

SICHUAN EXPRESSWAY COMPANY LIMITED
(a joint stock limited company incorporated in the
People's Republic of China with limited liability)

ARTICLES OF ASSOCIATION

**(formulated in accordance with the resolutions adopted by the shareholders'
extraordinary general meetings held on 1 February 2024)**

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ARTICLES OF ASSOCIATION OF SICHUAN EXPRESSWAY COMPANY LIMITED

CHAPTER 1: GENERAL PROVISIONS

- Article 1** For the purpose of regulating the organization and behaviors of Sichuan Expressway Company Limited (the “Company”), adhering to and strengthening the overall leadership of the Party, improving the corporate governance structure of the Company, building a modern state-owned enterprise system with Chinese characteristics, as well as protecting the legal rights and interests of the Company, the shareholders and the creditors, the Articles of Association are hereby formulated pursuant to the Company Law of the People’s Republic of China (the “Company Law”), the Enterprise State-owned Asset Law of the People’s Republic of China, the Interim Regulations on the Supervision and Administration of State-owned Assets of Enterprises, the Administrative Measures for the Formulation of Articles of Association of State-owned Enterprises, as well as other laws, administrative regulations, rules and normative documents.
- Article 2** For the purpose of protecting the legal rights and interests of the Company, the shareholders and the creditors as well as regulating the organization and behaviors of the Company, the Articles of Association are hereby formulated pursuant to the Company Law, the Securities Law of the PRC (the “Securities Law”), the Mandatory Provisions for the Articles of Association of Companies to be Listed Overseas (the “Mandatory Provisions”) and Guidance for the Articles of Association of Listed Companies (“Guidance for AOA”) as well as other related stipulations.
- Article 3** The Company is a joint stock limited company incorporated in accordance with the Company Law, Special Provisions of the State Council concerning the Flotation and Listing Abroad of Shares by Joint Stock Company with Limited Liability (the “Special Provisions”) and other relevant national laws and administrative regulations.
- Article 4** The Company was established by way of promotion with the approval of the document “Ti Gai Sheng” (1997) 133 of the State Commission for Restructuring the Economic System and was registered with the Administration Bureau of Industry and Commerce of Sichuan Province on 19 August, 1997. The number of the unified social credit code is 9151000020189926XW.

The promoter of the Company is Sichuan Highway Development Holding Company.

Article 5 As approved by the former Securities Committee of the State Council, on 3 September 1997, the Company initially issued 895,320,000 H Shares to overseas public and were listed on The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) on 7 October 1997. On 30 June 2009, as approved by the China Securities Regulatory Commission, the Company issued 500,000,000 A Shares to domestic public, which were listed on the Shanghai Stock Exchange on 27 July 2009.

Article 6 The company’s registered name in Chinese is: 四川成渝高速公路股份有限公司, and English is: SICHUAN EXPRESSWAY COMPANY LIMITED

Article 7 The Company’s residence: No.252 Wuhouci Da Jie, Chengdu, Sichuan Province, the PRC.

Postal Code : 610041
Telephone : (028) 85527507 85527526
Facsimile : (028) 85582022 85530753

Article 8 The Company’s legal representative is the Chairman of the Board of Directors of the Company.

Article 9 The Company is a joint stock limited company in perpetual existence, with a foreign-invested joint stock limited company in nature.

All assets of the Company are classified as shares with the same par value per share. The shareholders shall assume liability limited to their shares subscribed and the Company shall assume liability for its debts with its entire assets.

Article 10 The Articles of Association shall come into effect upon the approval at the general meeting of the Company by special resolution, the approval by the companies approving authorities authorized by the State Council and the registration with the Administration for Industry and Commerce. The Article of Association will replace the original one registered with the Administration for Industry and Commerce by the Company.

Article 11 From the date of these Articles of Association becoming effective, these Articles of Association constitute a legally binding document regulating the Company's organization and activities, the relationship in respect of rights and obligations between the Company and each shareholder and among the shareholders inter se.

Article 12 These Articles of Association are binding on the Company and its shareholders, members of the Party Committee, Directors, Supervisors, Managers and other senior management of the Company; all of whom are entitled to claim rights concerning the affairs of the Company in accordance with these Articles of Association.

The Articles of Association are actionable by a shareholder against the Company, by the Company against shareholders, Directors, Supervisors, Managers, and other senior management, by shareholders against each other and by a shareholder against the Directors, Supervisors, Managers and other senior management of the Company.

Other senior management referred to in the Articles of Association refers to deputy managers, the secretary to the Board of Directors and the officers in charge of financial affairs.

The actions referred to in the preceding paragraph include court proceedings and arbitration proceedings.

Article 13 The Company may invest in other limited liability companies or joint stock limited companies. The Company's liabilities to an investee company shall be limited to the amount of its capital contribution to the investee company, but, shall not be severally liable to such enterprise(s) for their liabilities as their capital contributor, unless stipulated by laws otherwise.

Article 14 In accordance with the laws and regulations of the PRC, the Company has the power to raise or borrow money. The Company's power of raising money includes the issue of debentures, the charging or pledging of part or whole of the Company's business or properties and other rights permitted by PRC laws and administrative regulations.

The Board of Directors of the Company may, in accordance with the resolution adopted by the shareholders' general meeting and the prior approval sought from the relevant government authority (if required), deal with the raising or borrowing of money referred to in the preceding paragraph.

Article 15

In accordance with the requirements of the Constitution of the Communist Party of China (《中國共產黨章程》) (the "Party Constitution") and the Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial), the Company shall establish a Communist Party of China organization to carry out the activities of the Party, set up a working organ for the Party, allocate sufficient staff to deal with Party affairs and guarantee sufficient funds to operate the Party organization.

Article 16

The Company adheres to lawful corporate governance, strives to build itself into a lawfully governed enterprise with sound governance, compliance in operation, standard management, legal compliance and integrity.

CHAPTER 2: PURPOSES AND SCOPE OF BUSINESS

Article 17

The business purposes of the Company are: Based on standard operating mechanism of share systems and with the effective application of the raised capital and in accordance with the pace of the market economy, to accelerate the building of high-grade highway networks in Sichuan and the southwest region, to improve the traffic conditions and to promote the economic and social development of Sichuan and the southwest region. To maximize the Company's profits and protect the shareholder's interests.

Article 18

The projects approved by the companies registration authority of the PRC shall be taken as the standard in respect of the scope of business of the Company.

The scope of business of the Company includes: the investment, design, construction, toll collection, maintenance, management, technical consultation and ancillary services in respect of infrastructures including high-grade highways, bridges and tunnels etc.; construction and lease of ancillary facilities for high-grade highways including petrol station, advertisement stands and warehouses; and vehicle rescue and cleaning (subject to the state's special administration regulations, if required).

Article 19 The Company may, according to changes in the domestic and foreign markets, the requirements of domestic and foreign business and the Company's ability to develop, and upon the approval by resolution adopted by the shareholders' general meeting and the approval of the relevant state governing authorities, adjust its scope of business or direction of investment and investment method and so on.

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 20 There must, at all times, be ordinary shares in the Company. Subject to the approval of the companies approving department authorized by the State Council, the Company may, according to its requirements, create other classes of shares.

Article 21 The shares issued by the Company shall be in the form of share certificates. The shares issued by the Company shall have a par value of Renminbi one yuan.

The Renminbi referred to in the preceding paragraph is the legal currency of the PRC.

Article 22 Subject to the approval of the Securities Supervisory and Regulatory Authority of the State Council, the Company may issue and offer shares to domestic investors and foreign investors for subscription.

The foreign investors referred to in the preceding paragraph means those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors means those investors within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence) who subscribe for shares issued by the Company.

Article 23 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic-invested shares. Shares issued by the Company to foreign investors for subscription in foreign currency shall be referred to as foreign-invested shares. Foreign-invested shares which are listed overseas are called overseas-listed foreign-invested shares. Both the holders of domestic shares and overseas-listed foreign-invested shares are the shareholders of ordinary shares with same obligations and rights.

The foreign currency referred to in the preceding paragraph is the legal currency (apart from Renminbi) of the other country or district which is recognized by the foreign exchange control authority of the State and can be used to pay the Company for the share price.

Domestic shares of the Company are under custody of the Shanghai branch of China Securities Registration and Clearing Company Limited.

Foreign-invested shares of the Company listed in Hong Kong are under custody of Hong Kong Exchanges and Clearing Limited.

Article 24

Domestic shares may be listed in the stock exchanges in the Peoples' Republic of China after approval by the Securities Supervisory and Regulatory Authority of the State Council. Foreign-invested shares issued by the Company and listed in Hong Kong shall be called "H Shares". H Shares are shares which have been approved by the relevant government authority of the PRC and admitted for listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), the par value of which is denominated in Renminbi and are subscribed for and traded in Hong Kong dollars.

Article 25

Approved by the companies approving department authorized by the State Council, during the establishment of the Company, the Company issued 1,662,740,000 shares to Sichuan Highway Development Holding Company ("Sichuan Highway Development"), representing 100% of the total number of issuable ordinary shares. After the establishment of the Company, the Company issued 895,320,000 ordinary H Shares for initial increase in capital. As a result, the total number of ordinary shares of the Company amounted to 2,558,060,000 shares, including the shares of Sichuan Highway Development, representing 65% of the total number of ordinary shares in issue, and the shares held by holders of H Shares, representing 35% of the total number of ordinary shares in issue.

Article 26

Upon approval of Cai Guan Zi (1999) No.156 issued by the Ministry of Finance, Sichuan Highway Development and Huajian Economic Development Centre entered into an agreement relating to the transfer of state-owned shares on 7 December 2000, pursuant to which, upon completion of the transfer of 657,450,000 shares from Sichuan Highway

Development to Huajian Economic Development Centre, Sichuan Highway Development holds 1,005,290,000 shares, representing 39.3% of the total number of ordinary shares, Huajian Economic Development Centre holds 657,450,000 shares, representing 25.7% of the total number of ordinary shares and holders of H shares hold 895,320,000 shares, representing 35% of the total number of ordinary shares.

Upon approval from China Securities Regulatory Commission, the Company issued 500 million domestic shares listed in the PRC (A shares) to domestic investors and such shares were listed on the Shanghai Stock Exchange on 27 July 2009. In addition, according to the Notice on Publication of Implementation Measures for the Transfer of Part of the State-owned Shares to the National Social Security Fund in the Domestic Securities Market (Cai Qi [2009] No. 470) and the Letter of Reply from the State-owned Assets Supervision and Administration Commission of the Sichuan Provincial Government on Issues in relation to the Transfer of Part of the State-owned Shares in Initial Public Offering of A Shares of Sichuan Expressway Company Limited (Chuan Guo Zi Chan Quan [2009] No. 39), 30,229,922 shares held by Sichuan Highway Development and 19,770,078 shares held by Huajian Economic Development Centre were transferred to the National Council for Social Security Fund. The shareholding structure of the Company is: Sichuan Highway Development holds 975,060,078 shares, representing 31.88% of the total share capital of the Company; Huajian Economic Development Centre holds 637,679,922 shares, representing 20.85% of the total share capital of the Company; National Council for Social Security Fund holds 50,000,000 shares, representing 1.64% of the total share capital of the Company; holders of H shares hold 895,320,000 shares, representing 29.28% of the total share capital of the Company; and other public shareholders hold 500,000,000 shares, representing 16.35% of the total share capital of the Company.

According to the Notice from the Sichuan Provincial Government on the Organization and Establishment of Sichuan Transportation Investment Group Co. Ltd. (Chuan Fu Han [2010] No. 68), the Letter of Reply from the State-owned Assets Supervision and Administration Commission of the State Council on Issues in relation to the Transfer of State-owned Shares of Sichuan Expressway Company Limited (Guo Zi Chan Quan [2010] No. 1436), the Letter of Reply from China Securities Regulatory Commission on the Announcement by Sichuan Transportation Investment Group

Co. Ltd. of the Acquisition Report of Sichuan Expressway Company Limited and the Waiver of its Offer Obligation (Zheng Jian Xu Ke [2011] No. 351) and the Letter of Waiver issued by Hong Kong Securities and Futures Commission on 23 November 2010 in relation to the General Offer and based on the confirmation of Shanghai Branch of China Securities Depository and Clearing Corporation Limited, 975,060,078 shares held by Sichuan Highway Development were transferred to Sichuan Transportation Investment Group Co. Ltd. at nil consideration on 25 March 2011. Sichuan Transportation Investment Group Co. Ltd. directly holds 975,060,078 shares of the Company, representing 31.88% of the total share capital of the Company and became the controlling shareholder of the Company. Sichuan Highway Development ceased to hold any share of the Company. On 8 June 2011, the State Administration for Industry & Commerce of the PRC approved Huajian Economic Development Centre to be renamed as China Merchants Huajian Highway Investment Co., Ltd. The number and the proportion of shares it held in the Company remain unchanged. The shareholding structure of the Company is: Sichuan Transportation Investment Group Co. Ltd. holds 975,060,078 shares, representing 31.88% of the total share capital of the Company; China Merchants Huajian Highway Investment Co., Ltd. holds 637,679,922 shares, representing 20.85% of the total share capital of the Company; National Council for Social Security Fund holds 30,229,922 shares, representing 0.99% of the total share capital of the Company; holders of H shares hold 895,320,000 shares, representing 29.28% of the total share capital of the Company; and other public shareholders hold 519,770,078 shares, representing 17.00% of the total share capital of the Company.

Article 27

Upon approval by the Securities Supervisory and Regulatory Authority of the State Council of the proposal to issue overseas-listed foreign-invested shares and domestic-invested shares, the Company's Board of Directors may make implementing arrangements of separate issues.

The Company's proposal to issue overseas-listed foreign-invested shares and domestic-invested shares separately pursuant to the preceding paragraph may be implemented within fifteen (15) months from the date of the approval of the Securities Supervisory and Regulatory Authority of the State Council.

Article 28 Where the Company issues overseas-listed foreign-invested shares and domestic-invested shares separately within the total number of shares as stated in a shares issuing proposal, the respective shares have to be fully subscribed separately at one issue. If they cannot be fully subscribed at one issue due to some special circumstances, these shares may be issued in several issues subject to the approval of the Securities Supervisory and Regulatory Authority of the State Council.

Article 29 After the issue of the domestic-listed domestic shares set out in the second paragraph of Article 26, the Company's registered capital is Renminbi 3,058,060,000.

Article 30 The Company or its subsidiaries (including subsidiary enterprises under the Company) shall not, by way of a gift, advance, guarantee, compensation, loans or otherwise, provide any assistance to a person who acquires or intends to acquire the shares in the Company.

Article 31 The Company may, based on its requirements for operation and development and in accordance with the relevant provisions of these Articles of Association approve an increase of capital.

The Company may increase its capital in the following manners:

- (1) public issue of shares;
- (2) non-public issue of shares;
- (3) placing new shares to its existing shareholders;
- (4) distributing bonus shares to its existing shareholders;
- (5) transferring reserve fund to share capital;
- (6) other methods as permitted by laws and administrative regulations and approved by the Securities Supervisory and Regulatory Authority of the State Council.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of these articles of association, be conducted in accordance with the procedure stipulated by relevant laws and administrative regulations.

- Article 32** Unless otherwise provided by law and administrative regulation, shares in the Company are freely transferable and are not subject to any lien.
- Article 33** Upon transfer of a share in the Company, the name of the transferee of the share shall be entered in the register of shareholders as the holder of such share.
- Article 34** All issues or subsequent transfers of H Shares shall be entered in the register of H shareholders of the Company maintained at the place where the Hong Kong Stock Exchange is located.
- Article 35** Any holder of H Shares may transfer all or any of such Shares by any written instrument of transfer commonly used in Hong Kong. The instrument of transfer shall be signed by both transferor and transferee under hand or by way of printed signature.
- Article 36** The Company shall ensure all its share certificates relating to H Shares include the statements set out below and shall instruct and cause each of its share registrars not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:
- (1) The acquirer of shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the Company Law, other relevant laws and administrative regulations and these articles of association;
 - (2) The acquirer of shares agrees with the Company, each shareholder, director, supervisor and officer of the Company and the Company acting for itself and for each director, supervisor and officer agrees with each shareholder to refer all differences and claims arising from these articles of association or any rights or obligations conferred or imposed by the Company Law and other relevant laws and administrative regulations concerning the affairs of the Company to arbitration in accordance with these articles of association, and any reference to arbitration shall

be deemed to authorize the arbitration tribunal to conduct a hearing in open session and to publish its award;

- (3) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder of the shares;
- (4) The acquirer authorizes the Company to enter into a contract on his behalf with each director and officer whereby such director and officer undertake to observe and comply with their obligations to shareholders stipulated in these articles of association.

