
- (5) to draft the basic rules and regulations of the Company;
- (6) to propose for the employment and dismissal of deputy managers and financial officers;
- (7) to employ and dismiss management staff other than those who shall be employed and dismissed by the board of directors;
- (8) other powers conferred by the Articles of Association and the board of directors.

Article 115 The manager who is not a director may sit in on any meeting of the board of directors and shall be entitled to receive notice of the meeting and relevant documents. The manager who is not a director shall not be entitled to vote at any meeting of the board of directors.

Article 116 The manager and the deputy managers shall not, in exercising their powers, alter the resolutions of the board of directors and the shareholders' general meetings nor transcend the scope of their authority.

Article 117 In exercise their functions and powers, the manager and deputy managers shall perform their duties honestly and diligently in accordance with the laws, administrative regulations and these Articles of Association.

Article 118 The manager, deputy managers and other senior management officers shall give three months prior written notice of resignation to the board of directors; departmental managers shall give two months prior written notice of resignation to the manager.

CHAPTER 14 SUPERVISORY COMMITTEE

Article 119 The Company shall have a supervisory committee. The supervisory committee is the Company's standing internal supervisory organ. Its responsibilities are to exercise supervision over the board of directors and its members and other senior management officers, including the manager and deputy managers, to prevent any abuse of powers and infringement on the legitimate rights of the Company, its shareholders and employees.

Article 120 The supervisory committee shall comprise of five to nine supervisors, one of whom shall serve as the chairman of the board of supervisors. The term of office for the supervisors shall be three years and they shall be eligible for re-election. External Supervisors (being supervisors not internally employed by the Company, such term having the same meaning as hereinafter appearing) shall account for more than one-half in number of members of the supervisory committee, of which there shall be more than two independent supervisors (being supervisors independent from the shareholders of the Company and not internally employed by the Company, such term having the same meaning as hereinafter appearing).

The appointment and removal of the chairman of the supervisory committee shall take effect upon a resolution passed by two-thirds or more of the members of the supervisory committee.

Article 121 One-third or more of members of the supervisory committee shall be representatives of the staff and workers of the Company, and the remaining supervisors shall be representatives of shareholders (including persons qualified to be an external supervisor and an independent supervisor). The representatives of the shareholders shall be elected and removed by the shareholders' general meeting; the representatives of the staff and workers shall be elected and removed through democratic election by the staff and workers of the Company.

Article 122 Any director, manager, deputy manager, financial officer and other senior management officers shall not act as a supervisor.

Article 123

Meeting of the supervisory committee shall be convened at least once every year and the meeting shall be convened by the chairman of the supervisory committee. All members of the supervisory committee shall be informed ten days before the meeting. In the event of emergency, the interim meeting of the supervisory committee may be convened upon the proposal of the one-third or more of supervisors, and it shall not subject to the following notice of the meeting of the supervisory committee.

Meeting of the supervisory committee shall in principle be held at the domicile of the company, but the supervisory committee may resolve to hold the meeting in other locations inside the PRC.

Notice of the meeting of the supervisory committee shall be served in the following manners:

- (1) Where the time and place of regular meeting of the supervisory committee have been fixed by the supervisory committee in advance, no notice shall be served.
- (2) Subject to paragraph (1) of this Article, where the time and place of the meeting of the supervisory committee have not been fixed by the supervisory committee in advance, notice of the meeting of the supervisory committee specifying the time and place of the meeting shall be given by the chairman to the supervisors by telex, telegraph, facsimile, express courier service, registered mail or by hand at least 10 days (but not more than 30 days) before the meeting.
- (3) The notice shall be in Chinese and, if necessary, an English version of the same shall be enclosed therein and the notice shall include the agenda of the meeting.

Any supervisor may waive the right to receive notice of the meeting of the supervisory committee.

A supervisor shall be deemed to have received the notice of meeting if he is present at the meeting and does not raise the issue of the non-receipt of such notice prior to or at the time of his arrival at the meeting.

The regular meeting or interim meeting of the supervisory committee may be held by teleconferencing or similar communication device. So long as all the supervisors participating at the meeting can clearly hear and communicate with each other, all such supervisors at the meeting shall be deemed to be present in person at the meeting.

The supervisory committee may accept resolutions in writing in lieu of convening a meeting of the supervisory committee, however, a draft of such resolution shall be delivered by hand, post, telex or facsimile to every supervisor. Upon the delivery of the proposed resolution by the supervisory committee to all supervisors and the signed approval of such resolution, the proposed resolution shall become a resolution of the supervisory committee whereby no meeting of the supervisory committee shall be required.

Article 124

The supervisory committee shall be responsible to the shareholders' general meeting and shall exercise the following powers and duties in accordance with the laws:

- (1) to examine the financial affairs of the Company;
- (2) to supervise the conduct of the directors, manager and other senior management officers of the Company to see whether they violate any laws, administrative regulations or these Articles of Association in performing the duties of the Company;
- (3) to require the directors, managers and other senior management officers of the Company to rectify their acts which are prejudicial to the interests of the Company;
- (4) to verify the financial information such as financial reports, business reports and profits distribution plans submitted by the board of directors to the shareholders' general meeting; where any query arises, the financial information shall be referred to a certified public accountant or certified auditor appointed in the name of the Company to re-examine the same;
- (5) to propose the convening of extraordinary general meetings;

- (6) to represent the Company in negotiating with any directors or taking legal proceedings against the directors;
- (7) other powers and duties provided in these Articles of Association.

The supervisory committee may opine on the appointment of the accounting firm of the Company, and where necessary, may separately appoint an accounting firm in the name of the Company to audit the accounts of the Company and may directly report to the securities supervisory and regulatory body of the State Council and to other relevant departments.

External supervisors shall report independently to the shareholders' general meeting in relation to the performance of diligence and honesty of the Company's senior management officers.

Supervisors may sit in on the meetings of the board of directors.

Article 125 The meeting of the supervisory committee shall only be held when two-thirds or more of the members of the supervisory committee attend. Each supervisor is entitled to one vote. The resolutions of the supervisory committee shall be passed by two-thirds or more of supervisors.

Article 126 The reasonable costs and expenses incurred in engaging professionals such as lawyers, certified public accountants and certified auditors as are required by the supervisory committee in discharging its duties shall be borne by the Company.

Article 127 The supervisors shall honestly discharge their duties in accordance with the laws, administrative regulations and the Articles of Association of the Company.

**CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS,
SUPERVISORS, MANAGERS AND OTHER SENIOR MANAGEMENT OFFICERS OF
THE COMPANY**

Article 128 A person may not serve as a director, supervisor, manager or other senior management officer of the Company in any one of the following circumstances:

- (1) the individual has no civil capacity or limited civil capacity;
- (2) a period of less than 5 years has elapsed since the penalization on conviction of corruption, bribery, unauthorised appropriation of properties, embezzlement of properties or disrupting social and economic order; or a period of less than 5 years has elapsed since being deprived of political rights for commission of offences;
- (3) a period of less than 3 years has 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 not less than 3 years has elapsed since revocation of the business licence 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 was due for payment but remains unpaid;
- (6) the person has been involved in criminal offences subject to investigation by judicial authorities and the case has yet been settled;
- (7) the person is not eligible for acting in the leadership of a company or enterprise according to the laws or administrative regulations;

- (8) the person is not a natural person; and
- (9) a period of less than 5 years has elapsed since the person was adjudged by the relevant governing authority to be guilty of contravention of provisions of securities regulations involving fraud or dishonesty.

The management staff of the controlling organization shall not concurrently hold the office of the Company's manager, deputy manager, financial controller, sales controller or secretary of the board of directors.

Article 129

The validity of an act of a director, manager or other senior management officer of the Company acting on behalf of the Company against any bona fide third party shall not be affected by any irregularity in his appointment, election or any defects in his qualification.

Article 130

In addition to the obligations imposed by the laws and administrative regulations or required by the listing rules of the stock exchange on which the shares of the Company are listed, a director, supervisor, manager or other senior management officer owes a duty to each shareholder for the following in the exercise of the powers entrusted to him:

- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) to act honestly in what he considers to be in the best interests of the Company;
- (3) not to expropriate in any guise the properties of the Company, including but not limited to usurp the opportunities beneficial to the Company;
- (4) not to expropriate the individual rights of shareholders including (but not limited to) rights of distribution and voting rights save and except pursuant to a restructuring of the Company submitted for approval of the shareholders' general meeting in accordance with these Articles of Association.

Article 131 A director, supervisor, manager or other senior management officer of the Company, owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonable prudent person would be expected to exercise in comparable circumstances.

Article 132 A director, supervisor, manager or senior management officer owes a duty, in the performance of his duties, to observe the principle of fiduciary not to place himself in a position where his interest and the obligations undertaken may conflict. This principle shall include (but not be limited to) the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise the powers within the scope of his powers and not to act beyond such powers;
- (3) to exercise the discretionary power vested in him personally and not allow himself to act under the direction of another and, unless and to the extent permitted by the laws and administrative regulations or the informed consent of shareholders' general meeting, not to delegate the exercise of his discretion;
- (4) to treat the shareholders of the same class equally and treat the shareholders of different classes fairly;
- (5) except in accordance with these Articles of Association or with the informed consent of shareholders 'general meeting, not to enter into any contract, transaction or arrangement with the Company;

- (6) without the informed consent of shareholders' general meeting, not to use the Company's property for his own benefit;
- (7) not to use his authority for obtaining bribes or other illegal income and not to expropriate in any guise the property of the Company including, without limitation, not to usurp opportunities beneficial to the Company;
- (8) without the informed consent of the shareholders' general meeting, not to accept commissions in connection with the Company's transaction;
- (9) to observe these Articles of Association; to perform the duties faithfully; to protect the interests of the Company; not to use his position and authority in the Company to make his own benefit;
- (10) not to compete in any way with the Company without the informed consent of the shareholders' general meeting;
- (11) shall not embezzle the funds of the Company or lend them to others; shall not deposit the assets of the Company into accounts under his name or any other name; shall not use assets of the Company as security for debts of the shareholders of the Company or any other person;
- (12) not to disclose confidential information of the Company acquired by him during the term of office without the informed consent of the shareholders' general meeting; not to use the information other than in furtherance of the interests of the Company; save and except that disclosure of such information to the court of law or other government authorities is permitted if:

1. disclosure is required by the laws;
2. there is a duty to disclose in the interest of the public;
3. it is in the personal interests of such director, supervisor, manager or other senior management officer to require disclosure.