Article 37 H shares in the Company shall be listed and dealt in on The Hong Kong Stock Exchange.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 38 In accordance with the provisions of these Articles of Association, the Company may reduce its registered capital.

Article 39 When the Company reduces its registered capital, it must draw up a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten (10) days of the date of the Company's resolution for reduction of capital and shall publish an announcement in the newspapers within thirty (30) days of the date of such resolution. A creditor has the right within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date on which the announcement was made, to demand the Company to repay its debts or provide a corresponding guarantee for such debt.

The Company's registered capital after reduction shall not be less than the statutory minimum amount.

Article 40

The Company may, according to laws and regulations and other regulatory documents, repurchase (buyback/purchase) its issued shares in the following circumstances:

- (1) reduction of its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) to utilize its shares in employee stock ownership plans or equity incentives;
- (4) to request the Company to repurchase its shares by the shareholders when they disagree with the resolution for merger or division of the Company made at the general meeting;
- (5) to utilize its shares to satisfy the conversion of corporate bonds issued by the Company which are convertible into shares of the Company;
- (6) to safeguard the value of the Company and the shareholders' interests as the Company deems necessary;
- (7) other circumstances permitted by laws and administrative regulations.

Save as aforesaid, the Company shall not conduct any activities to deal in the shares of the Company.

The Company's purchase of its own shares shall be subject to a resolution to be passed at the general meeting for any of the reasons as mentioned in items (1), (2), paragraph 1 of this Article; and to a resolution to be passed at the board meeting with more than two-thirds of directors present, pursuant to the provisions of the Articles of Association or under the authorization of the general meeting for any of the reasons as mentioned in items (3), (5) and (6), paragraph 1.

After the Company purchases its own shares pursuant to this Article, it shall, under the circumstance as mentioned in item (1), paragraph 1, write them off within 10 days after the purchase; under either circumstance as mentioned in items (2) and (4), transfer them or write them off within 6 months; and under either circumstance as mentioned in items (3), (5) and

(6), hold shares in aggregate not more than 10% of the total issued shares of the Company and transfer them or write them off within 3 years after the issuance of the announcement of repurchase results and share changes. The Company's registered capital shall be reduced by the aggregate par value of those cancelled shares accordingly.

When the Company purchases the shares of the Company under the circumstances specified in items (3), (5) and (6), paragraph 1, it shall be conducted through open centralized trading.

Article 41

Where the Company has obtained the approval for repurchasing its shares from the relevant governing authority of the State, it may conduct the repurchase in one of the following manners:

- (1) making an offer of repurchase to all shareholders pro rata to their existing holdings;
- (2) repurchasing shares through public dealing on a stock exchange;
- (3) repurchasing shares by an off-market agreement; or
- (4) by other methods as permitted by laws and regulations or relevant regulatory authority of the State.

Article 42

Where the Company repurchases its shares by an off-market agreement, the prior sanction of shareholders shall be obtained in accordance with these articles of association. The Company may release, vary or waive its rights under a contract so entered into by the Company with the prior approval of shareholders obtained in the same manner.

A contract to repurchase shares referred to in the preceding paragraph includes (without limitation) an agreement to become obliged to repurchase or an acquisition of the right to repurchase shares of the Company.

The Company shall not assign a contract to repurchase its shares or any of its right thereunder.

Article 43

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

- (1) where the Company repurchases shares of the Company at par value, payment shall be made out of the book value of the balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;
- (2) where the Company repurchases shares of the Company at a premium to their par value, payment up to the par value shall be made out of the book value of the balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:
 - (i) if the shares being repurchased were issued at par value, payment shall be made out of the book value of the balance of the distributable profits of the Company;
 - (ii) if the shares being repurchased were issued at a premium, payment shall be made out of the book value of the balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's share premium account (including the premiums on the fresh issue);
- (3) payment by the Company for the purposes of the following shall be made out of the Company's distributable profits:
 - (i) acquisition of rights to repurchase shares of the Company;
 - (ii) variation of any contract to repurchase shares of the Company;

- (iii) release of any of the Company's obligations under any contract to repurchase shares of the Company.
- (4) after the aggregate par value of those cancelled shares are reduced from the Company's registered capital in accordance with the relevant regulations, the amount made out of the Company's attributable profits for the repurchase of the par value of the shares repurchased shall be transferred to the Company's capital reserve fund account.

CHAPTER 5: FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 44

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

The Company and its subsidiaries shall not, by any means at any time, provide financial assistance to the person with the obligations as referred to in the preceding paragraph for the purpose of reducing or discharging the obligations assumed by that person.

This Article shall not apply in the circumstances specified in Article 46.

Article 45

For the purposes of this chapter, "financial assistance" includes (without limitation) the following means:

- (1) gift;
- (2) guarantee (including the assumption of liabilities by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the person with the obligations), or compensation (other than compensation in respect of the Company's own default), or by way of release or waiver of any right;

- (3) loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or by way of substitution of a party thereto, or the assignment of rights arising under a loan or such other agreement;
- (4) any other financial assistance given by the Company when the Company is insolvent or has no assets or when its net assets would thereby be reduced to a material extent.

For the purposes of this Chapter, “incurring any obligations” includes changing the financial position of the person with the obligations by contract or the making of arrangement (whether enforceable or not, and whether made on his own account or with any other persons), or by any other means.

Article 46

The following transactions shall not be deemed to be activities prohibited by Article 44 of this Chapter:

- (1) the provision of financial assistance in good faith in the interests of the Company where the principal purpose in giving the financial assistance is not for the acquisition of shares in the Company, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
- (2) the lawful distribution of the Company’s assets by way of dividend;
- (3) the allotment of bonus shares;
- (4) a reduction of the registered capital, a repurchase of shares of the Company or a reorganization of the share capital structure of the Company effected in compliance with these articles of association;
- (5) the lending of money by the Company in the ordinary course of its business, where the lending of money is within the scope of business of the Company (but the net assets of the Company shall not be thereby reduced or, to the extent that those assets are thereby reduced, the financial assistance shall be provided out of distributable profits);

- (6) the provision of money by the Company as contributions to staff and workers' shares schemes, (but the net assets of the Company shall not be thereby reduced or, to the extent that those assets are thereby reduced, the financial assistance shall be provided out of distributable profits).

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 47

Share certificates of the Company shall be in registered form.

The following items shall be stated on the share certificates of the Company:

- (1) the Company's name;
- (2) the date on which the establishment of the Company is registered;
- (3) the class of the certificate, the par value and the number of shares represented by the share certificate;
- (4) the serial number of the share certificate;
- (5) other items required to be stated by the stock exchange on which the Company's shares are listed.

Article 48

Share certificates of company shall be signed by the Chairman of the Company' Board of Directors. Where the stock exchange on which the Company's shares are listed requires other officer(s) to sign on the share certificates, the share certificates shall also be signed by such officer(s). The share certificates shall take effect after being sealed or sealed by way of printing with the seal of the Company. The share certificate shall only be sealed with the Company's seal under the authorization of the board of directors. The signatures of the Chairman of the board of directors and other officer(s) of the company may be in printed form.

Should the Company's shares be issued and traded in paperless manner, those stipulations from the securities regulatory and supervisory authorities at the place where such shares are listed shall be applied.

Article 49

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

- (1) the names and addresses (residence), the occupations or descriptions of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid or payable on the shares of each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which each person was entered in the register as a shareholder;
- (6) the date on which any person ceased to be a shareholder.

Unless the contrary is shown, the register of shareholders shall be sufficient evidence of shareholdings in the Company.

Article 50

The Company may, in accordance with the mutual understanding and agreement between the Securities Supervisory and Regulatory Authority of the State Council and overseas securities regulatory organizations, maintain the register of shareholders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such share register. The original share register for holders of H Shares shall be maintained in Hong Kong.

A duplicate of the share register for overseas-listed foreign-invested shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure the consistency of the original and the duplicate of such share register.

If there is any inconsistency of the original and the duplicate of the share register for overseas-listed foreign-invested shares, the original shall prevail.

Article 51

The Company shall have a complete register of shareholders which shall comprise the following:

- (1) the share register maintained at the Company's residence in addition to those parts as mentioned in items (2) and (3) of this Article;
- (2) the share register in respect of the holders of H Shares maintained at the place where the Hong Kong Stock Exchange is located;
- (3) any other share register maintained at other places as the board of directors may consider necessary for the purpose of listing the shares of the Company.

Article 52

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

The alteration and rectification of each part of the share register shall be determined in accordance with the laws of the place where the register is maintained.

Article 53

All the fully paid-up H Shares can be freely transferred in accordance with these Articles of Association. However, the Board of Directors may refuse to recognize any instrument of transfer without giving any reason, unless:

- (1) a fee (for each instrument of transfer) of 2.5 Hong Kong dollars or any higher fee as agreed by the Hong Kong Stock Exchange has been paid to the Company for registration of any transfer or any other document which is related to ownership of or change of ownership of H Shares;
- (2) the instrument of transfer only involves H Shares;
- (3) the stamp duty chargeable on the instrument of transfer has been paid;
- (4) the relevant share certificate and upon the reasonable request of the board of directors any evidence in relation to the right of the transferor to transfer the H Shares have been submitted;

- (5) if it is intended to transfer the H Shares to joint owners, then the maximum number of joint owners shall not exceed four (4);
- (6) the Company does not have any lien on the H Shares.

Article 54

All domestic-listed domestic shares may be legally transferred, but shall be subject to the following provisions:

- (1) the Company does not accept its shares as the subject of pledge;
- (2) shares in the Company held by the promoters shall not be transferred within 1 year from the date of the Company's establishment. The shares which were issued before the public offer shall not be transferred within 1 year since the shares of the Company were listed on the stock exchange(s);
- (3) Directors, Supervisors and other senior management shall report to the Company their shareholdings in the Company and their changes and shall not transfer more than 25% per year of the total number of shares held by them during their terms of service; the shares held by them shall not be transferred within 1 year from the date when the shares of the Company were listed and traded. The aforesaid personnel shall not transfer their shares in the Company within the half year from the retirement date;
- (4) any gains from sale of shares in the Company or other securities of equity nature by any Director, Supervisor, senior management members or shareholders holding 5% or more of the shares with voting rights in the Company within six months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within 6 months after sale of the same shall be disgorged and paid to the Company. The Board of Directors of the Company shall forfeit such gains from the abovementioned parties, except for a securities company holding 5% or more of the shares in the Company as a result of its purchase of remaining shares offered under an underwriting obligation and other circumstances stipulated by the securities regulatory authorities under the State Council.

The shares of the Company or other securities of equity nature held by the Directors, Supervisors, senior management members or individual shareholders as mentioned in item (4), paragraph 1 include the same held by their spouses, parents and children and held through other people's accounts.

Should the Board of Directors of the Company fail to comply with the requirements set out in item (4), paragraph 1 of this Article, a shareholder shall have the right to request the Board of Directors to effect the same within 30 days. Should the Board of Directors fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his own name for the interests of the Company.

Should the Board of Directors of the Company fail to comply with the requirements set out in item (4), paragraph 1 of this Article, the responsible Director(s) shall bear several liabilities.

Article 55

Provided that the PRC laws and regulations and the stock exchange or securities regulatory and registration authorities where the Company has its shares listed have any provisions in respect of the period of closure of the register of members prior to the date of a general meeting or the benchmark date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 56

Where the Company decides to convene a shareholders' general meeting, distribute dividends, liquidate or carry out other activities which would require the determination of shareholdings, shareholding confirmation (record) date shall be determined by the Board of Directors or a convener of general meeting. A person who is registered in the register of shareholders of the Company upon the expiry of the shareholding confirmation (record) date shall be a shareholder of the Company.

Article 57

Any person aggrieved and claims to be entitled to have his/her/its name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 58

Any person who is a registered shareholder or who claims to be entitled to have his name entered into the register of shareholders in respect of shares in the Company may, if his share certificate (the “original certificate”) relating to the share is lost, apply to the Company for a replacement new share certificate in respect of such shares (the “Relevant Shares”).

If a holder of domestic share loses a share certificate and applies to the Company for a replacement of share certificate, it shall be dealt with in accordance with the relevant provisions of the Company Law.

If a shareholder of overseas-listed foreign-invested shares loses a share certificate and applies to the Company for a replacement of new share certificate, the loss may be dealt with in accordance with the law of the place where the original register of holders of overseas-listed foreign-invested shares is maintained, rules of the stock exchange or other relevant regulations.

If a shareholder of H Shares loses his share certificate, the issue of a replacement new share certificate shall comply with the following procedures:

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or a statutory declaration made by the applicant stating that the grounds upon which the application is made and the circumstances and the evidence of the loss, and that no other is entitled to have his name entered in the register of shareholders in respect of the relevant shares.
- (2) Before the Company decides to issue the replacement new share certificate, no statement made by any person other than the applicant declaring that his name should be entered in the register of shareholders in respect of such shares shall have been received by the Company.
- (3) The Company shall, if it intends to issue a new share certificate, publish a notice of its intention at least once every thirty (30) days in a period of ninety (90) consecutive days in such newspapers as may be prescribed by the Board of Directors.

- (4) The Company shall have, prior to publication of its intention to issue a replacement new share certificate:
 - (i) delivered to the stock exchange on which its shares are listed a copy of the notice to be published and may publish the notice upon receiving confirmation from such stock exchange that the notice has been exhibited on the premises of the stock exchange. Such notice will be exhibited on the premises of the stock exchange for a period of 90 days.
 - (ii) in the case of an application made without the consent of the registered holder of the Relevant Share, delivered by mail to such registered shareholder a copy of the notice to be published.
- (5) If, by the expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company shall not have received notice of any objection to the issue of a replacement share certificate, the Company may issue a replacement new share certificate to the applicant according to his application.
- (6) Where the Company issues a replacement new share certificate under this Article, it shall forthwith cancel the original share certificate and enter the cancellation and issue in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of an original share certificate and the issue of a replacement new share certificate by the Company shall be borne by the applicant and the Company is entitled to refuse to take any action until a guarantee is provided by the applicant.

Article 59

Where the Company issues a replacement new share certificate pursuant to these Articles of Association, the name of a bona fide purchaser who obtains such new share certificate or whose name is subsequently entered in the register of shareholders as holders of such shares (if he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 60 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issue of the new share certificate, unless the claimant proves that the Company has acted deceitfully.

CHAPTER 7: SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 61 A shareholder is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

A shareholder shall enjoy rights and assume obligations according to the class and proportion of the shares held by him; shareholders who hold shares of the same class shall enjoy the same rights and bear the same obligations.

Article 62 The ordinary shareholders of the Company shall enjoy the following rights:

- (1) the right to dividends and other distributions in proportion to the number of share held;
- (2) the right to attend or appoint a proxy to attend shareholders' general meetings and to vote thereat;
- (3) the right of supervisory management over the Company's business operations, and the right to present proposals or enquiries;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of these articles of association;
- (5) the right to obtain relevant information in accordance with the provisions of these articles of association, including:
 - (i) the right to a copy of these Articles of Association, subject to payment of the cost of such copy;

- (ii) the right to inspect and copy, subject to payment of reasonable charge:
 - (a) all parts of the register of shareholders;
 - (b) particulars of each of the Company's directors, supervisors, general manager, deputy general managers and other officers of the Company as follows:
 - (aa) his/her present name and aliases and any former name or aliases;
 - (bb) his/her principal address (residence);
 - (cc) his/her nationality;
 - (dd) his/her full-time and all other part-time occupations;
 - (ee) his/her identification document and its number.
 - (c) state of the Company's share capital;
 - (d) reports showing the number, aggregate par value, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;
 - (e) minutes of shareholders' general meetings;
 - (f) the Company's bond counterfoil, resolutions of the meetings of the Board of Directors, resolutions of the meetings of the Supervisory Committee, and financial statements.

Where a shareholder requests to inspect the above-mentioned relevant information or demands information, the written documents stating the class and number of the shares of the Company held shall be submitted to the Company. Upon verification of the identity of the shareholder, the Company will provide with the shareholder the information as required.

- (6) in the event of the termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (7) to file a petition, to convene, preside over and attend or appoint proxies to attend shareholders' general meetings and to vote thereat according to laws;
- (8) to donate or pledge the shares held in accordance with laws, administrative regulations and the Articles of Association;
- (9) to request the Company to repurchase its shares held by the shareholders when they disagree with the resolution(s) for merger or demerger of the Company made at the shareholders' general meeting;
- (10) in accordance with the Company Law or other laws and administrative regulations, to initiate a lawsuit to the People's Court against the actions damaging the Company's interest or infringing upon the legal interest of shareholders and claim relevant rights;
- (11) other rights conferred by laws, administrative regulations and these articles of association.