Article 133

A director, supervisor, manager and other senior management officer of the Company shall not cause any of the following persons or associations (the “associates”) to do such things as such director, supervisor, manager or other senior management officer is prohibited from doing so:

- (1) the spouse or minor child of that director, supervisor, manager or other senior management officer of the Company;
- (2) the trustee of that director, supervisor, manager or other senior management officer of the Company or any person referred to in paragraph (1) of this Article;
- (3) the partner of that director, supervisor, manager or other senior management officer of the Company or any person referred to in paragraphs (1) and (2) of this article;
- (4) a company in which that director, supervisor, manager or other senior management officer of the Company alone or jointly with one or more of the persons referred to in paragraphs (1), (2) and (3) of this Article or other directors, supervisors, managers or other senior management officers of the Company, has a de facto controlling interest;
- (5) a director, supervisor, manager or other senior management officer of a company being controlled as referred to in paragraph (4) of this Article.

Article 134 The fiduciary duties of a director, supervisor, manager or other senior management officer of the Company do not necessarily cease upon the termination of his tenure of office. The duty of confidence in relation to the trade secrets of the Company shall survive the termination of his tenure. Other obligations may continue for such period as to be determined under the principle of fairness, depending on the time lapse between the acts concerned and the termination and the circumstances and the conditions under which the relationship with the Company terminated.

Article 135 Except as provided in Article 54 of these Articles of Association, a director, supervisor, manager or other senior management officer of the Company may be relieved of liability for specific breaches of his duty by the informed consent of the shareholders' general meeting.

Article 136 Where a director, supervisor, manager or other senior management officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contracts, transaction or arrangement with the Company (other than a contract of service of that director, supervisor, manager and other senior management officer with the Company) shall declare the nature and extent of his interests to the board of directors at the earliest opportunity whether or not the contract, transaction, arrangement or proposal therefor is otherwise subject to the approval of the directors in normal circumstances.

Unless the interested director, supervisor, manager or other senior management officer of the Company has disclosed his interest to the board of directors in accordance with the preceding paragraph and the contract, transaction or arrangement has been approved by the board of directors at a meeting in which the interested director is not counted in the quorum and has refrained from voting, a contract, transaction or arrangement in which the director, supervisor, manager or other senior management officer is materially interested is avoidable at the instance of the Company except as against a bona fide party acting without notice of the breach of duty by such director, supervisor, manager or senior management officer concerned.

A director, supervisor, manager or senior management officer of the Company is deemed to be interested in a contract, transaction or arrangement, in which the associates of such director, supervisor, manager or senior management officer is interested.

Article 137

Where a director, supervisor, manager or senior management officer of the Company gives a general notice in writing to the board of directors before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company, stating that, by reason of facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, that notice shall be deemed for the purpose of the preceding article of this Article to be a sufficient declaration of interests of such director, supervisor, manager or senior management officer, so far as attributable to those facts in relation to any contract, transaction or arrangement of that description which may subsequently be made by the Company.

Article 138

The Company shall not, in any manner, pay tax for or on behalf of its directors, supervisors, managers or other senior management officers.

Article 139

The Company shall not directly or indirectly, make a loan to or provide any guarantee in connection with a loan made by any person to its directors, supervisors, managers or other senior management officers of the Company or of its parent company; or make a loan to or provide any guarantee in connection with any loan made by any person to the associates of such person as aforesaid.

The preceding provision shall not apply to the following:

- (1) the provision of a loan or a guarantee for a loan by the Company to a company which is subsidiary of the Company;
- (2) the provision of a loan or a guarantee for loan by the Company to any of its directors, supervisors, managers or other senior management officers under a service contract as approved by shareholders' general meeting or the provision of funds by the Company to him to meet expenditure incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him properly to perform his duties;

- (3) where the ordinary course of business of the Company includes the lending of money and the giving of guarantees, the Company may make a loan to or provide a guarantee in connection with a loan by another person to any of its directors, supervisors, managers or senior management officers and his associates on normal commercial terms.

Article 140 A loan made by the Company in breach of the preceding provisions, shall be forthwith repayable by the recipient regardless of the terms of the loan.

Article 141 A guarantee provided by the Company in breach of Article 140(1) shall be unenforceable against the Company except that:

- (1) a loan was made by a person to an associate of a director, supervisor, manager or other senior management officer of the Company or of its parent company, and at the time the loan was advanced the lender did not know of the relevant circumstances;
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 142 The guarantee referred to in the preceding Article shall include an undertaking by the guarantor or property provided to secure the performance of obligations by the obligor.