Article 63

The ordinary shareholders of the Company shall assume the following obligations:

- (1) to abide by laws, administrative regulations and the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;

- (3) not to divest in the shares other than as provided by laws or regulations;
- (4) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the independent position of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company;

Shareholders of the Company who abuse their rights as shareholders and cause losses to the Company or other shareholders shall be liable to compensation under the laws.

Shareholders of the Company who abuse the Company's independent position as a legal person to evade repayment of debts and cause material damage to the interests of its creditors shall be severally held liable to repayment of debts.

- (5) a shareholder holding 5% or more of the Company's shares with voting rights pledges any shares in his/her possession shall submit written report to the Company from the date when he/she pledges his/her shares;
- (6) other obligations imposed by laws, administrative regulations and these articles of association.

Shareholders are not liable to make any further contribution to the share capital other than as agreed by the subscriber of the relevant shares on subscription.

Article 64

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which shares of the Company are listed, a controlling shareholder shall not exercise his/her voting rights in respect of the following matters in a manner prejudicial to the interests of the shareholders generally or of some part of the shareholders of the Company:

- (1) to relieve a director or supervisor of his/her duty to act honestly in the best interests of the Company;

- (2) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a director or supervisor (for his/her own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save pursuant to a restructuring submitted to shareholders for approval in accordance with these Articles of Association.

Article 65

For the purposes of the preceding Article, a controlling shareholder means a person who satisfies any one of the following conditions:

- (1) he/she alone or acting in concert with others has the power to elect more than half of the board of directors;
- (2) he/she alone or acting in concert with others has the power to exercise or to control the exercise of 30 per cent or more of the voting rights in the Company;
- (3) he/she alone or acting in concert with others holds 30 per cent or more of the issued and outstanding shares of the Company;
- (4) he/she alone or acting in concert with others in any other manner has actual control over the Company.

Article 66

The controlling shareholder(s) or the de facto controller(s) shall not use their connected relationship to prejudice the interests of the Company. In violation of such provisions, he/she shall be liable to compensate the Company for the losses thereof.

The controlling shareholder(s) and the de facto controller(s) of the Company have the duty to act in good faith towards the Company and public shareholders of the Company. The controlling shareholder(s) shall strictly exercise their rights as a capital contributor in accordance with the laws and shall not take advantage of profit distribution, asset restructuring, external investment, capital appropriation and loan guarantee to the detriment of the legal interests of the Company and

public shareholders, nor shall they take the advantage of their controlling position to the detriment of the Company and public shareholders.

The Directors, Supervisors and the senior management of the Company have an obligation to protect the safety of the Company's capital and maintain the Company's interests. In the event that any Director or senior management of the Company acts in breach of such obligation by assisting or conniving with the controlling shareholder(s) and its/their subsidiaries to misappropriate the Company's assets, the Board of Directors of the Company has the right to take disciplinary action against the person who is directly responsible, depending on the seriousness of the case, and propose the general meeting to remove the Director who is grossly liable for such misappropriation.

The Company shall formulate administrative measures for fund transfers with connected persons to prevent its controlling shareholder(s), de facto controller(s) or other related parties from misappropriating the Company's assets.

If the controlling shareholder(s) violate(s) these Articles of Association and relevant requirements by misappropriating the Company's assets, the Board of Directors of the Company has the right to apply to the court for an order to freeze the shares of the Company held by it/them in accordance with the relevant laws and regulations. In case of the controlling shareholder's failure to compensate the Company in cash for the misappropriated assets, the Company has the right to realise the shares held by such controlling shareholder to repay the Company for the misappropriated assets.

CHAPTER 8: SHAREHOLDERS' GENERAL MEETING

Article 67 The shareholders' general meeting is the supreme authority of the Company and shall exercise its powers in accordance with law.

Article 68 The shareholders' general meeting shall have the following powers:

- (1) to decide on the Company's development strategy and planning;

- (2) to decide on the Company's operational policies and investment plans;
- (3) to elect and replace Directors not being staff representatives and decide on matters relating to remuneration of Directors;
- (4) to elect and replace the Supervisors not being staff representatives and decide on matters relating to the remuneration of Supervisors;
- (5) to examine and approve reports of the board of directors;
- (6) to examine and approve the reports of the supervisory committee;
- (7) to examine and approve the company's proposed annual preliminary and final financial budgets;
- (8) to examine and approve the Company's profit distribution plan and plan for recovery of losses;
- (9) to resolve on increases or reduction in the Company's registered capital;
- (10) to resolve on matters such as merger, division, dissolution and liquidation of the Company;
- (11) to resolve on the issue of debentures by the Company;
- (12) to resolve on the appointment, dismissal and non re-appointment of certified public accountants' firm for the Company;
- (13) to amend these Articles of Association;
- (14) to consider the motions proposed by shareholder(s) representing 3% (inclusive) or more of the Company's outstanding shares carrying voting rights;
- (15) to resolve the change of the Company's form;

- (16) to consider and approve the guarantees as follows:
- (i). any guarantee which is given after the total amount of external guarantees of the Company and its controlling subsidiaries reaching or exceeding 50% of the latest audited net assets;
 - (ii). any guarantee after the total amount of guarantees provided by the Company reaching or exceeding 30% of the latest audited total assets;
 - (iii). any guarantee provided in favour of a guaranteed party with an asset to liability ratio exceeding 70%;
 - (iv). the amount of a single external guarantee exceeding 10% of the latest audited net assets;
 - (v). any guarantee provided to shareholders, the de facto controller(s) and their respective related parties.

The Company shall request the party which the Company provides a guarantee to provide counter-guarantee. The provider of the counter-guarantee shall be competent in accepting the liabilities.

- (17) to consider the purchase or sale of any material asset of the Company within one year, the amount of which exceeds 30% of its latest audited total assets;
- (18) to consider and approve the change in use of proceeds from fund raising;
- (19) to consider the share incentive scheme;
- (20) to consider and approve the subject matters of material financial impact of the Company;
- (21) to consider and approve the Rules of Procedures for the Board Meetings and the plan for amendments thereto;

- (22) to decide on other matters which require resolutions of the shareholders in general meeting according to relevant laws, administrative regulations and provisions of these articles of association;
- (23) to delegate or authorize the board of directors to deal with matters delegated or authorized to deal with by the shareholders in general meeting.

Article 69

The Company shall not enter into any contract with any person other than a director, supervisor, general manager, deputy general manager or other officer whereby such person undertakes the management and administration of the whole or any substantial part of the business of the Company except that the Company is in special circumstances such as crisis, unless approval by way of special resolution is obtained in general meeting.

Article 70

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 meetings are held once every year and within six (6) months from the close of the preceding financial year.

The Board of Directors shall convene an extraordinary general meeting within two (2) months following the date of such circumstances:

- (1) the number of directors is less than the number of directors required by the Company Law or two-thirds of the number required by the Articles of Association (8 persons);
- (2) when the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) when shareholder(s) individually or jointly holding 10% (inclusive) or more of the Company's issued outstanding shares request(s) in writing the convening of an extraordinary general meeting;
- (4) when deemed necessary by the Board of Directors or when requested by the supervisory committee;

- (5) when proposed by more than two independent Directors;
- (6) other circumstances provided by the laws, administrative regulations, departmental rules or the Articles of Association.

The shareholdings referred to in sub-clause (3) above shall be calculated as at the date when the shareholder made the written request.

Article 71

If the Company holds a general meeting, it shall engage a lawyer to issue legal advice on the following matters and make an announcement in respect thereof: whether the convening of the general meeting and its procedures are in compliance with the requirement of the laws, administrative regulations, the Articles of Association; whether the qualification of the attendants and convener is legal and valid; whether the procedures and results of voting of the meeting is legal and valid; legal advices on other relevant matters at the request of the Company.

Article 72

When the Company convenes a general meeting, the Board of Directors, Supervisory Committee and the shareholders either individually or collectively holding more than 3% of the Company's shares may propose motions to the Company.

Shareholders individually or collectively holding more than 3% of the Company's shares can make a temporary motion and submit in writing to the convener ten (10) days before the date of shareholders' general meeting. The convener shall issue a supplementary notice of the shareholders' general meeting announcing the contents of the temporary motion within two (2) days upon receipt of the motion.

Other than the circumstances referred to in the preceding paragraph, after the convener has issued the public announcement of the notice of the general meeting, no changes shall be made to the motions stated in the notice of the meeting or the newly added motions.

Article 73

Motions put forward at the general meeting shall be focus on specific proposals to be considered at the general meeting. Motions raised at a general meeting shall satisfy the following requirements:

- (1) free of conflicts with the provisions of laws, administrative regulations and the Articles of Association, and fall into the scope of business of the Company and the scope of powers of the general meeting;
- (2) with clear topics and specific matters to resolve;
- (3) it shall be submitted in writing or served to the convener.

Article 74

When the Company convenes an annual general meeting, a written notice shall be given twenty (20) business days before the meeting, and when the Company convenes an extraordinary general meeting, a written notice shall be given ten (10) business days before the meeting or fifteen (15) days (whichever is later) prior to the date of the extraordinary general meeting, to notify all shareholders in the share register of the issues to be considered at the meeting and the date and the venue of the meeting.

The period of the delivery of the notice shall exclude the date convening the meeting.

For the purpose of holders of H shares, the dispatch date of a notice sent by post shall be the date on which the relevant notice is delivered to the post office by the Company or the share registrar appointed by the Company for mailing.

The place for holding general meetings is at 252 Wuhouci Da Jie, Chengdu, or the venue as determined in the notice to general meeting.

General meetings will set meeting venue and be convened by ways of on-site meetings.

The Company will provide online transmission or other ways permitted by the Securities Supervisory and Regulatory Authority of the State Council for the convenience of shareholders. Shareholders who attend the meeting in the aforesaid manners shall be deemed as present.

In the event that the general meeting adopts online transmission or other ways, the time and procedures for voting via internet or by other ways will be specifically stated in the notice of the general meeting.

The beginning time for voting via internet or other ways for the general meeting shall not be earlier than 3:00 p.m. of the day prior to the general meeting, and shall not be later than 9:30 a.m. of the day when the onsite general meeting is convened and its closing time shall not be earlier than 3:00 p.m. of the day when the onsite general meeting is closed.

Article 75

The general meeting shall not vote on and resolve motions not stated in the notice of the general meeting or motions which do not meet the requirements in Article 73 of the Articles of Association.

Article 76

A notice of meeting of shareholders shall:

- (1) be in writing;
- (2) specify the place, the date and the hour of the meeting;
- (3) state the general nature of the business to be transacted and the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to exercise an informed judgment on the proposals before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase shares, to reorganize the share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of such proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, general manager, deputy general manager or other officer in the proposed transaction and the effect of the proposed transaction on them in their capacity as shareholders in so far as it is different from the effect on the interests of other shareholders of the same class;

- (6) contain the full text of any special resolution proposed to be moved at the meeting;
- (7) contain conspicuously a statement that a shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) to set out the record date for shareholders who are entitled to attending the general meeting. No alteration shall be made to the record date once it is determined;
- (10) all the contents of the proposals shall be fully and completely disclose in the notice of the general meeting and its supplementary notice. If the matters to be discussed require independent Directors' opinions, those opinions and reasons given by the independent Directors shall be disclosed in the notice or supplementary notice of the general meeting;
- (11) name and telephone number of the contact person of the general meeting.

Article 77

Notice of shareholders' general meeting shall be served on the shareholders (whether or not entitled to vote at the meeting), by delivery or prepaid mail to the registered address of any such shareholders. For the holders of domestic shares, notice of the meetings shall be issued by way of public notice.

The public notice referred to in the preceding paragraph shall be published in one or more newspapers designated by the Securities Supervisory and Regulatory Authority of the State Council before the convening of the meeting. The full text of the notice shall be at the same time published on the website designed by the Securities Supervisory and Regulatory Authority of the State Council. After the publication of notice, all the holders of domestic-invested shares shall be deemed to have received notice of the relevant shareholders' general meeting. Where laws, regulations and other normative documents provide otherwise for the time of the notice, such provisions shall prevail.

Subject to the laws and regulations and listing rules in the place where the Company's shares are listed, the notice of shareholder's general meeting can be dispatched or provided through other ways specified in Article 283 of the Articles of Association.

Article 78

The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the proceedings at that meeting.

Article 79

For the proposal to elect Directors and/or Supervisors to be discussed at the general meeting, the following biographies of candidates for Directors and/or Supervisors shall be fully disclosed in the notice of the meeting:

- (1) personal particulars including educational background, working experience, and any part-time job;
- (2) whether there is any connected relationship with the Company or its controlling shareholder(s) or de facto controller(s);
- (3) disclosure of their shareholdings in the Company;
- (4) whether or not they have been subject to any punishment by the Securities Supervisory and Regulatory Authority of the State Council or other related authorities or stock exchanges.

Article 80

In addition to the adoption of the cumulative voting system to elect Directors and Supervisors, each of the candidates for Directors or Supervisors shall be proposed in a separate motion.

Article 81

After despatch the notice of general meeting, the general meeting shall not be postponed or cancelled without proper reasons. The motions stated in the notice of general meeting shall not be cancelled. In the event that the general meeting was postponed or cancelled, the convener shall make announcement at least 2 business days prior to the designated date of the general meeting and explain on the reasons.

Article 82 All shareholders or their proxies whose names appeared in the register of shareholders at the record date are entitled to attend the general meeting, and exercise voting rights pursuant to the relevant laws and regulations and the Articles of Association.

Article 83 Shareholders may attend the general meeting in person or appoint a proxy to attend and vote on their behalf.

Individual shareholders shall present their identification cards or other valid proof of identity and share account cards when they attend the meeting in person; those who are appointed as proxies shall present their own identity cards and power of attorney when they attend the meeting.

A legal person shareholder shall appoint its legal representative or a proxy authorized by the legal representative to attend the meeting. Legal representatives shall present their identity cards, valid proof of their identity as legal representative when they attend the meeting. In the case that a proxy is appointed, the proxy shall present his own identity card, the written power of attorney issued by the legal representative of the legal person shareholder.

Article 84 The power of attorney issued by a shareholder appointing a proxy to attend general meeting on his behalf shall state the following:

- (1) name of the proxy;
- (2) whether empowered with right to vote;
- (3) instructions to vote in favour of, against or abstain from, as the case may be, each matter in the agenda of the general meeting;
- (4) the date of the power of attorney and the expiration date;
- (5) signature (or seal) of the principal. In the case that the principal is a domestic legal person shareholder, the power of attorney shall bear the official seal of that legal person;

- (6) the power of attorney shall contain a statement to the effect that, in the absence of specific instructions from the shareholder, whether the proxy may vote at his/her discretion.

Article 85

The instrument appointing a voting proxy by a shareholder to vote on his/her behalf and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarially certified copy of that power of attorney or other authority shall be deposited at the residence of the Company or at such other place as is specified for that purpose in the notice convening the meeting, not less than twenty-four (24) hours before the time for holding the meeting at which the proxy proposes to vote or the time appointed for the passing of the resolution.

If the appointer is a legal entity, its legal representative or such person as is by resolution of its board of directors or other governing body authorized to act as its representative may attend the meetings of shareholders of the Company.

Article 86

Any form issued to a shareholder by the directors for use by him/her for appointing a proxy to attend and vote at a meeting of the Company shall be such as to enable the shareholder, according to his/her intention, to instruct the proxy to vote in favour of or against each resolution dealing with business to be transacted at the meeting.

Article 87

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. A proxy so appointed shall exercise the following rights pursuant to such authorization:

- (1) the shareholder's right to speak at the meeting;
- (2) the right to demand or join in demand for a poll;
- (3) the right to vote by hand or on a poll, provided that when a shareholder has appointed more than one proxy, such proxies may only vote on a poll.

- Article 88** A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or loss of capacity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at its residence before the commencement of the meeting at which the proxy is used.
- Article 89** The meeting attendance lists shall be prepared by the Company. The meeting attendance lists shall include participants' (individuals or entities) names, identity card numbers, addresses, number of shares held or carrying voting rights, the principals' (individuals or entities) names, etc.
- Article 90** The Board of Directors and other convener shall take such necessary measures to ensure the normal order of the general meeting. For any disturbance to the order of the general meeting and acts infringing on the lawful interests of the shareholders, measures shall be taken to prevent them, and the relevant authority shall be reported to pursue the matter.
- Article 91** The convener and the lawyer retained by the Company shall verify the legal eligibility of the shareholders based on the register of shareholders provided by the securities registration and clearing authority and shall register the names of the shareholders together with the numbers of shares with voting rights held by them. Before the chairman of the meeting declares the number of shareholders and proxies present at the meeting as well as the total number of shares with voting rights in their possession, registration for the meeting shall be ended.
- Article 92** When convening a general meeting, all Directors, Supervisors and the secretary to the Board of Directors shall attend the meeting in person while Managers and other senior management shall attend the meeting as observers.