Article 143 Where a director, supervisor, manager and other senior management officer of the Company is in breach of his obligations to the Company, the Company shall have a right to take the following measures in addition to the various rights and remedies provided by the laws and administrative regulations:

- (1) to request such director, supervisor, manager and other senior management officer to pay damages for the losses sustained by the Company as a natural consequence of his breach of duties;

- (2) to rescind any contract or transaction entered into by the Company with such director, supervisor, manager or other senior management officer and any contract or transaction entered into by the Company with a third party (where such third party knew or should have known that such director, supervisor, manager or other senior management officer representing the Company is in breach of the obligations to the Company);
- (3) to request such director, supervisor, manager or other senior management officer to return the proceeds received as a consequence of the breach of the obligations;
- (4) to recover from such director, supervisor, manager and other senior management officer any monies which should otherwise have been received by the Company, including without limitation to commissions;
- (5) to request such director, supervisor, manager and other senior management officer to return such interests accrued or may be accrued from the monies which should otherwise have been paid to the Company.

Article 144

The Company shall, with the prior approval of the shareholders' general meeting, enter into a contract in writing with a director or Supervisor in respect of their remunerations. The remunerations referred to in the above shall include:

- (1) the remunerations in respect of his service as a director, supervisor or other senior management officer of the Company;
- (2) the remunerations in respect of his service as a director, supervisor or other senior management officer of a subsidiary of the Company;
- (3) the remunerations for provision of other services in connection with the management of the affairs of the Company and its subsidiaries;

- (4) payment to such directors or supervisors by way of compensation for loss of office or as consideration for or in connection with his retirement.

Save as pursuant to the contract aforesaid, no legal proceedings may be brought by a director or supervisor against the Company in respect of the benefits ought to be received by him by reasons of the matters stipulated above.

Article 145

There shall be a provision in a contract made between the Company and a director or supervisor in respect of their remunerations that the director or the supervisor shall, with the prior approval of the shareholders' general meeting, be entitled to payment by way of compensation for loss of office or as consideration for his retirement from office in connection with the takeover of the Company. A takeover of the Company referred above shall mean any of the following:

- (1) an offer of takeover made to all shareholders by any person;
- (2) an offer of takeover made by any person with a view to the offer or becoming the controlling shareholder. The definition of "controlling shareholder" shall be the same as the one defined in Article 55 of these Articles.

If the relevant director or supervisor does not comply with this Article, any sum received by him shall belong to the persons who have sold their shares as a result of accepting the offer made as aforesaid; and the expenses incurred by him in distributing that sum pro rata amongst those persons shall be borne by him and not retained out of that sum.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 146

The Company shall formulate the financial and accounting system of the Company in accordance with the laws, administrative regulations and China's accounting standards prepared by the authority governing financial matters under the State Council.

Article 147 The financial year of the Company shall coincide with the calendar year, which commences from 1st January and ends on 31st December of the Gregorian calendar.

The Company shall adopt Renminbi as its accounts keeping unit. All accounts shall be written in Chinese.

The Company shall, at the end of each financial year, prepare financial reports, and such reports shall be examined and verified according to statutory requirements.

Article 148 The board of directors of the Company shall place before the shareholders at every annual general meeting the financial statements prepared by the Company as are required by the relevant laws, administrative regulations and mandatory documents promulgated by the local government and the governing authority. Such statements shall be verified.

Article 149 The financial reports of the Company shall be deposited at the Company for inspection by its shareholders not later than 20 days before the annual general meeting of shareholders. Each shareholder of the Company shall be entitled to receive the financial statements referred to in this Chapter.

The Company shall send by prepaid mail at least 21 days before the annual general meeting the above reports to each holder of overseas listed foreign shares. The service address shall be the address in the register of shareholders.

Article 150 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards, laws and regulations, be prepared in accordance with international accounting standards or such accounting standards of the place(s) outside the People's Republic of China where the shares of the Company are listed. Where material differences appear in the financial statements prepared in accordance with the two sets of accounting standards mentioned above, the financial statements shall contain statements of the material differences. Where the Company makes a distribution of profit after taxation in respect of the relevant financial year, the amount of distribution shall be the lesser of the profit after taxation as shown in both financial statements as aforesaid.

Article 151 The interim results or financial information to be published or disclosed by the Company shall be prepared in accordance with China's accounting standards, laws and regulations as well as international accounting standards or the accounting standards of the place outside the People's Republic of China where the shares of the Company are listed.

Article 152 The Company shall publish its financial reports twice in each financial year. The interim financial report shall be published within 60 days after the end of the first 6 months of the financial year and the annual financial report shall be published within 120 days after the end of the financial year.

Article 153 The Company may not establish other books of account other than the statutory books of account.

Article 154 In distributing the after-tax profits of the current year, the Company shall allocate 10 per cent of such profits to the Company's statutory accumulation fund, and 5 per cent to 10 per cent to the Company's statutory public welfare fund. The Company may stop allocation of after-tax profits if the aggregate balance of the Company's statutory accumulation fund accounts for more than 50 per cent of the Company's registered capital.

Where the statutory accumulation fund is insufficient to cover the Company's losses of the previous year, the Company shall apply its annual after-tax profits for the recovery of such losses before allocating such profits in accordance with the above.

After allocation of the Company's statutory accumulation fund from the annual after-tax profits, the Company may allocate a discretionary statutory accumulation fund in accordance with the resolution of shareholders' general meeting.

After the recovery of the Company's losses and the allocation to the statutory accumulation fund and the statutory public welfare fund, the Company shall distribute the remaining profits to the shareholders in accordance with the proportion of shares held by each shareholder.

Article 155 The Company shall not distribute profits or dividends to the shareholder before allocation are made to recovery of the Company's losses, allocation to the statutory accumulation fund and the statutory public welfare fund.

- Article 156** The capital reserve fund shall include the following sums:
- (1) the amount of share premium arising from the issue of shares in excess of their par value;
 - (2) other income to be credited to capital reserve fund in accordance with the provisions of the authority governing the financial matters under the State Council.

Article 157 The Company's statutory accumulated fund may only be used for recovery of the Company's losses, expansion of the Company's production and business or being transferred to increase the Company's registered capital.

When a resolution has been passed by the shareholders' general meeting of the Company to transfer the statutory accumulation fund to the registered capital of the Company, the Company may issue new shares in accordance with the proportion of the original shareholding or increase the par value of each share; provided that, upon such transfer of the statutory accumulation fund to the registered capital of the Company, the remaining balance of the statutory accumulation fund must not be less than 25 per cent of the registered capital.

Article 158 The statutory public welfare fund allocated by the Company shall be used for the collective benefits of the Company's employees.

Article 159 The Company may distribute dividends in the following forms:

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

- Article 160** Where the Company makes payment of cash dividends and other amounts to the holders of domestic shares, the payment shall be made in Renminbi. Where the Company makes payment of cash dividends and other amounts to the shareholders of overseas listed foreign shares, the payment shall be calculated and declared in Renminbi and payable in Hong Kong Dollars. The foreign currency needed in the Company's payment of cash dividends and other amounts to shareholders of overseas listed foreign shares shall be handled in accordance with the relevant provisions on foreign exchange administration of the State.
- Article 161** Unless otherwise permitted under the relevant laws and administrative regulations, the exchange rate for the payment of cash dividends and other amounts in Hong Kong Dollars shall be the average middle rate of the relevant foreign currency announced by the People's Bank of China one calendar week before the announcement of the dividends and other amounts.
- Article 162** Unless otherwise resolved at a shareholders' general meeting, the board of directors as authorised by shareholders' general meeting has the authority to distribute interim or special dividend.
- Article 163** When the Company makes any distribution of dividends to the shareholders, the Company shall make withholdings and payments on behalf of the shareholders of such tax taxable on the income from the dividends payable to shareholders in accordance with the provisions of the PRC's taxation laws and the amount of dividends payable.
- Article 164** The Company shall appoint a receiving agent for shareholders of overseas listed foreign shares. The receiving agent shall receive on behalf of such shareholders the dividends distributed and other amounts payable by the Company in respect of the overseas listed foreign shares.
- The receiving agent appointed by the Company shall satisfy requirements provided under the laws or the relevant provisions of the stock exchange at the place where the shares of the Company are listed.
- The receiving agent appointed by the Company for the shareholders of overseas listed foreign shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

CHAPTER 17 APPOINTMENT OF ACCOUNTING FIRM

Article 165 The Company shall engage an independent accounting firm which satisfies the relevant requirements of PRC to audit the annual financial statements of the Company and to audit other financial statements of the Company.

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

Where the power as provided above is not exercised by the inaugural meeting, it shall be exercised by the board of directors.

Article 166 The term of the office of the accounting firm appointed by the Company shall be from the conclusion of the current annual general meeting until the conclusion of the next annual general meeting.

Article 167 The accounting firm appointed by the Company shall have the following rights:

- (1) to inspect at any time the books and accounts, records or supporting vouchers of the Company and be entitled to request the directors, managers or other senior management officers of the Company to provide relevant information and explanations thereof;
- (2) to request the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of the duties of such accounting firm;
- (3) to attend any shareholders' meeting and to receive the notices or other communications relating to any shareholders' meeting which any shareholder is entitled to receive, and to be heard at any shareholders' meeting on any matter which concerns it as the accounting firm of the Company.

Article 168 Where the office of the accounting firm is vacated, the board of directors may appoint another accounting firm to fill such vacancy prior to the holding of shareholders' general meeting, but while any such vacancy continues, the surviving or continuing accounting firm or accounting firms, if any, may continue to act.

Article 169 Notwithstanding any provisions in the terms of the agreement between the accounting firm and the Company, the shareholders' general meeting may by ordinary resolution remove an accounting firm before the expiration of the term of office of such accounting firm. Where the accounting firm so removed shall be entitled to claim against the Company for damages, if any, in respect of such removal, such entitlement shall not be prejudiced thereby.