- Article 93** The Company shall formulate the rules of procedures for general meetings, which stipulates procedures for convening the general meeting and voting procedures, including notice, registration, consideration of motions, voting, vote counting, announcement of voting results, resolutions of the meeting, the meeting minutes and their signings, announcement etc., and the principles for the general meeting authorizing the Board of Directors for which the authorization shall be clear and specific. The rules of procedures for general meetings shall be the appendix to the Articles of Association, which shall be proposed by the Board of Directors and approved by general meeting.
- Article 94** At the annual general meeting, the Board of Directors and the Supervisory Committee shall report their work in the preceding year to the general meeting. Each independent Director shall also submit his/her work report.
- Article 95** Directors, Supervisors and the senior management should respond and explain to the questions of and recommendations made by shareholders at the general meeting.
- Article 96** Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.
- To adopt an ordinary resolution, more than half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.
- To adopt a special resolution, not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed.
- The shareholders (including proxies) present at the meeting can expressly state their agreement with, objection to or abstain from voting every matter to be determined by voting, save and except for those shareholders (who are legal owners being the share registrars under the connected stock market between the PRC market and HK market) who have made such declaration in accordance with the instructions of the beneficial owners.

For shareholders of A Shares, votes unfilled, incorrectly filled and illegible, and uncast votes shall be deemed as a waiver by voters, and the voting results of the number of shares held by them shall be counted as “abstention”.

Provided that the PRC laws and regulations and the stock exchange or securities regulatory and registration authorities where the Company has its shares listed have any provisions in respect of the foregoing voting and counting matters, such provisions shall prevail.

Article 97

A shareholder (including proxy) may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

The shares of the Company held by itself have no voting rights and shall not be counted as part of the total number of shares with voting rights at the general meeting.

When a connected transaction is considered at the general meeting, the connected shareholder(s) shall not take part in voting and the shares with voting rights held by them shall not be counted as the total valid votes.

Where any shareholder is, under the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time), required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

For holders of domestic shares, when the significant matters with impact on the interests of the medium and small investors are considered at a shareholders’ general meeting, votes on the medium and small investors shall be counted separately. The separate voting results shall be disclosed to the public in a timely manner.

Article 98

The Board of Directors, independent Directors and any shareholder(s) who meet the relevant conditions are entitled to collect voting rights from other shareholders entitled to attend and vote at the general meeting. Voting rights shall be collected without consideration and sufficient information shall be disclosed to the shareholders from which the voting rights are collected.

Article 99

At any meeting of shareholders a resolution shall be decided on a show of hands unless a poll is (before or after any vote by show of hands) demanded:

- (1) by the chairman of the meeting;
- (2) by at least two shareholders entitled to vote present in person or by proxy or;
- (3) by one or more shareholders present in person or by proxy and representing 10% (inclusive) or more of all shares carrying the right to vote at the meeting.

Unless otherwise required by the applicable rules governing the listing of securities and other laws and regulations, or a poll been so demanded, a declaration by the chairman that a resolution has on a show of hands been carried unanimously, or carried by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who makes such demand.

Article 100

A poll demanded on the election of the chairman of the meeting, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the meeting directs, and any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The result of the poll shall determine the passing of the relevant resolution of the meeting at which the poll was demanded.

Article 101

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

Article 102

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall have a casting vote.

Article 103

Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutineers. Any shareholder who is interested in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

When the shareholders are voting on the motions, lawyers, shareholder representatives and representatives of the Supervisors shall count and scrutinize the votes jointly, and the voting results shall be announced forthwith. Voting results on the resolutions shall be recorded in the minutes of meeting.

Shareholders of the Company or their proxies that vote online or by other ways shall have the right to check and inspect their voting results through the corresponding voting systems.

Article 104

In the event that the general meeting adopts on-site voting and network voting:

- (1) The same voting right shall only be exercised by one of the means including on-site, via internet or by other ways. In the event that the same voting right has been exercised twice, the results of the first voting shall prevail.
- (2) The end time for on-site general meeting shall not be earlier than the general meeting via internet or by other ways. The convener shall announce the voting results on each motion, and announce if the motion is passed pursuant to the voting results.
- (3) Prior to announcement of the voting results, any companies, vote counter, scrutineer, substantial shareholder, network voting service provider and other relevant parties involving in the voting at on-site general meeting, via internet or other ways shall bear the confidentiality responsibility for the voting results.

Article 105

In addition to the cumulative voting system, voting for all motions proposed at a general meeting shall be conducted on an item-by-item basis. For different motions on the same matter, voting related thereto shall be conducted based on the chronological order of the motions proposed. Unless a general meeting is suspended or no resolution can be adopted due to force majeure events or other special reasons, no motion shall be set aside or rejected for voting at the general meeting.

Article 106

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

- (1) work reports of the board of directors and the supervisory committee;
- (2) plans formulated by the board of directors for distribution of profits and for making up losses;
- (3) appointment and removal of the members of the board of directors and members of the supervisory committee, their remuneration and method of payment;
- (4) annual preliminary and final budgets, balance sheets and profit and loss accounts and other financial statements of the Company;
- (5) the Company's annual report;
- (6) matters other than these required by the laws and administrative regulations or by these articles of association to be adopted by special resolution.

The remuneration mentioned in sub-clause (3) above, includes (but not limited to) the compensation which shall be acquired by the relevant Directors and Supervisors when they lose their position as Directors or Supervisors or retire.

Article 107

The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) the increase or reduction of share capital and the issue of shares of any class, warrants and other similar securities; the repurchase of shares of the Company as a result of a reduction in its registered capital;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution and liquidation of the Company;
- (4) amendments to these Articles of Association;
- (5) the purchase or disposal of material assets or any guarantee within one year, the amount of which exceeds 30% of the latest audited total assets of the Company;
- (6) share incentive scheme;
- (7) adjustment or alteration to the distribution policy of cash dividend;
- (8) any other matters required by the laws, administrative regulations and the Articles of Association and considered by the general meeting.

Article 108

Independent Directors are entitled to propose to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within 10 days after receiving such proposal from the independent Directors.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board of Directors. In the event that the Board of Directors does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of announcement.

Article 109

The Supervisory Committee is entitled to propose the convening of an extraordinary general meeting to the Board of Directors, provided that such proposal shall be made in writing. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten (10) days after receiving such proposal.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board of Directors. Any changes to the original proposals made in the notice require approval of the Supervisory Committee.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten (10) days after receiving such proposal, the Board of Directors shall be deemed as incapable of performing or failing to perform the duty of convening a general meeting, in which case the Supervisory Committee may convene and preside over such meeting on an unilateral basis.

Article 110

Shareholders requisitioning extraordinary general meetings of shareholders or class meetings shall abide by the following procedures:

- (1) Shareholders individually or jointly holding 10% (inclusive) or more of the shares of the Company shall sign one or more counterpart requisitions stating the object of the meeting and requiring the board of directors to convene a shareholders' extraordinary general meeting or a class meeting. The board of directors shall as soon as possible proceed to convene the extraordinary general meeting of shareholders or a class meeting after receiving the requisition.

The amount of shareholdings referred to above shall be calculated according to the shareholders' shareholdings at the date of the deposit of the requisition.

- (2) The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten (10) days after receiving such requisition.

In the event that the Board of Directors agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after the passing of the relevant resolution of the Board of Directors. Any change to the original proposal made in the notice requires prior approval of the shareholders concerned.

In the event that the Board of Directors does not agree to convene an extraordinary general meeting or does not furnish any reply within ten (10) days after receiving such proposal, shareholders individually or collectively holding 10% or more of the Company's shares shall be entitled to propose to the Supervisory Committee the convening of the extraordinary general meeting, provided that such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of the general meeting shall be issued within five (5) days after receiving such request. Any changes to the original proposal made in the notice shall require prior approval of the shareholders concerned.

Failure of the Supervisory Committee to issue the notice of the general meeting shall be deemed as failure of the Supervisory Committee to convene and preside over a general meeting, and shareholders individually or collectively holding 10% or more of the Company's shares for ninety (90) consecutive days or more may convene and preside over the meeting by themselves in a manner as nearly as possible as, and with procedures taken conforming to those, where meetings are to be convened by the Board of Directors.

Any reasonable expenses incurred by the shareholder who convenes the meeting due to failure of the Board of Directors to duly convene a meeting shall be repaid to him by the Company and any sum so repaid shall be set off against sums owed by the Company to the Directors in default.

Article 111

Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary general meeting by itself/ themselves, it/they shall send out a written notice to the Board of Directors, and shall put on the records of the local office of the Securities Supervisory and Regulatory Authority of the State Council at the locality of the Company and the stock exchange(s).

The shareholding of the convening shareholder(s) shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The convening shareholder(s) shall submit relevant evidence to the local office of the Securities Supervisory and Regulatory Authority of the State Council at the locality of the Company and the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

The Board of Directors and the secretary to the Board of Directors shall cooperate with respect to matters relating to a general meeting convened by the Supervisory Committee or shareholders at its/their own discretion. The Board of Directors shall provide the register of shareholders as of the record date.

Expenses arising from convening of a general meeting by the Supervisory Committee shall be borne by the Company.

Article 112

General meetings shall be convened and chaired by the Chairman; In the event that the Chairman is unable or fails to perform his duties, a vice-chairman elected by more than half of the Directors shall convene and take the chair of the meeting. If the vice-chairman is unable or fails to perform his duties, the meeting shall be presided over and chaired by a Director elected by more than half of the Directors.

The general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable to perform his duties or has failed to perform his duties, a Supervisor elected by more than half of the Supervisors shall preside over the meeting.

Shareholders may convene the meeting themselves pursuant to the provisions of the Articles of Association and a representative nominated by the convener shall preside over the meeting.

When the general meeting is held and the chairman of the meeting violates the rules of procedures which makes it difficult for the general meeting to continue, a person may be elected at the general meeting to act as the chairman of the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 113

The person who presides over the meeting shall announce the number of shareholders or proxies who attend the on-site meeting and the total shares carrying voting rights held by them prior to the voting, which shall be on the basis of the register of the meeting.

Article 114

The convener shall ensure that the general meeting is held without adjournment until the final resolution is reached. When special reasons such as force majeure events have led to the interruption or termination of the meeting, measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. The convener should also report to the local office of the Securities Supervisory and Regulatory Authority of the State Council at the locality of the Company and the stock exchange(s).

Article 115

The chairman of the meeting shall be responsible for the determination of whether a resolution is passed. His decision, which is final and conclusive shall be announced at the meeting and recorded in the minute book.

Article 116

If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, the chairman of the meeting shall have the votes counted immediately.

Article 117

If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the minutes book.

Article 118 Minutes shall be made in respect of all resolutions passed at a shareholders' general meeting and signed by directors present at the meeting. The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's residence.

Article 119 Copies of the minutes of proceedings of any shareholders' general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy of such minutes to him within seven (7) days after having received reasonable charges.

Article 120 Through various ways and means including making full use of modern information technology, the Company shall increase the proportion of public shareholders present at the general meeting, subject to compliance with the legibility and validity of such a meeting.

Article 121 Minutes of a general meeting shall be recorded, which is the responsibility of the secretary to the Board of Directors.

The minutes of the meeting shall record the following: time, place, agenda of meeting and the name of the convener; names of the chairman of the meeting, Directors, Supervisors, Managers and other senior management present at the meeting; number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company; process of consideration for each motion, the gist of speaking and voting results; shareholders' questions or recommendations and the relevant explanation or illustration; names of the lawyer(s), the vote counter(s) and the scrutinizer(s); such other matters as required by the Articles of Association to be included in the minutes.

The convener should also ensure the truthfulness, accuracy and completeness of the minutes of the meeting. Directors, Supervisors, the secretary to the Board of Directors, the convener or his/her representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the letters of authorization of their proxies, and voting information otherwise derived for a period not less than 10 years.

Article 122 Resolutions of a general meeting shall be announced timely, and the announcement shall contain the number of shareholders and proxies present, the total number of voting rights and the percentage of their voting rights to the total of voting shares of the Company, means of voting, the voting result for each motion and the details of each of the resolutions. If connected transactions are transacted at the general meeting, the announcement on the resolutions passed at the general meeting should fully disclose the voting details of the non-connected shareholders.

Article 123 If a motion is not passed, or if a resolution of the previous general meeting is changed by the present general meeting, special notes in connection therewith should be made in the announcement of the resolutions of the general meeting.

Article 124 In the event that a motion in relation to election of Directors or Supervisors is passed at a general meeting, those newly elected shall assume office immediately after the conclusion of the meeting.

Article 125 Should a general meeting pass resolutions regarding cash distribution, bonus issue or transfer of surplus reserve into share capital, the specific proposals shall be implemented within two (2) months after the close of the general meeting.

CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 126 Those shareholders who hold different types of shares are different classes of shareholders.

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

Apart from the holders of other classes of shares, the holders of the domestic-invested shares and overseas-listed foreign-invested shares shall be deemed to be different classes.

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

- (1) Where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or concurrently once every twelve (12) months, not more than 20% of each of its existing issued domestic-invested shares and overseas-listed foreign-invested shares;
- (2) Where the Company's plan to issue domestic-invested shares and overseas-listed foreign-invested shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the Securities Committee of the State Council.

Article 127

Rights conferred on any class of shareholders in the capacity of shareholders ("Class Rights") may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with the relevant regulations of the Articles of Association.

Article 128

The following circumstances shall be deemed to be a variation or abrogation of the Class Rights of a class:

- (1) to increase or reduce the number of shares of such class, or increase or reduce the number of shares of a class having voting or equity rights or privileges equal or superior to the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into shares of such class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends of such class;
- (4) to reduce or remove a dividend preference or a liquidation preference of such class;

- (5) to add, remove or reduce conversion privileges, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company of such class;
- (6) to remove or reduce rights to receive payment in particular currencies of such class;
- (7) to create a new class of shares having voting or equity right or privileges equal or superior to the shares of such class;
- (8) to constrain the transfer or ownership of the shares of such class or add to such constraint;
- (9) to allot and issue rights to subscribe for, or convert into, shares in the Company of such class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring;
- (12) to vary or abrogate provisions of this Chapter.

Article 129

Shareholders of the affected class, whether or not otherwise entitled to vote at shareholders' general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning sub-clauses (2) to (8), (11) and (12) of the preceding Article, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of "interested shareholder(s)" as mentioned in the preceding paragraph is:

- (1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under Article 41, a "controlling shareholder" within the meaning of Article 65;

- (2) in the case of a repurchase of share by an off-market agreement under Article 41, a shareholder to whom the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

Article 130

Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 129, are entitled to vote at class meetings.

Article 131

Written notice of a class meeting shall be given with reference to the notice period for shareholders' general meetings under Article 74 of the Articles of Association to all shareholders in the share register of that class of the matters to be transacted at the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply concerning attendance at the class meeting to the Company twenty (20) days, before the date of the class meeting.

Article 132

Notice of class meetings need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner as similar as possible as general meetings of shareholders. The provisions of these Articles of Association relating to any shareholders' general meeting shall apply to any meeting of a class of shareholders.

CHAPTER 10: PARTY COMMITTEE OF THE COMPANY

- Article 133** In accordance with the requirements of the Constitution of the Communist Party of China and the Regulations on the Work of Basic Organizations of the State-owned Enterprises of the Communist Party of China (Trial) and with approval of higher-level Party organizations, the Company shall establish the Committee of the Communist Party of Sichuan Expressway Company Limited (“Party Committee of the Company”). Meanwhile, the Company shall also establish the Commission for Discipline Inspection of the Communist Party in accordance with the relevant provisions.
- Article 134** The Party Committee of the Company shall be elected from the Party member congress or the Party representative congress; each term of office is generally five years. Regular re-election shall be conducted upon the expiration of its term of office. Each term of office of the Commission for Discipline Inspection of the Communist Party shall be the same as the Party Committee.
- Article 135** The leading body of the Party organization of the Company generally consists of 5 to 9 members, including 1 secretary of the Party Committee, and one or two deputy party secretary(ies).
- Article 136** The Party Committee of the Company shall play a leading role and have a legal status in the corporate governance structure, set the right direction, keep in mind the big picture, guarantee the implementation, discuss and decide on major issues of the Company in accordance with the regulations. The main responsibilities are:
- (1) to enhance the political building of the Party in the Company, adhere to and implement the fundamental system, basic system and important system of socialism with Chinese characteristics as well as educate and guide all Party members to maintain a high degree of consistency with the Party Central Committee with Comrade Xi Jinping as the core in the political stance, political direction, political principles and political path;

- (2) to thoroughly study and implement Xi Jinping's Socialism Ideology with Chinese characteristics in the new era, learn and propagate the Party's theory, thoroughly implement the Party's line, principles and policies as well as supervise and guarantee the implementation of major strategy deployments of the Party Central Committee as well as the resolutions of the Party organization at a higher level in the Company;
- (3) to study and discuss the major operational and management issues of the Company, and support the general meeting, the Board, the Supervisory Committee and the management team in performing their duties in accordance with laws;
- (4) to strengthen the leadership and gate keeping role in the process of selection and appointment of personnel of the Company and enhance the development of the management, cadre and talents;
- (5) to undertake the entity responsibility in improving Party conduct and upholding integrity, lead and support internal discipline inspection organizations to fulfill its supervisory responsibility and promote Party self-governance exercised strictly and fully and with rigor into the grassroots level;
- (6) to strengthen the building of grassroots Party organizations and the Party member team, and unite and lead employees to actively devote themselves into the reform and development of the Company;
- (7) to lead the Company's ideological and political work, the spirit and civilisation construction and the united front work of the Company, as well as lead mass organizations such as the Labor Union, Communist Youth League and Women's Organization of the Company.

Article 137

The subject matters of significant operation and management shall be studied and discussed by the Party Committee of the Company prior to the decisions made by the Board of Directors or managers in accordance with the terms of reference and prescribed procedures.

Article 138

The Company shall adhere and improve the leadership mechanism of “Dual Entry and Cross Appointment”. Eligible members of the Party Committee may be appointed to join the Board of Directors and the management team through statutory procedures, and eligible Party members in the Board of Directors and the management may be appointed to join the Party Committee in accordance with the relevant regulations and procedures.

The positions of secretary of the Party Committee and the chairman of the Party members shall be generally held by the same person. The general manager of the Party members shall serve as the deputy secretary. The Party Committee may appoint the full-time deputy secretary to work for the building of the Party. The full-time deputy secretary shall serve as a member of the Board of Directors, rather than serving as one of the managers.

Article 139

Strengthen the support of work. In accordance with the lean and efficient principles of strengthening the work of the Party, the Company’s Party Committee may set up an office, organization department, propaganda department and other working bodies depending on actual needs, and the relevant bodies can be co-located with management departments with similar functions of the Company. The Company shall provide necessary conditions for the carrying out of Party activities, and guarantees the premises for and finances the activities of the Party organization. The Company provides for the funds needed for the activities of the Party organization included in administration expenses in the annual budget at an amount of 1% of the total staff salaries for the previous year.

CHAPTER 11: BOARD OF DIRECTORS

Article 140

The Company shall establish a Board of Directors.

Article 141

The Board of Directors consists of 12 directors, including 4 independent Directors. There is 1 chairman and 2 vice-chairmen in the Board of Directors.

The Company shall formulate Rules of Procedures for the Board Meeting, under which the convening and voting procedures of the board meetings shall be specified, including explicit authorisation principles and contents for authorisation by the Board of Directors to Chairman to exercise certain powers of the Board of Directors during the intermission of the Board meetings. As one of the appendices to the Articles of Association, Rules of Procedure for the Board Meeting shall be worked out by the Board of Directors and subject to approval of the general meeting.

The Company shall establish an independent director system and formulate the Detailed Working Rules for Independent Directors which shall be implemented upon approval of general meeting.

There is no Director being staff representative in the Board of Directors of the Company.

Article 142

Directors shall be elected or changed at the shareholders' general meeting. The term of office of the directors is three (3) years. The shareholders' general meeting is entitled to remove a Director before the expiration of his/her term of office. At the end of a director's term, the term is renewable upon re-election. The term of office for independent Directors is renewable with a cap limit of six (6) years.

List of director candidates are submitted to the general meeting in the form of a proposal for consideration. Director candidates other than independent Director candidates are nominated by the Board of Directors, the Supervisory Committee or shareholders separately or jointly holding more than 3% of the Company's shares and elected by the general meeting.

Notice in writing of the intention to propose a person for election as a director and notice in writing by that person of his/her willingness to be elected shall have been given to the Company's at least seven (7) days before the date of such shareholders' general meeting.

The Directors are elected by means of cumulative voting mechanism. In the Director(s) election, the number of votes held by each shareholder shall equal to the product of the number of his/her votes held multiplied by the number of Directors he/she is entitled to elect; each shareholder has right to cast all his/her votes to one, two or more Director candidates, or to all Director candidates at his/her discretion. The candidate(s) with the most votes shall be elected as Director(s). Voting for independent Directors and non-independent directors shall be held separately. Upon maturity of the term of office, a Director shall be eligible to offer himself/herself for re-election and reappointment.

The Chairman and vice-chairman shall be elected and removed by more than one half of the directors. The term of office of the Chairman and vice-chairman is three (3) years, renewable upon reelection.

The shareholders general meeting may by ordinary resolution remove any director before the expiration of his/her term of office (but without prejudice to such director's right to claim damages based on any contract) on the condition that all the relevant laws and administrative regulations are fully complied with.

The directors shall not be required to hold shares of the Company.

Directors may assume the position as managers or other senior management (other than Supervisors).

The term of office of Directors commences from the date of election up to the maturity of the term of office of the Board. Prior to the maturity of his/her term, a director shall not be removed without cause from his/her office by the general meeting. In the event that the terms of Directors fall upon maturity whereas new members of the Board of Directors are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with laws, administrative regulations and rules from regulatory authorities and the Articles of Association until the re-elected Directors assume their office.

The total number of Directors who are serving concurrently as managers or other senior management staff and Directors from staff representatives shall not exceed half of the total number of the Company's Directors.

Article 143

Directors may resign prior to the expiration of their terms of office. The Directors who resign shall submit to the Board of Directors a written report in relation to their resignation. Relevant information shall be disclosed by the Board of Directors within two (2) days.

In the event that the resignation of any Director results in the number of members of the Board of Directors falling below the statutory minimum requirement, the existing Directors shall continue to perform their duties in accordance with laws, administrative regulations and rules from regulatory authorities and the Articles of Association until the re-elected Directors assume their office.

Other than the circumstances referred to in the preceding paragraph, the resignation of a Director becomes effective upon submission of his/her resignation report to the Board of Directors, which is not subject to the consideration and approval by the shareholders' general meeting. Under such circumstances, the number of Directors of the Company can be less than 12, but not less than the quorum.

Article 144

On a Director's resignation becoming effective or termination of the tenure of his/her office, the Director shall complete all handover procedures to the Board of Directors, and his/her faithful obligations to the Company and the shareholders do not necessarily cease after the termination of tenure and are still effective within a reasonable period stipulated under the Articles of Association.

Article 145

The Board of Directors is responsible to the shareholders' general meeting and is the decision-maker of the Company's business (setting strategies, making decisions, preventing risks), and exercises the following powers:

- (1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's proposed annual preliminary and final financial budgets;
- (5) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures and other securities;
- (7) to draw up plans for the merger, division, dissolution, liquidation or change in corporate form of the Company;
- (8) to decide on the establishment of the Company's internal management structure;
- (9) to decide on the appointment or dismissal of the Company's general manager, the secretary to the Board of Directors and other senior management, and decide on their remuneration and rewards or punishments; and pursuant to the general manager's nominations to appoint or dismiss the deputy manager, financial controller and other senior management of the Company and decide on their remuneration and rewards or punishments;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendments of the Company's Articles of Association;

- (12) to draw up plans for material acquisition or disposal of the Company; plans for repurchase of shares of the Company;
- (13) subject to compliance with relevant requirements of laws, regulations, rules and the Articles of Association, to exercise the rights to raise funds and borrowings for the Company as well as to determine mortgage, leasing, subcontracting or transfer of the assets of the Company and to authorize Managers to exercise such rights to certain extent;
- (14) to determine the investments, acquisition and disposal of assets, pledge on assets, external guarantees, designation of financial management, connected transactions and external donation of the Company within the authorization of the general meeting;
- (15) to manage the information disclosure of the Company;
- (16) to propose at general meetings for the appointment or change of the accounting firm(s) responsible for the auditing for the Company;
- (17) to debrief the work reports and inspect the work of the managers of the Company, check the implementation of resolutions of the Board of Directors by the managers and other senior management, and establish and improve the accountability system for managers and other senior management;
- (18) to formulate plans to implement the decisions and deployments of the Party Central Committee and the State Council and to implement major initiatives of the national and Sichuan provincial development strategies;
- (19) to formulate the Company's development strategies and plans;
- (20) to formulate the Company's business policies and investment plans;

- (21) to formulate the Company's major income distribution plan, including the Company's total salary budget and liquidation plan etc. (if otherwise stipulated by the provincial State-owned Assets Supervision and Administration Commission of the State Council, such stipulations shall apply), the Company's employee income distribution plan and its annuity plan;
- (22) to determine the Company's material accounting policies and plans of change in accounting estimates and to determine the upper limit of the Company's gearing ratio on the premise of meeting the requirements of the provincial State-owned Assets Supervision and Administration Commission of the State Council for gearing ratio control;
- (23) to determine the risk management system, internal control system, work system for accountability for non-compliant operations and investments and legal compliance management system, and conduct overall monitoring and evaluation of the Company's risk management, internal control and legal compliance management systems and their effective implementation;
- (24) to direct, inspect and assess the Company's internal audit, determine the person in charge of the Company's internal audit department, establish a mechanism under which the audit department is accountable to the board of directors, and review and approve the annual audit plan and important audit reports;
- (25) to formulate the work report of the Board of Directors;
- (26) to decide on material matters of the Company in terms of safety and environmental protection, maintenance of stability, and social responsibility;
- (27) to review solutions for the Company's material litigation, arbitration and other legal affairs;

- (28) to decide on material reform and reorganization matters within the Company, or make resolutions on relevant matters according to the authorization;
- (29) to decide on matters involved in the exercise of the rights of shareholders of the enterprises to which the Company contributes funding, subject to the requirements of relevant laws, regulations, rules and the Articles of Association;
- (30) to exercise any other powers conferred by laws, administrative regulations, relevant rules from regulatory authorities or the Articles of Association or designated by the general meeting.

Except for the Board of Directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article and the formulation of proposals for major investments in non-principal businesses which shall be passed by more than two-thirds of the directors, the Board of Directors' resolutions in respect of all other matters may be passed by more than one half of the directors.

The Board of Directors shall exercise any rights not required to be exercised by the general meeting under the Articles of Association. The Board of Directors shall comply with the stipulations of the Articles of Association and the regulations formulated by the general meetings from time to time; however, the regulations formulated by the general meetings shall not invalidate the actions of the Board of Directors conducted effectively prior to such regulations.

The Board of Directors shall follow up the implementation of the resolutions of the Board of Directors in effect as well as post-evaluation.

Article 146

The Board of Directors may delegate part of its powers and functions to the Chairman and the general manager in accordance with relevant regulations, except for matters that must be decided by the Board of Directors as stipulated by laws and administrative regulations.

Article 147

The Board of Directors shall formulate an authorization management system, specify the authorization principles, management mechanism, scope of matters, conditions of authority and other requirements in accordance with the law, and establish and improve the authorization mechanism of regular reporting, tracking and supervision, and dynamic adjustment.

Article 148

The Board of Directors may engage relevant experts or consulting agencies as needed to provide professional advisory opinions to the Board of Directors at the expense of the Company.

If the Proposal is considered to warrant further study or material changes by the Board of Directors, the proposal shall be amended and improved for review according to the time and method determined by the board meetings.

The provincial State-owned Assets Supervision and Administration Commission of the State Council may delegate a person to attend the board meetings and special committees of the Board of Directors, and the secretary to the Discipline Inspection Commission of the Company may attend the board meetings and special committees of the Board of Directors.

Article 149

The Board of Directors shall explain to the general meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company.

Article 150

The Board of Directors shall not, without the prior approval of shareholders in a general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate of the amount or value of the consideration for the proposed disposition and the amount or value of the consideration for any such disposition of any fixed assets of the Company that has been completed in the period of four (4) months immediately preceding the proposed disposition exceeds 33% of the value of the Company's fixed assets as shown in the last balance sheet placed before the shareholders in general meeting.

For the purposes of this Article, disposition includes an act involving the transfer of an interest in assets but does not include the provision of fixed assets by way of security.

The validity of a disposition by the Company shall not be affected by the breach of the first paragraph of this Article.

Article 151

The Board of Directors shall define the authority for investments, acquisition and disposal of assets, mortgage of assets, external guarantees, designation of financial management and connected transactions, and establish strict review and decision-making procedures; for major investments, shall engage relevant experts and professionals to appraise and propose them to the general meeting for approval.

Article 152

The Board of Directors shall perform its duties in compliance with the laws, administrative regulations, these articles of association and resolutions of the shareholders' general meetings.

Article 153

The Chairman of the Board of Directors shall bear the primary responsibility for the reform and development of the Company, have each right of Directors and assume the obligations and responsibilities of Directors.

The Chairman of the Board of Directors shall exercise the following powers:

- (1) to convey the core messages of the Central Committee of the Party, the State Council, the Sichuan Provincial Committee and Provincial Government of the Communist Party of China and the state-owned assets supervision policies to the Board of Directors, and to report the work and issues that needed to be implemented and supervised and rectified by the Board of Directors according to the instructions put forward by the supervisory and inspection bodies;
- (2) to preside over shareholders' general meetings and to convene and preside over meetings of the board of directors so that each Director can fully give his/her personal opinions and vote after the full discussion;
- (3) to check on the implementation of resolutions of the Board of Directors;
- (4) to sign the securities certificates issued by the Company;

- (5) to organize and conduct strategic research, preside over and convene at least one strategy seminar or evaluation meeting every year with the participation of the Board of Directors and members of the management;
- (6) to determine the annual plan for regular board meetings, including the number and time of meetings; to decide to convene extraordinary meetings of the Board of Directors when necessary;
- (7) to determine the agenda of the board meetings, conduct preliminary review of relevant proposals to be submitted to the Board of Directors for discussion, and decide whether to submit to the Board of Directors for discussion and voting;
- (8) to timely get known of the implementation of each board resolution, and supervise and inspect the implementation of resolutions; make timely requests for rectification of issues identified; and report the results of inspections and significant issues identified at the next board meeting;
- (9) to coordinate the formulation, and revision of the Company's basic management system and the rules and regulations for the operation of the Board of Directors, and submit the same to the Board of Directors for discussion and voting;
- (10) to coordinate the formulation of proposals for profit allocation, making up losses, increase or reduction of registered capital, issuance of corporate bonds, merger, demerger, dissolution, liquidation or conversion of the Company, and other proposals formulated as authorized by the Board of Directors, and submit the same to the Board of Directors for consideration and voting;

- (11) to be responsible for signing documents for the appointment and dismissal of officers of the Company in accordance with the board resolutions; to sign documents such as letters of responsibility for business performance with officers on behalf of the Board of Directors in accordance with the authorization of the Board of Directors; to sign other documents required by laws and administrative regulations and authorized by the Board of Directors to be signed by the Chairman of the Board of Directors; and to sign important documents with legal binding effect on behalf of the Company;
- (12) to coordinate the drafting of the annual work report of the Board of Directors, and report the annual work on behalf of the Board of Directors at the shareholders' general meeting;
- (13) to coordinate and formulate the annual audit plans of the Company, review the important audit reports, and submit to the Board of Directors for consideration and approval;
- (14) to propose candidates for the secretary to the Board of Directors and their remuneration and appraisal suggestions, and submit to the Board of Directors to decide on the appointment or dismissal and remuneration; put forward establishment plans or adjustment suggestions and candidate suggestions for each special committee, and submit to the Board of Directors for discussion and voting;
- (15) to communicate with external Directors other than meetings, to debrief the opinions from those external Directors and organize necessary work research and business training for external Directors;
- (16) to exercise special executive powers that are in compliance with laws, regulations and in the interests of the Company within the functions and powers of the Board of Directors in case of force majeure or major or critical circumstances which make it impossible to convene a board meeting in a timely manner, and report to the Board of Directors after the relevant events and approve as accordance with the procedures;

- (17) to exercise other powers conferred by laws, regulations and the Board of Directors.