Article 170 The remuneration or the method of determination of the remuneration of the accounting firm shall be decided by the shareholders' general meeting. The remuneration of the accounting firm engaged by the board of directors shall be determined by the board of directors.

Article 171 The appointment, removal and non-renewal of engagement of an accounting firm by the Company shall be determined by the shareholders' general meeting and shall be submitted to the competent securities authorities under the State Council for the record.

Where a resolution at a shareholders' general meeting is proposed to appoint an accounting firm other than an incumbent accounting firm to fill a casual vacancy in the office of the accounting firm, to reappoint an accounting firm appointed by the board of directors to fill a casual vacancy, or to remove an accounting firm before the expiry of its term of office, the following provisions shall apply:

- (1) A copy of the proposed resolution in respect of the appointment or removal shall be sent before notice of meeting is given to the shareholders to the accounting firm proposed to be appointed or the accounting firm proposing to leave its post or the accounting firm which has left its post in the relevant financial year. "Leaving" includes leaving by removal, resignation and retirement.

- (2) If the accounting firm leaving its post makes representations in writing and requests their notification to the shareholders, the Company shall take the following measures (unless the representations are received too late):
 1. in any notice of the resolution given to shareholders, state the fact of the representations having been made;
 2. send a copy of the representations as appendix to the notice to every shareholder in the manner prescribed by these Articles of Association.
- (3) If the representations of the accounting firm are not sent out as required by paragraph (2) of this Article, the accounting firm may require that the representations shall be read out at the shareholders' general meeting and may have further rights of redress.
- (4) An accounting firm which is leaving its post shall be entitled to attend:
 1. the shareholders' general meeting at which its term of office would otherwise have expired;
 2. any shareholders' general meeting at which it is proposed to fill the casual vacancy caused by its removal;
 3. any shareholders' general meeting convened on its resignation.

The leaving accounting firm is entitled to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting on any matter which concerns it as a former accounting firm of the Company.

Article 172

Where the Company removes or does not renew the engagement of an accounting firm, the Company shall give prior notice to the accounting firm which shall have the right to make representations at the shareholders' general meeting. Where the accounting firm tenders its resignation, it shall explain to the shareholders' general meeting whether there is any irregularity.

An accounting firm may resign its office by depositing a notice in writing to that effect at the Company's legal address. Such notice shall become effective on the date on which it is deposited at the Company's legal address or such later date as may be specified in the notice. Such notice shall include:

1. a statement to the effect that there are no circumstances connected with its resignation which it considers should be brought to the notice of the shareholders or creditors of the Company; or
2. a statement of any such circumstances as aforesaid.

The Company shall, within 14 days after the receipt of the aforesaid notice, send a copy of the notice to the relevant competent authorities. If the notice contains a statement under paragraph 2 of this Article, the said copies shall also be sent to every shareholder of overseas listed foreign shares by prepaid mail. The service address shall be the address on the register of shareholders.

Where the notice of resignation of the accounting firm contains a statement regarding any accountable affair, the accounting firm may require the board of directors to convene an extraordinary general meeting for the purpose of hearing an explanation of the circumstances connected with its resignation.

CHAPTER 18 INSURANCE

Article 173 The Company shall take out insurance from the People's Insurance Company of China or other insurance companies registered in China and permitted by the laws of China to provide insurance coverage to companies in China.

The types of insurance coverage, amount insured, other terms and period of insurance shall be discussed and decided by the board of directors with reference to the practices of companies in the same industry in other countries and the practice and legal requirements in China.

CHAPTER 19 LABOUR MANAGEMENT

Article 174 The Company shall formulate its labour management, personnel management, wages and welfare and social insurance systems in accordance with the laws and administrative regulations of China.

Article 175 In respect of all levels of management personnel, the Company shall adopt employment-basis system and contract-basis system in respect of ordinary employees. The Company may, at its own discretion, determine its staff allocation and employ or dismiss management staff and employees in accordance with administrative regulations and the terms of contracts.

Article 176 The Company shall have the right to determine, at its own discretion, the wage income and welfare benefits for its management personnel at all levels and employees of all categories in accordance with its own economic benefits and within the scope permitted by the relevant administrative regulations.

Article 177 The Company shall arrange medical, retirement and unemployment insurances for its management personnel and employees in accordance with the relevant administrative regulations of China's central and local government and shall implement the laws, administrative regulations and relevant requirements in respect of labour insurance and labour protection for retired and unemployed staff and workers.

CHAPTER 20 TRADE UNION ORGANIZATION

Article 178 A trade union shall be established and trade union activities shall be organized to safeguard the legitimate rights and interests of staff and workers and the Company shall provide the trade union with necessary conditions for its activities in accordance with the Trade Union Law of the People's Republic of China. The activities of the trade union shall be conducted after normal working hours unless otherwise required by the board of directors.

The Company shall allocate 2 per cent of the total amount of wages paid to the staff and workers as the trade union funds every month. Such funds shall be used by the trade union of the Company in accordance with the Measures for the Management of Trade Union Funds formulated by the All China Federation of Trade Unions.