When the Chairman is unable or fails to perform his/her duties, a vice-chairman jointly appointed by more than half of the Directors shall perform such duties; If the vice-chairman is unable or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall perform such duties.

Article 154

Meetings of the Board of Directors include regular meetings and extraordinary meetings. The number of meetings shall be able to ensure the needs of the Board of Directors to perform its duties. Meetings of the Board of Directors shall be held at least four times every year and convened by the Chairman of the board of directors. Notice of the meeting shall be served on all of the Directors and Supervisors ten (10) days before the date of the meeting.

In case of any of the following circumstances, the Chairman shall propose to convene an extraordinary meeting of the Board of Directors, which shall not be subject to the aforesaid time limit for notice of meeting:

- (1) when proposed by the shareholders holding more than 10% of the voting rights;
- (2) when the Chairman thinks it is necessary;
- (3) when jointly proposed by more than one-third of the Directors;
- (4) when jointly proposed by more than half of the independent Directors;
- (5) when proposed by the Supervisory Committee;
- (6) when proposed by the general manager.

The plan for regular meetings of the Board of Directors shall be determined before the end of the first half of the year. The notice of the regular meeting and the required documents, information and other materials shall be delivered to all Directors ten(10) days prior to the meeting.

In addition to the above circumstances and other emergencies, the notice of convening an extraordinary meeting of the Board of Directors and the required documents, information and other materials shall be delivered to all Directors five(5) days prior to the meeting.

The Directors may for, against or abstain from the proposal submitted to the Board of Directors for consideration. Directors who against or abstain from voting must explain the specific reasons and record them in the minutes of the meeting.

If more than one-third of the Directors have major differences on the matter to be submitted to the Board of Directors for consideration, the matter shall be withheld. If they believe that the information is incomplete or the argument is insufficient, they may jointly submit a written proposal for withholding the matter, which shall be adopted by the Board of Directors.

No more than two postponements shall be made for the same proposal. If, after the same proposal is postponed twice, the Director, previously submitted the postponement, still considers that the proposal is questionable, he/she may vote against the proposal at the time of voting, or may either reflect or report to the relevant bodies and departments in accordance with relevant regulations.

Article 155

Meetings of the Board of directors shall be notified in the following manner:

- (1) No notice of directors' regular meeting shall be required, if the time and place of regular meetings of the Board of Directors have been fixed by the Board of Directors in advance.
- (2) Notice of the time and place of a meeting of the Board of Directors for which the time and place have not otherwise been set in advance by the Board of Directors shall be sent by the Chairman to each of the directors by facsimile, express delivery, registered mail, delivery in person or other ways not less than ten (10) days and not more than thirty (30) days before such meeting.

- (3) Notice shall be in Chinese and, where necessary, in English and shall include an agenda of the meeting. Any director may waive his right to receive notice of meeting of the Board of Directors.
- (4) Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protesting against, before or at its commencement, any lack of notice.
- (5) Any regular or extraordinary meeting of the Board of Directors may be held by telephone conference or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other, and all such directors shall be deemed to be present in person at the meeting.

Article 156

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

Each director shall have one vote. A resolution of the board of directors must be passed by one half or more of all the directors. Where the number of votes cast for and against a resolution is equal, the Chairman of the Board of Directors shall have a casting vote.

Article 157

If any Director is associated with the enterprises that are involved in the matters to be resolved by the board meetings, he/she shall not exercise his/her voting rights for such matters, nor shall such director exercise voting rights on behalf of other Directors. Such board meeting may be convened with attendance of more than half of non-connected Directors, and resolutions shall be passed by more than half of non-connected Directors at the board meeting. In the event that the number of non-connected Directors attending the board meeting is less than three, such matter shall be submitted to the general meeting for consideration.

Article 158

The way of voting for resolutions of the Board of Directors is by name-marked written votes. Resolutions of extraordinary meeting of the Board of Directors may be made by means of communication signed by present Directors on the basis of ensuring each Director fully expressing his/her opinions.

Article 159

Directors shall attend the meetings of the Board of Directors in person. Where a director is unable to attend a meeting for any reason, he/she may appoint another director by written power of attorney to attend the meeting on his/her behalf. The power of attorney shall set out the scope of the authorization and the validity, and shall be signed or sealed by the principal.

An external Director shall not appoint a non-external Director to attend on his/her behalf.

A director appointed as a representative of another director to attend the meeting shall exercise the rights of director within the scope of authority conferred by such director. Where a director is unable to attend a meeting of the Board of Directors and has not appointed a representative to attend the meeting on his/her behalf, he/she shall be deemed to have waived his/her right to vote at the meeting.

The appointed proxy shall be a Director. When counting the quorum of the board meeting, the proxy shall be counted separately as on behalf of another Director and on behalf of himself/herself; he/she is not required to cast all his/her votes as dissenting votes or affirmative votes at the same time. The Director who appoints a proxy shall notify the Company of the termination of the proxy.

Except for special circumstances such as force majeure, the number of Directors attending meetings of the Board of Directors every year shall not be less than three-fourths of the total number of meetings.

A Director will be deemed to have failed to perform his/her duties if he/she cannot attend the board meeting in person twice consecutively nor appoint other Directors to attend the board meeting on his/her behalf. The Board of Directors shall make recommendations to the general meeting to replace such Director.

Article 160

The Board of Directors shall keep minutes of resolutions on matters discussed at meetings. The minutes shall be signed by the directors present at the meeting and the person who recorded the minutes. The directors shall be liable for the resolutions of the Board of Directors. If a resolution of the Board of Directors violates the laws, administrative regulations or these articles of association and results in the Company sustaining serious losses, the directors participating in the resolution are liable to compensate the Company. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection is recorded in the minutes of the meeting, such director may be released from such liability.

The minutes of board meetings shall be deposited as corporate archives for a period not less than ten (10) years.

Article 161

The minutes of the board meetings shall set out the following items:

- (1) the date, venue and name of the person to convene the meeting;
- (2) the names of the Directors present at the meeting and names of the Directors (proxies) present at the meeting on behalf of other Director(s);
- (3) agenda of the meeting;
- (4) gist of the Directors' speech;
- (5) the voting manner and results on each resolution (the voting result shall state the number of affirmative votes, dissenting votes, and abstention votes).

Article 162

Written resolutions signed and approved by all Directors respectively shall be deemed as valid as resolutions passed at a legally convened board meeting. Such written resolutions may consist of a document of multiple copies with each copy signed by one or more Directors. A resolution signed by a Director or with his name and sent to the Company by telegraph, telex, mail, facsimile or by hand, for the purpose of this Article, shall be deemed as a document signed by him.

Article 163

The Board of Directors shall establish four committees, namely the Strategic Committee, Nomination Committee, Remuneration and Appraisal Committee and Audit Committee, and shall specify their respective detailed working procedures.

The Strategic Committee is responsible for conducting research and providing recommendations on the Company's long-term development strategies and major investment decisions. The Strategic Committee shall consist of three to seven Directors, including at least one independent non-executive Director.

The Nomination Committee is responsible for formulating criteria and procedures for the selection of Directors and senior management, and selecting and reviewing the candidates for Directors and senior management and their qualifications. The Nomination Committee shall consist of three to seven Directors, and the majority of them shall be independent non-executive Directors. The Nomination Committee shall have one chairman, who shall be an independent non-executive Director and be in charge of the works of the Nomination Committee and acting as the convenor.

The Remuneration and Appraisal Committee is responsible for formulating the evaluation criteria for Directors and senior management and conducting the evaluation, and formulating and reviewing the remuneration policies and plans for Directors and senior management. The Remuneration and Appraisal Committee shall consist of three to seven Directors, and the majority of them shall be independent non-executive Directors. The Remuneration and Appraisal Committee shall have one chairman who shall be an independent non-executive Director and be in charge of the works of the Remuneration and Appraisal Committee and acting as the convenor.

The Audit Committee is responsible for auditing and disclosing the financial information of the Company, and supervising and evaluating the internal and external auditing work and internal control. The Audit Committee is composed of at least three non-executive Directors, among whom independent non-executive Directors constitute the majority, and at least one shall be an independent non-executive Director with appropriate professional qualifications or appropriate accounting or related financial management expertise as required under the Listing Rules. The Audit Committee shall have one chairman who shall be an accounting professional and an independent non-executive Director taking charge of the works of the Audit Committee and acting as the convenor.

Article 164

Unless otherwise required by the Board of Directors, the Managers, if not being a Director concurrently, may attend the board meetings as non-voting participants and are entitled to receive notices on such meetings and relevant documents, but have no right to vote at the meeting unless they are Directors concurrently.

The Board of Directors may arrange the relevant senior management members, heads of the functional departments and experts of the Company to attend the meetings as necessary to explain, provide consultation or express opinions and accept inquiry on the resolutions involved.

Individuals attending meeting of the Board of Directors have no voting right.

Article 165

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

Article 166

Any Director who violates any laws, administrative regulations, rules from regulatory authorities or the Articles of Association during the course of performing his duties to the Company and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Article 167

The Directors shall have the following rights during their tenure in the Company:

- (1) to be aware of the State-owned assets supervision policies and shareholders' requirements which is necessary to perform Directors' duties;
- (2) to obtain information of the Company which is necessary to perform Directors' duties;

- (3) to attend the meetings of the Board of Directors and the special committees on which Directors serve and exercise voting rights on voting matters;
- (4) to propose to convene an extraordinary meeting of the Board of Directors, postpone the meeting of the Board of Directors and suspend the proposal of voting on the matters discussed, and put forward requirements for supplementing or revising and improving the materials of resolutions reviewed by the Board of Directors and the special committees on which Directors serve;
- (5) to review the implementation of the resolutions of the Board of Directors as entrusted by the Board of Directors;
- (6) to conduct research and learn more information from relevant personnel of the Company according to the need to perform their duties;
- (7) to receive remuneration and work allowances in accordance with relevant regulations;
- (8) to enjoy the necessary working conditions and protections when performing their duties as Directors in accordance with the relevant provisions;
- (9) to reflect and consult the relevant information and opinions to the shareholders' general meetings in writing or orally if necessary;
- (10) other rights stipulated by laws, administrative regulations and this Articles of Association.

CHAPTER 12: INDEPENDENT DIRECTORS

Article 168

The Company shall appoint independent Directors. Independent Directors are those who assume no other office except as a Director in the Listed Company, do not have any direct or indirect relationship of interest with the Listed Company in which they are employed, its substantial shareholders or de facto controller, or other relationships that may affect their ability to make independent and objective judgements.

There shall be at least one accounting professional who shall have rich expertise and experience in accounting among the independent Directors and satisfy at least one of the following conditions:

- (1) possessing qualification for certified public accountant;
- (2) a senior title in accounting, auditing or financial management, an associate professor or above, or holding a doctoral degree;
- (3) possessing a senior title in economic management and having more than five years of full-time work experience in accounting, auditing or financial management and other professional positions.

Article 169

The qualifications for independent Directors of the Company shall be as follows:

- (1) to be qualified for Directors of the Company as provided in laws, administrative regulations and other relevant regulations;
- (2) to be independent as required by the laws, administrative regulations, the Securities Supervisory and Regulatory Authority of the State Council, business rules of stock exchanges and the Articles of Association;
- (3) to be in command of the basic knowledge of the operations of listed companies, and be familiar with relevant laws, regulations and rules;

- (4) having at least five (5) years of work experiences in legal, accounting, economic areas or other experiences indispensable for performing the duties as independent Directors;
- (5) having good personal morality, without material breach of integrity and other bad conduct records;
- (6) other conditions as provided by laws, administrative regulations, provisions of the Securities Supervisory and Regulatory Authority of the State Council, business rules of stock exchanges and the Articles of Association.

Article 170

Independent Directors shall be independent. The following person shall not be appointed as independent Directors of the Company:

- (1) the employees of the Company or employees of its subsidiary enterprises, and their respective spouses, parents, children and major social connections (major social connections refer to brothers and sisters, spouses of brothers and sisters, parents of spouses, brothers and sisters of spouses, spouses of children, and parents of spouses of children);
- (2) the natural person shareholders directly or indirectly holding more than 1% of shares of the Company or of any of the ten largest shareholders of the Company and their spouses, parents, children;
- (3) persons employed by the shareholders directly or indirectly holding more than 5% of shares of the Company or by any of the five largest shareholders of the Company and their spouses, parents, children;
- (4) a person who holds a position in a subsidiary of the controlling shareholder or de facto controller of the Company and his/her spouse, parents, children;
- (5) a person who has significant business dealings with the Company and its controlling shareholder, de facto controller or their respective subsidiaries, or who holds a position in a unit with which the Company has major business dealings and its controlling shareholder or de facto controller;

- (6) a person providing financial, legal, consulting and sponsoring services to the Company, its controlling shareholder, de facto controller or their respective subsidiaries, including, but not limited to, all members of the project team, reviewers at all levels, persons signing on the report, partners, Directors, senior management and key persons in charge of the intermediary institution providing the services;
- (7) a person who has had any of the circumstances as set forth in the preceding six paragraphs within the most recent 12 months;
- (8) the persons already appointed as independent Directors in three (inclusive) domestic listed companies;
- (9) other persons who are not independent as stipulated under the laws, administrative regulations, provisions of the Securities Supervisory and Regulatory Authority of the State Council, business rules of stock exchanges and the Articles of Association.

The subsidiaries of the controlling shareholder and de facto controller of the Company mentioned in Paragraphs 4 to 6 of the preceding article do not include those enterprises which are controlled by the same state-owned assets administrative authority as the Company and do not constitute a related party relationship with the Company under the relevant provisions.

The independent Directors shall conduct an annual self-examination of their independence and submit the findings of their self-examination to the Board of Directors each year. The Board of Directors shall annually assess the independence of the incumbent independent Directors and issue a special opinion, which shall be disclosed at the same time as the annual report.

Article 171

The independent Directors shall be obliged to work in integrity and diligence to the Company and all shareholders. An independent Director shall perform his duties conscientiously in accordance with the requirements from relevant laws, regulations and the Articles of Association to protect the Company's interests as a whole, especially not to infringe the legal interests of the medium and small shareholders; an independent Director shall perform his duties independently and not be affected by the Company's major shareholder(s), de facto controller(s) or other entities or individuals which have common interests with the Company; an independent Director shall ensure devoting sufficient time and energy to effectively perform his/her duties as an independent Director.

Article 172

The Board of Directors, Supervisory Committee, or shareholders individually or jointly holding more than 1% of shares of the Company are entitled to nominate independent Directors to be elected at the general meetings.

An investor protection agency established in accordance with law may openly request shareholders to entrust it to exercise the right to nominate independent Directors on their behalf.

The nominator provided for in Article 1 shall not nominate any person with whom he/she has relationship of interest or any other closely related person who has a circumstance that may influence the independent performance of his/her duties, as a candidate for independent Director.

Article 173

Nominator(s) of independent Directors shall secure the consent of the nominee prior to raising any nomination. The nominator shall acquire all the personal particulars of his/her nominee as to his/her profession, education, position held, specifics of work experiences, all part-time jobs, and whether having any bad conduct records such as material breach of integrity, and express opinions on his/her independence and other conditions for acting as an independent Director. A nominee shall make announcement that he/she satisfies the independence and other conditions for him/her to act as an independent Director.

Article 174

The term of office for independent Directors shall be the same as that of other Directors, and they may stand for re-election upon expiry of their term, but their total term shall not exceed six (6) years.

Article 175

Independent Directors shall attend the Board of Directors meetings in person. If an independent Director is unable to attend the meeting in person due to whatever reasons, he/she shall review meeting materials in advance to form a clear opinion, and authorize another independent Director in writing to attend on his/her behalf.

If an independent Director fails to attend two consecutive Board of Directors meetings in person, nor delegate another independent Director to attend on his/her behalf, the Board of Directors shall, within thirty days from the date of occurrence of such fact, propose to convene a general meeting of shareholders to dismiss such independent Director.

Unless in the above circumstances and in circumstances as specified in Company Law where a person is prohibited from acting as a Director, no independent Director shall be removed from office without reason before the expiry of his/her term of office.

Article 176

Independent Directors may resign before expiry of their term. Independent Directors shall submit to the Board of Directors a written report in relation to their resignation stating any situation relating to their resignation or which they consider to be necessary to draw to the attention of the shareholders and creditors of the Company.

Should an independent Director resign from his/her office, the resignation report of the said independent Director shall not become effective until the vacancy resulting from his/her resignation is filled up by succeeding independent Director(s).