CHAPTER 21 MERGER AND DIVISION

Article 179 The board of directors of the Company shall put forward proposals for merger or division, which shall be submitted for examination and approval in accordance with the laws after the same have been approved according to the procedures provided in the Articles of Association of the Company. Shareholders who oppose to the proposals for merger or division shall have the right to request the Company or the shareholders who are in favour of the merger or division to purchase their shares at a fair price.

Special reports of the resolution of merger or division shall be prepared for inspection by the shareholders and shall be sent to the shareholders of overseas listed foreign shares by post.

Article 180 The merger of the Company may take the form of either merger by absorption of or by another company or amalgamation by establishing a new company.

In the case of merger of the Company, the parties to the merger shall execute an agreement for the merger and balance sheet and a list of assets shall be prepared. The Company shall, within 10 days after the passing of the resolution for the merger, notify the creditors and shall publish the notification within 30 days at least three times in newspapers.

Upon completion of the merger, all claims and liabilities of the parties to the merger shall be succeeded by the company existing after the merger or by the newly established company.

Article 181 Where the Company demerges, its property shall be apportioned accordingly.

In the case of the division of the Company, parties to the division shall execute an agreement for the division and balance sheets and property list shall be prepared. The Company shall within 10 days after the passing of the resolution for division, notify the creditors and shall publish a notification within 30 days at least three times in newspapers.

Liabilities of the Company before the division shall be borne by the company after the division according to the agreement concluded.

Article 182 Changes in registration particulars arising from merger or division shall be registered with the company registration authorities in accordance with the laws; in the case of dissolution, the registration of the Company shall be cancelled according to the laws; where a new company is established, the establishment shall be registered according to the laws.

CHAPTER 22 DISSOLUTION AND LIQUIDATION

Article 183

The Company shall be dissolved and liquidated in accordance with the relevant laws, administrative rules, regulations and methods upon the occurrence of any the following events:

- (1) where the shareholders' general meeting resolves to dissolve the Company;
- (2) where dissolution of the Company is necessary for its merger or division;
- (3) where the Company is adjudged bankrupt in accordance with the applicable laws as a result of its inability to pay its debts when due;
- (4) where the Company is ordered to close down as a result of its breach of the laws and administrative regulations.

Article 184

If the Company is dissolved pursuant to paragraph (1) of the preceding Article, it shall within 15 days thereof establish a liquidation team and the members of which shall be elected by an ordinary resolution of shareholders in general meeting. If the liquidation team is not established within the said period, creditors may petition to the People's Court for appointment of the relevant persons to form a liquidation team so as to proceed with the liquidation.

If the Company is dissolved pursuant to paragraph (3) of the preceding Article, the People's Court shall form a liquidation team comprising the shareholders, relevant authorities and relevant professionals in accordance with the laws to proceed with the liquidation.

If the Company is dissolved pursuant to paragraph (4) of the preceding Article, the relevant governing authority shall form a liquidation team comprising the shareholders, relevant authorities and relevant professionals in accordance with the laws to proceed with the liquidation.

Article 185 Where the board of directors decides to liquidate the Company (except for the liquidation as a result of the Company's declaration of bankruptcy), it shall specify in the notice convening the shareholders' general meeting for such purpose that the board of directors has made a full inquiry into the conditions of the Company and is of the opinion that the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Upon the passing of the resolution for liquidation by shareholders in general meeting, the powers of the board of directors shall cease forthwith.

The liquidation team shall comply with the instructions of the shareholders' general meeting and shall report to it at least once every year the income and expenses of the liquidation team, the progress of the business and the liquidation of the Company. Upon the completion of liquidation it shall also give a final report to the shareholders' general meeting.

Article 186 The liquidation team shall notify the creditors within 10 days following its establishment and shall make public announcement regarding the same in a newspapers for at least three times within 60 days. The liquidation team shall make registration of all claims by creditors.

Article 187 The liquidation team shall during the liquidation period exercise the following powers:

- (1) to thoroughly examine the Company's property, to prepare balance sheets and a list of property;
- (2) to give notices or make public announcements to notify the creditors;
- (3) to deal with the unfinished business of the Company in relation to the liquidation;
- (4) to settle all tax in arrears;

- (5) to repay all the claims and debts;
- (6) to deal with the residual property of the Company after the repayment of all its debts;
- (7) to represent the Company in civil proceedings.

Article 188

After the completion of the disposal of the assets of the Company and the preparation of the balance sheet and a list of property, the liquidation team shall prepare a liquidation proposal and submit the same to the shareholders' general meeting or relevant competent authorities for their confirmation.

After payment of the liquidation costs in priority, the property of the Company shall be used to make repayments in the following order of priority: (i) accrued wages and labour insurance premiums of the employees of the Company (ii) tax in arrears; (iii) bank loans, debentures of the Company and other debts and liabilities of the Company.

The Company's property remaining after repayment of all its debts in accordance with the provisions of the preceding paragraph shall be distributed to the shareholders of the Company in accordance with the class and proportion of shares held by them.

During the process of liquidation, the Company shall not carry out any new business activities.