Article 177

The independent Directors shall be vested with the following special powers in addition to the powers conferred by the Company Law and other relevant laws and regulations:

- (1) independently engaging intermediaries to conduct audit, consultation or verification on specific matters of the Company;
- (2) proposing to the Board of Directors to convene an extraordinary general meeting;
- (3) proposing to convene a meeting of the Board of Directors;
- (4) openly soliciting shareholders' rights from shareholders in accordance with the law;
- (5) expressing independent opinions on matters that may harm the interests of the Company or minority shareholders;
- (6) other functions and powers as stipulated by laws, administrative regulations, the provisions of the Securities Supervisory and Regulatory Authority of the State Council and the Articles of Association.

To exercise the functions and powers as set forth in the preceding paragraphs 1 to 3, the independent Director(s) shall obtain the consent of a majority of all independent Directors.

Regarding the exercises of the functions and powers as set forth in Paragraph 1 by independent Directors, the Company shall disclose that in a timely manner. In the event that the above functions and powers fail to function normally, the Company shall disclose the specific details and reasons therefor.

The following matters shall be submitted to the Board of Directors for consideration after being approved by more than half of all independent Directors of the Company:

- (1) related party transactions that shall be disclosed;
- (2) the proposal for change or waiver of commitments by the Company and related parties;
- (3) decisions made and measures taken by the Board of Directors of the acquired company in response to the acquisition;
- (4) other matters specified by laws, administrative regulations, the provisions of the Securities Supervisory and Regulatory Authority of the State Council and the Articles of Association.

Article 178

Apart from the above duties, the independent Directors are also responsible for expressing independent opinions on relevant matters in accordance with the requirements of the laws and regulations, the Listing Rules and the Articles of Association.

Article 179

For the purpose of effective execution of the duties of the independent Directors, the Company shall facilitate the independent Directors with the following safeguards for the performance of their duties:

- (1) The Company shall provide the independent Directors with the necessary working conditions and personnel support to perform their duties, and designate the office of the Board of Directors, the secretary to the Board of Directors and other special departments and special personnel to assist the independent Directors in the performance of their duties.

The secretary to the Board of Directors shall ensure the unimpeded access to information between the independent Directors and other Directors, senior management and other relevant persons, and ensure that the independent Directors are able to obtain adequate resources and necessary professional opinions when performing their duties.

- (2) The Company shall undertake that independent Directors will enjoy the same right to information as other Directors. For the purpose of effective execution of the duties of the independent Directors, the Company shall regularly inform the independent Directors of the operation of the Company, provide them with information, and organize or cooperate with them to carry out on-site inspections and other work.

The Company may organize the independent Directors to participate in research and demonstrations and other links, fully listen to the opinions of independent Directors, and provide timely feedback to independent Directors on the adoption of their opinions before the Board of Directors considers major and complex matters.

- (3) The Company shall timely issue the notice of Board of Directors meetings to independent Directors, provide relevant meeting information no later than the notice period of Board of Directors meetings stipulated by laws, administrative regulations, the provisions of the Securities Supervisory and Regulatory Authority of the State Council or the Articles of Association, and provide the effective communication channels for independent Directors; where the special committee of the Board of Directors convenes a meeting, the Company shall provide the relevant materials and information no later than three days prior to the convening of the meeting of the special committee in principle. The Company shall keep the above meeting information for at least ten years.

Where two or more independent Directors are of the view that the meeting materials are incomplete, the demonstrations are insufficient or not provided in a timely manner, they may propose in writing to the Board of Directors to postpone the meeting or the discussion of the matter in question, and the Board of Directors is obliged to accept such proposal.

The meetings of the Board of Directors and the special committee shall be convened on site in principle. On the premise of ensuring that all participating Directors are able to fully communicate and express their opinions, the meetings may be held by video, telephone or by other means in accordance with the procedures when necessary.

- (4) When the independent Directors are performing their duties, the Company's Directors, senior management and other relevant personnel shall assist by all means and shall not refuse, obstruct, or conceal relevant information or interfere with their performance of duties independently.

If independent Directors encounter impediments in their lawful exercise of functions and powers, they may explain the circumstances to the Board of Directors, request the Directors, senior management and other relevant persons to cooperate with them, and record the specific circumstances of the impediments and the solution in the work records; If the impediments remain unsolved, they may report the situation to the Securities Supervisory and Regulatory Authority of the State Council and the stock exchanges.

Where matters relating to the performance of duties by independent Directors involve information that should be disclosed, the Company shall disclose the information in a timely manner; where the Company does not disclose such information, the independent Directors may directly apply for disclosure or report the same to the Securities Supervisory and Regulatory Authority of the State Council and the stock exchanges.

- (5) The Company shall bear the expenses regarding engaging professional institutions by the independent Directors or other expenses necessary for exercise of their powers.
- (6) The Company shall establish the insurance mechanism for independent Directors to minimize risks possibly incurred by normal performance of the duties of the independent Directors.

- (7) The Company shall pay the independent Directors allowances commensurate with their duties. The standards of the said allowances shall be proposed by the Board of Directors and approved by the general meeting and shall be disclosed in the annual report of the Company.

Apart from the abovementioned allowances, the independent Directors shall not acquire other interests from the Company and its substantial shareholders, de facto controller or institutions and officers of common interests with the Company.

- (8) The independent Directors shall assume confidentiality obligations to the Company and the shareholders, and shall provide no information acquired to any person. In the performance of their duties, the independent Directors shall give priority to the interests of the Company and shareholders of the Company.

CHAPTER 13: SECRETARY TO THE BOARD OF DIRECTORS

Article 180

The Company shall have one secretary to the Board of Directors who shall be an officer of the Company. The secretary to the Board of Directors shall be appointed or dismissed by the Board of Directors upon nomination by the Chairman. The secretary to the Board of Directors shall have relevant professional knowledge and experience, and shall devote sufficient time and energy to perform his or her duties, and shall generally be a full-time employee. The secretary to the Board of Directors shall be present at important decision-making meetings of the Company such as shareholders' general meetings, Board meetings, office meetings of general manager and meetings of special committees under the Board of Directors. When the Party committee studies and discusses major business management matters, the secretary to the Board of Directors shall be present.

Article 181

The secretary to the Company's Board of Directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. His primary responsibilities are as follows:

- (1) to ensure that the Company has complete organisational documents and records;
- (2) to ensure that the Company in accordance with law prepares and delivers those reports and documents required by authorities entitled thereto;
- (3) to ensure that the Company's registers of shareholders are properly maintained, and that persons entitled to the Company's records and documents are furnished with such records and documents without delay;
- (4) to assist the Board of Directors of the Company to strengthen the development of modern enterprise system and corporate governance mechanism with Chinese characteristics, organize and conduct research on corporate governance, and to assist the Chairman in formulating relevant major proposals, establishing or amending rules and regulations for the operation of the Board of Directors;
- (5) to organize the implementation of the corporate governance system and manage the relevant affairs;
- (6) to be responsible for the organization and implementation of the work of the shareholders' general meetings, and to specifically undertake the responsibilities of daily contact with shareholders, preparation of shareholders' general meetings, preparation of proposals, file management and system construction;
- (7) to organize and prepare for the Board meetings, prepare proposals and relevant materials and scrutinise the completeness thereof, prepare meeting minutes according to the facts, draft resolutions of the meetings, and keep and maintain meeting resolutions, minutes and other materials;
- (8) to organize, prepare and submit documents to be issued by the Board of Directors;

- (9) to be responsible for liaising with Directors and to organise information and materials to be submitted to the Directors;
- (10) to track and understand the implementation of the resolutions of the Board of Directors, and report to the Chairman in a timely manner. Important progress of events shall also be reported to the Board of Directors;
- (11) to be responsible for the daily liaison with the Board of Directors;
- (12) to perform other functions and powers as stipulated by laws, administrative regulations and the Articles of Association.

Article 182

A director or other officer of the Company may hold the office of the secretary to the Board of Directors concurrently. The accountant(s) of the certified public accountants' firm appointed by the Company shall not act as the secretary to the Board of Directors.

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

Article 183

The Company shall formulate the rules of procedures for the secretary to the Board of Directors, which provides for the qualifications, work methods and work procedures with respect to the position of a secretary to the Board of Directors, and shall become effective after the approval by the Board of Directors.

Article 184

The Board of Directors shall set up an office to act as the working body of the Board of Directors, which shall be led by the secretary to the Board of Directors. The office of the Board of Directors is responsible for the research on corporate governance and related affairs, undertaking the organization and implementation of the relevant work of the shareholders' general meetings, preparing for meetings of the Board of Directors and that of special committees under the Board of Directors, providing support and services for the operation of the Board of Directors and guiding the establishment of Board of Directors of subsidiaries. The office of the Board of Directors shall be equipped with full-time staff.

CHAPTER 14: GENERAL MANAGER**Article 185**

The managers are the executive body of the Company, performing the functions of planning operations, implementing policies and strengthening management, and are under the management and supervision of the Board of Directors. For the managers, the tenure system and contractual management are implemented, and the exploration of professional manager system is encouraged.

Article 186

The Company shall have one general manager, who shall be appointed and dismissed by the Board of Directors. The Company shall have a number of deputy general managers. The term of office of the deputy general managers is three (3) years and renewable upon re-election and reappointment. In these Articles of Association, the meaning of "general manager" and "deputy general manager" respectively is the same as that of "manager" provided in the Mandatory Provisions.

The Company shall have several deputy general managers and one chief financial controller, who assist the general manager in his work. The deputy general managers and the chief financial controller shall be nominated by the general manager, and be appointed or removed by the Board of Directors.

Article 187

Persons assuming offices other than director and supervisor in the controlling shareholder(s) shall not assume the offices of senior management of the Company.

Article 188

The general manager shall be accountable to the Board of Directors, report to the Board of Directors, report to the Chairman of the Board of Directors when the Board of Directors is not in session, and exercise the following powers:

- (1) to be in charge of the Company's operation and management and to organise the implementation of the resolutions of the Board of Directors;
- (2) to formulate the Company's annual business plan , annual investment plan and investment scheme, and organize their implementation;
- (3) to formulate schemes for the setup of Company's internal management organization, as well as schemes for the establishment or abolition of branches and subsidiaries;
- (4) to propose the Company's basic management system;
- (5) to formulate basic rules and regulations for the Company;
- (6) to propose to the Board of Directors the appointment or dismissal of the Company's deputy general manager(s) and financial controller;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;
- (8) to determine rewards and punishments, promotion and demotion, increase and decrease of salaries, recruitment, appointment, termination of employment and dismissal of the staff and workers of the Company in compliance with the relevant laws, regulations, rules and the requirements of the Company's systems;
- (9) to decide on investment projects and to approve the expenses for recurrent projects and the staged costs of long-term investment as accordance with the Company's annual investment plan and investment scheme in compliance with the relevant laws, regulations, rules and the requirements of the Company's system;

- (10) to formulate plans for the issuance of corporate bonds and other financing and to approve plans for other financing in compliance with the relevant laws, regulations, rules and the requirements of the Company's system;
- (11) to formulate the Company's guarantee plan;
- (12) to formulate the Company's asset disposal plan, external donation or sponsorship plan, or to approve such plans, in compliance with relevant laws, regulations, rules and the requirements of the Company's system;
- (13) to formulate the annual financial budgets, final accounts, profit distribution plans and the plans for making up losses of the Company;
- (14) to formulate plans to increase or reduce the registered capital of the Company;
- (15) to formulate the reform and restructuring plans of the Company;
- (16) to formulate the income distribution plans of the Company;
- (17) to formulate the plans for the establishment of risk management system, internal control system, the system for accountability for non-compliant operation and investment, and legal compliance management system, and to organize their implementation after approval by the Board of Directors;
- (18) to establish the general manager office meeting system, convene and preside over the general manager office meetings;
- (19) to coordinate, inspect and supervise the production and operation management and reform and development work of various departments, branches and subsidiaries;
- (20) to make recommendations on matters involved in the exercise of the rights of shareholders of the enterprises to which the Company contributes funds;

- (21) to, as authorised by the Board of Directors, represent the Company in important external business transactions; to exercise other powers conferred by these Articles of Association and the Board of Directors.

Article 189

The Managers shall formulate work regulations for Managers, which shall be submitted to the Board of Directors for approval before implementation. The general manager shall exercise the authorization of the Board of Directors through meetings such as the general manager's office meeting.

Article 190

The work regulations for Managers shall include the following:

- (1) the conditions, procedures and attendants of the Managers' meeting;
- (2) duties and respective responsibilities of the Managers and other senior management staff;
- (3) operation of fund, assets, authorities of execution of material contracts of the Company, and the report mechanism to the Board of Directors and the Supervisory Committee;
- (4) other matters deemed as necessary by the Board of Directors.

Article 191

Managers may resign prior to the expiration of their terms of office. The procedures and manner of the said resignations shall be governed by the employment contracts between the Managers and the Company.

Article 192

Any senior management staff who violates any laws, administrative regulations, rules from regulatory authorities or the Articles of Association during the course of performing his/her duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Article 193

The general manager and deputy general managers shall be in attendance at meetings of the Board of Directors. However, the general manager or the deputy general managers has no voting rights at the meetings unless he/she is also a director.

Article 194 The general manager and deputy general managers shall not, in exercising their powers, vary the resolutions of shareholders' general meetings and those of the Board of Directors or exceed the scope of their authorities.

Article 195 The general manager and deputy general managers, in performing their functions shall act honestly and diligently and in accordance with laws, administrative regulations and these Articles of Association, safeguard the interests of shareholders and the Company, conscientiously fulfill their responsibilities, implement the resolutions and requirements of the Board of Directors, and complete the annual and term business performance assessment indicators and the Company's business plan.

CHAPTER 15: SUPERVISORY COMMITTEE

Article 196 The Company shall establish a supervisory committee, which shall exercise supervision over the Board of Directors and its members and other officers such as the general manager and deputy general managers, to prevent them from abusing their power in contravention of the interests of shareholders, the Company or its staff.

The Company shall formulate Rules of Procedures for the Supervisory Committee, under which the convening and voting procedures of the meetings of the Supervisory Committee shall be specified. As one of the appendices to the Articles of Association, Rules of Procedures for the Supervisory Committee shall be worked out by the Supervisory Committee and subject to approval of the general meeting.

Article 197 The Supervisory Committee consists of 6 supervisors whose term of office is three (3) years and they are eligible for re-election. In the event that the terms of Supervisors fall upon maturity whereas new members of the Supervisory Committee are not re-elected in time, or the resignation of any Supervisor during his/her term of office results in the number of members of the Supervisory Committee falling below the statutory requirement, the existing Supervisors shall continue to perform their duties in accordance with the laws, the administrative regulations and the Articles of Association until the re-elected Supervisors assume their office.

The supervisory committee shall have one chairman. The election and removal of the chairman shall be approved by more than two-thirds (inclusive) of all members of the Supervisory Committee by voting. The term of office of the chairman shall be three (3) years renewable upon re-election and re-appointment.

Article 198

The members of the Supervisory Committee shall comprise representatives of the shareholders and representatives of the staff of the Company, of which the staff representatives shall account for not less than one-third (two persons). Appointment and removal of representatives of the shareholders shall be subject to election at the general meeting, while appointment and removal of the staff representatives shall be made at the staff representative meetings, staff meetings or otherwise by democratic election.

List of candidates for Supervisors (who are representatives of the shareholders) shall be submitted to the general meeting as a proposal for consideration. The candidates for Supervisors (who are representatives of the shareholders) shall be nominated by the Board of Directors, the Supervisory Committee or the shareholders either individually or collectively holding more than 3% of the Company's shares.

The Supervisors are elected by means of cumulative voting mechanism. At the election of Supervisors, the number of votes held by each shareholder shall equal the product of the number of his/her shares held multiplied by the number of Supervisors he/she is entitled to elect; each shareholder has the right to cast all his/her votes to one candidate for Supervisors, or to allocate his/her votes to all candidates at his/her discretion, or to cast all his/her votes to two or more of the candidates. The candidate(s) with the most votes shall be elected as Supervisor(s).

The Supervisors may attend the board meetings, and deliver enquiry or suggestion regarding resolutions at the board meetings.

Article 199

The directors, general manager, deputy general managers and financial controller shall not act concurrently as the supervisors.

Article 200

Meetings of the Supervisory Committee shall be held at least every six (6) months, and shall be convened and presided over by the chairman of the Supervisory Committee; Should the chairman of the Supervisory Committee be unable to, or fail to perform his duties, a Supervisor elected by more than half of the Supervisors shall convene and preside over the meeting.

The Supervisors may propose convening of extraordinary meeting of the Supervisory Committee.