Article 189

In the event that the Company is liquidated due to dissolution, if the liquidation team discovers that after the thorough examination of the property of the Company and preparation of the balance sheets and the list of property, the property of the Company is insufficient to repay its debts in full, it shall forthwith apply to the People's Court for a declaration of bankruptcy.

After the People's Court has ruled to declare the Company bankrupt, the liquidation team shall hand over liquidation affairs of the Company to the People's Court.

Article 190 Following the completion of the liquidation of the Company, the liquidation team shall prepare a liquidation report, a statement of revenue and expenditures and financial account books for the period of liquidation which shall, upon being verified by an accountant registered in the PRC, be submitted to the shareholders' general meeting or relevant governing authorities for their confirmation.

The liquidation team shall, within 30 days upon the approval of the shareholders' general meeting and relevant governing authorities, submit the said documents to the company registration authority, and apply for the cancellation of registration of the Company and to make public announcement in respect of the termination of the Company.

CHAPTER 23 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 191 The Company may amend its Articles of Association pursuant to the laws, administrative regulations and the provisions of these Articles of Association.

Article 192 The Articles of Association may be amended in accordance with the following procedures:

- (1) the board of directors shall adopt a resolution in accordance with the Articles of Association to formulate the proposal for amendments to the Articles of Association;
- (2) the shareholders shall be notified of the proposals for amendments and a shareholders' general meeting shall be convened to vote on the amendments;
- (3) the amendments put to the vote at a shareholders' general meeting shall be passed by way of a special resolution.

Article 193 Where the amendments to the Articles of Association involve particulars in the registration of companies, changes in the registration shall be made in accordance with the laws.

CHAPTER 24 NOTICES

Article 194 The notices, communications or other written materials may be sent in the following forms:

- 1) by person;
- 2) by post;
- 3) by fax or email;
- 4) subject to the laws, administrative regulations and the relevant rules of the securities regulatory authorities governing the listing of the Company's shares, by making announcements at the Company's website and/or the designated websites of the stock exchanges of the place(s) where the Company's shares are listed;
- 5) by publishing announcements on newspapers and/or other designated media;
- 6) other forms recognized by the securities regulatory authorities of the place(s) where the Company's shares are listed.

Notwithstanding otherwise provided in these Articles of Association on the form of publication or notification of any documents, circulars or other communications of the Company, and subject to the listing rules of the stock exchanges of the place(s) where the Company's shares are listed, the Company may publish its communications in the form of notification as provided in Item 4) of Article 192.

The Company's communications as aforesaid refer to any documents published or to be published by the Company, which shall cause the Company's shareholder of any class to obtain data or take action, including but not limited to:

- (a) the reports and annual accounts of the board of directors, the auditors' report and the summary of financial statements (if applicable);
- (b) interim report and its summary (if applicable);
- (c) meeting announcements;
- (d) listing documents;
- (e) notification letter; and
- (f) proxy form.

Article 195

Where a notice is served by post, service of the notice shall be deemed to have been effected if it is clearly addressed with postage pre-paid, and put in an envelope before being posted. Such envelope containing the notice shall be deemed to have been received 48 hours after the envelope is posted.

CHAPTER 25 SETTLEMENT OF DISPUTES

Article 196

The Company shall comply with the following rules in the settlement of disputes:

- (1) Where any disputes or claims relating to the business of the Company arising on the rights and obligations as provided in these Articles of Association, the Company Law and other relevant laws, administrative regulations between the shareholders of overseas listed foreign shares and the Company, between the shareholders of overseas listed foreign shares and any director, supervisor, manager or other senior management officer of the Company or between the shareholders of overseas listed foreign shares and shareholders of domestic shares, such disputes or claims shall be referred by the parties concerned for settlement by arbitration.

In referring the said disputes or claims to arbitration, the entire claims or disputes shall be referred; and all the persons having the same cause of action or all the parties including the Company, shareholders, supervisors, managers or other senior management officers of the Company, whose participation is necessary for the settlement of the disputes or the claims, shall submit to arbitration. Any disputes on the definition of a shareholder or register of the shareholders may be settled by methods other than arbitration.

- (2) At the election of the arbitration applicant, the disputes or claims shall be referred to arbitration at either China International Economic and Trade Arbitration Commission in accordance with its arbitration rules, or Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. Once an applicant refers a dispute or a claim to arbitration, the other party must submit to the arbitration in the arbitration institution elected by the applicant.

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

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

CHAPTER 26 BYE-LAWS

Article 197 Any matter not provided in these Articles of Association shall be resolved by a resolution proposed by the board of directors and passed at the shareholders' general meeting.

Article 198 These Articles of Association are written in both Chinese and English. The Chinese version shall prevail.

Article 199 These Articles of Association shall be construed by the board of directors and the amendments thereto shall be made by the shareholders' general meeting.

Article 200 In these Articles of Association, the term "accounting firm" shall have the same meaning as "auditor".

In these Articles of Association, the terms "manager" shall refer to the "general manager" of the Company and "deputy manager" shall refer to the "executive deputy general manager", "deputy general manager" and "director" of the Company.