Article 201

The supervisory committee shall be accountable to the shareholders' general meeting and exercise the following powers in accordance with law:

- (1) to examine the Company's financial situation;
- (2) to examine whether the directors, general manager, deputy general managers and other officers act in contradiction with the laws, administrative regulations and these articles of association;
- (3) to demand rectification from a director, the general manager, the deputy general managers or any other officer when the acts of such persons are harmful to the Company's interest;
- (4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board of Directors to the shareholders' general meetings and, should any queries arise, to authorize, in the name of the Company, a re-examination by the certified public accountants and practicing auditors of the Company for the time being;
- (5) to propose the convening of a shareholders' extraordinary general meeting;
- (6) to represent the Company in negotiation with or bringing an action against a director;

- (7) to propose to remove the Directors, Managers and other senior management staff from office who have contravened the laws, administrative regulations or the Articles of Association in their performance of duties to the Company;
- (8) to review and provide a written review opinion on the regular reports of the Company prepared by the Board of Directors;
- (9) to bring legal actions against senior management pursuant to relevant provisions of the Company Law;
- (10) to convene and preside over the general meeting when the Board of Directors fails to perform such duties as specified under the Company Law;
- (11) to put forward proposals to the general meeting;
- (12) to exercise any other powers specified in relevant laws, administrative regulations, the Articles of Association and conferred by the general meetings.

The Supervisors shall attend board meetings and deliver enquiry or suggestion regarding resolutions at board meetings.

Article 202

Minutes shall be prepared for the matters put to the meetings of Supervisory Committee for consideration, on which Supervisors present at the meetings shall sign.

Each Supervisor is entitled to request that an explanatory note to his speeches made at the meetings be noted in the minutes. Such minutes shall be kept as corporate archives of the Company for at least ten (10) years.

Article 203

Notices of meetings of the Supervisory Committee shall set out the following:

- (1) the date, venue, and duration of the meeting;
- (2) subject and topic of the meeting;
- (3) date on which the notice is despatched.

Article 204

Resolutions of the supervisory committee shall be passed by two-thirds (inclusive) or more of its members.

Article 205 All reasonable fees incurred in respect of the employment of professionals such as lawyers, certified public accountants or public auditors for the time being as are required by the supervisory committee in discharging its duties shall be borne by the Company.

Article 206 A supervisor shall carry out his duties honestly and faithfully in accordance with laws, administrative regulations and these Articles of Association.

The Supervisors shall ensure the truthfulness, accuracy and completeness of the information disclosed by the Company. The Supervisors shall not use their connected relationship to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.

**CHAPTER 16: THE QUALIFICATIONS AND DUTIES
OF THE DIRECTORS, SUPERVISORS, MANAGERS, AND
OTHER OFFICERS OF THE COMPANY**

Article 207 A person may not serve as a director, supervisor, general manager, deputy general manager or any other officer of the Company if any of the following circumstances applies:

- (1) a person without legal capacity or with restricted legal capacity;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence, or who has been deprived of his/her political rights, in each case where less than five (5) years have elapsed since the date of completion of implementation of such punishment or deprivation;
- (3) a person who is former director, factory manager or manager of a company or enterprise which has become insolvent and been liquidated because of mismanagement and is personally liable for the insolvency of such company or enterprise, where less than (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

- (4) a person who is a former legal representative of a company or enterprise which had its business licence revoked due to a violation of the law and who incurred personal liabilities in relation thereto, where less than three (3) years have elapsed since the date of the revocation of the business licence;
- (5) a person who has a relatively large amount of debts due and outstanding;
- (6) a person who is under a criminal investigation or prosecution by a judicial organisation for violation of the criminal law which is not yet concluded;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person who is convicted of contravention of provisions of relevant securities regulations by a relevant governing authority, and such conviction involves a finding that he/she has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction;
- (10) a person who has been prohibited from entering into the market by the Securities Supervisory and Regulatory Authority of State Council, where such prohibition has not been expired;
- (11) other circumstances specified by laws, administrative regulations and rules from regulatory authorities.

Should the election or appointment of Directors, Supervisors, Managers and other senior management contravene the stipulations set out in this Article, such election or appointment shall be void. Where the aforesaid persons fall into the circumstances set out in this Article in their performance of duties, the Company shall remove them from office.

Article 208

The validity of an act of a director, supervisor, general manager, deputy general manager or other officer on behalf of the Company is not, vis-a-vis a bona ride third party, affected by any irregularity in his/her office, election or any defect in his/her qualification.

Article 209

In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which shares of the Company are listed, the Company's directors, supervisors, general manager, deputy general managers and officers owe a duty to each shareholder, in the exercise of the powers of the Company entrusted to him:

- (1) not to cause the Company to exceed the scope of business stipulated in its business licence;
- (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 Company's property, including (without limitation) not to usurp the opportunities beneficial to the Company;
- (4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with these articles of association.

Article 210

The Company's directors, supervisors, general manager, deputy general managers and officers owe a duty, in the exercise of their powers and discharge of their duties, so exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Directors shall comply with the laws, administrative regulations and the Articles of Association and shall perform their diligence obligations to the Company as follows:

- (1) to exercise the rights accredited by the Company in cautious, serious and diligent manners so as to ensure the commercial behaviours of the Company in compliance with the PRC laws, administrative regulations and national economic policies, and the commercial activities not exceeding the scope of business stipulated in the business license;

- (2) to treat all shareholders fairly;
- (3) to keep informed of the operation and financial position of the Company on a timely basis;
- (4) to sign to confirm the written opinion on regular reports of the Company and ensure truthfulness, accuracy and completeness of the information disclosed by the Company;
- (5) to provide true information and data to the Supervisory Committee, and not to interfere with the Supervisory Committee or Supervisors in their exercise of duties;
- (6) to invest sufficient time and energy in fulfilling their duties, and to attend board meetings each year as much as required by relevant requirements;
- (7) to abide by the regulations on honest practice for leaders at state-owned enterprises , not to violate the regulations and requirements of the shareholders' meeting on the loyalty and diligence of directors, not to take advantage of their power to accept bribes or other illegal income, not to misappropriate the Company's property, and not to provide guarantee for others with the Company's property without authorisation;
- (8) to actively participate in relevant training organised by the Company to continuously improve their ability to perform their duties;
- (9) to truthfully provide relevant information and materials to the shareholders' meeting and to ensure the objectivity and integrity of the information provided;
- (10) to perform other diligence obligations imposed by laws, administrative regulations, rules from regulatory authorities and the Articles of Association.

Article 211

The directors, supervisors, general manager, deputy general managers and other officers of Company shall exercise their powers or carry on their duties in accordance with the principle of fiduciary duties; and shall observe obligations of a fiduciary not to put themselves in a position where their duty and their interest may conflict. These duties include (without limitation):

- (1) to act honestly in what they consider to be in the best interests of the Company;
- (2) to exercise powers within the scope of authorities and not to exceed such scope of authorities;
- (3) to exercise the discretion vested in them personally and not to allow themselves to act under the direction of another and, unless and to the extent permitted by laws, administrative regulations or the informed consent of shareholders given in general meeting, not to delegate the exercise of their discretion;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) except in accordance with these articles of association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of shareholders given in general meeting, not to use the Company's property for their own benefit;
- (7) not to exploit their position to accept bribes or other illegal income or wrongfully take over the Company's property by any means, including (without limitation) not to usurp opportunities beneficial to the Company;
- (8) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;

- (9) to abide by these articles of association, to faithfully execute their official duties and protect the Company's interests, and not to exploit their positions and powers in the Company to advance their own private interests;
- (10) not to compete with the Company in any form unless with the informed consent of shareholders given in general meeting;
- (11) not to misappropriate the Company's funds or loan such funds to others, not to open accounts in their own names or names for the deposit of the Company's assets and not to provide a guarantee for debts of a shareholder of the Company or other individual(s) with the Company's assets;
- (12) unless otherwise permitted by informed shareholders in general meeting, to keep in confidence information acquired by them in the course of and during their tenure and not to use the information other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - (i) disclosure is made under compulsion of law;
 - (ii) there is a duty to the public to disclose;
 - (iii) the interests of the relevant director, supervisor, general manager, deputy general manager or other senior management require disclosure.

Article 212

Each director, supervisor, general manager, deputy general manager or other senior management of the Company shall not cause the following persons or institutions ("associates") to do what he/she is prohibited from doing. An associate in relation to a director, supervisor, general manager, deputy general manager or other senior management of the Company means:

- (1) the spouse or minor child of that director, supervisor, general manager, deputy general manager or other senior management;

- (2) a person acting in the capacity of trustee of that director, supervisor, general manager, deputy general manager or other senior management or any person referred to in item (1) of this Article;
- (3) a person acting in the capacity of partner of that director, supervisor, general manager, deputy general manager or other senior management or any person referred to in items (1) and (2) of this Article;
- (4) a company in which that director, supervisor, general manager, deputy general manager or other senior management, alone or jointly or severally with one or more persons referred to in items (1), (2) and (3) of this Article or other director, supervisor, general manager, deputy general manager or other senior management of the Company, has a de facto controlling interest;
- (5) the directors, supervisors, general manager, deputy general managers and other senior management of a company referred to in item (4) of this Article.

Article 213

The fiduciary duties of the directors, supervisors, general manager, deputy general managers and other senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination and the act concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 214

Except in circumstances otherwise prescribed by the Articles of Association, a director, supervisor, general manager, deputy general manager or other senior management of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of shareholders given at a general meeting.

Article 215

Where a director, supervisor, general manager, deputy general manager or other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than as contract of service with the Company), he/she shall declare the nature and extent of his/her interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefore is otherwise subject to the approval of the Board of Directors.

A director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he/she or any of his/her associates has a material interest nor shall he/she be counted in the quorum present at the meeting but his/her prohibition shall not apply to any of the following contracts or arrangements or other proposals:

- (1) the giving of any security or indemnity either:
 - (i) to the director or his/her associate(s) at the request of or for the benefit of the Company or any of its subsidiaries in respect of money lent or obligations incurred or undertaken by him/her or any of them; or
 - (ii) to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the director or his associate(s) has himself/herself/themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (2) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the director or his/her associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;

- (3) any contract or arrangement concerning any other company in which the director or his/her associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which the director or his/her associate(s) is/are beneficially interested in shares of that company, save and except that the director and any of his/her associate(s) are in aggregate beneficially interested in five (5) per cent or more of the issued shares of any class of such company (or of any third party company through which his interest or that of his/her associate(s) is/are derived) or of the voting rights;
- (4) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:
 - (i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which the director or his/her associate(s) may benefit; or
 - (ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both, to directors, his/her associate(s), and employees of the Company or any of its subsidiaries and does not provide in respect of any director, or any of his/her associate(s), as such any privilege or advantage which may not generally be accorded to the class of persons to which such scheme or fund relates; or
- (5) any contract or arrangement in which the director or his/her associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/her/their interest in shares or debentures or other securities of the Company.

Unless the interested director, supervisor, general manager, deputy general manager or officer has disclosed his/her interests in accordance with this Article and the contract, transaction or arrangement has been approved by the Board of Directors at a meeting in which the interested director, supervisor, general manager, deputy general manager or other senior management is not counted in the quorum and has refrained from voting, a contract, transaction or arrangement in which that director, supervisor, general manager, deputy general manager or other senior management is materially interested is voidable at the instance of the Company except as against a bone fide party thereto acting without notice of the breach of duty by the interested director, supervisor, general manager, deputy general manager or other senior management.

A director, supervisor, general manager, deputy general manager or other senior management of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of his/her is so interested.

Article 216

Where a director, supervisor, general manager, deputy general manager or other senior management of the Company gives to the Board of Directors a general notice in writing stating by reason of the facts specified in the notice, he/she 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 purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration by the Company.

Article 217

The Company shall not in any manner pay taxes for or on behalf of a director, supervisor, general manager, deputy general manager or other senior management.

Article 218

The Company shall not directly or indirectly make a loan to a director, supervisor, general manager, deputy general manager or other senior management of the Company or its holding company or their respective associates, or provide any guarantee in connection with a loan to any such person.

However, the following transactions are not subject to such prohibition:

- (1) the provision by the Company of a loan or a guarantee of a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan, a guarantee in connection with the making of a loan or provision of other funds to any of its directors, supervisors, general manager, deputy general managers and other senior management to meet expenditure incurred or to be incurred by him/her for the purposes of the Company or for the purpose of enabling him to perform his/her duties properly in accordance with the terms of a service contract approved by the shareholders in general meeting;
- (3) the Company may make a loan to or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, general manager, deputy general managers and other senior management or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 219

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

Article 220

A guarantee provided by the company in breach of the Articles of Association shall be unenforceable against the Company, unless:

- (1) the guarantee was provided in connection with a loan to an associate of a director, supervisor, general manager, deputy general manager or other senior management of the Company or the holding company of the Company and at the time the loan was advanced, the lender was not aware 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 221

For the purposes of the foregoing provisions of this Chapter, a “guarantee” includes an undertaking or provision of asset to secure the performance of obligations by the persons with the obligation.

Article 222

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

- (1) claim damages from the director, supervisor, general manager, deputy general manager or other senior management in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the director, supervisor, general manager, deputy general manager or other senior management or with a third party (where such third party knows or ought to have known that there was such a breach of duties by such director, supervisor, general manager, deputy general manager or other senior management);
- (3) demand payment of the profits made by the director, supervisor, general manager, deputy general manager or other senior management in breach of his/her duties;
- (4) recover any monies received by the director, supervisor, general manager, deputy general manager or other senior management to the use of the Company, including (without limitation) commissions;
- (5) demand payment of the interest earned or which could have been earned by the director, supervisor, general manager, deputy general manager or other senior management on moneys that should be paid to the Company;
- (6) take legal proceedings to claim back to the Company, the properties obtained by the Directors, Supervisors, Managers and other senior management from their breach of duties.

Article 223

The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his/her emoluments are stipulated, including:

- (1) emoluments in respect of his/her service as director, supervisor or senior management of the Company;
- (2) emoluments in respect of his/her service as director, supervisor or senior management of any subsidiary of the Company;
- (3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his/her retirement from office.

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a director or supervisor against the Company for anything due to him/her in respect of the matters mentioned in this Article.

Article 224

The contract concerning the emoluments between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to recover compensation or other payment in respect of their loss of office or retirement. A takeover of the Company as referred to above means:

- (1) an offer made by any person to the general body of shareholders;
- (2) an offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 65.

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

CHAPTER 17: FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 225 The Company shall establish its financial and accounting system and internal audit system in accordance with laws, administrative regulations and PRC accounting standards promulgated by the financial governing department of the State Council.

Article 226 The financial year of the Company adopts the Gregorian calendar year system, i.e. the financial year starts from January 1 and ends on December 31 of the Gregorian calendar.

The Company adopts RMB as the presentation currency, and the accounts are written in Chinese.

Article 227 At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified as provided by law.

Article 228 The Board of Directors of the Company shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by local government and governing authorities to be prepared by the Company.

Article 229 The Company's financial reports shall be made available at the Company for shareholders' inspection twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

For holders of H Shares, The Company shall at least deliver or send to each shareholder of overseas-listed foreign-invested shares by prepaid mail at the address registered in the register of shareholders the abovementioned reports not later than twenty-one (21) days before the date of every annual general meeting of shareholders.

The financial reports can be delivered or provided in other means stated in Article 283 of the Articles of Association, subject to the laws and regulations and listing rules of the jurisdiction where the shares of the Company are listed.

- Article 230** The financial statement of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either, international accounting standards or that of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.
- Article 231** Any quarterly financial report, interim results, annual results or financial information announced or disclosed by the Company must be prepared and presented in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.
- Article 232** The Company shall publish its financial reports four (4) times every financial year, that is, the quarterly financial reports shall be published within thirty (30) days after the expiration of the first and third quarter of each financial year, the interim financial report shall be published within sixty (60) days after the expiration of the first six (6) months of each financial year, the annual financial report shall be published within one hundred and twenty (120) days after the expiration of each financial year.
- Article 233** The Company shall not keep accounts other than those provided by law.
- Article 234** The Company shall implement an internal auditing system, and establish an internal auditing organization and provide full-time auditing personnel to undertake the internal auditing and supervision over the Company's income and expenses and other economic activities under the leadership of the Board of Directors.
- Article 235** The internal audit system and duties of the auditing personnel of the Company shall be implemented after approval by the Board of Directors. The person in charge of auditing shall be accountable and report to the Board of Directors, and the internal audit department of the Company shall be guided and supervised by the Audit Committee of the Board of Directors.

Article 236

The quarterly financial reports, interim financial reports and annual financial reports of the Company shall, when completed, proceed with the required formalities, submit to the relevant authorities and make announcements pursuant to the relevant PRC securities laws and regulations, and regulations of the stock exchange(s) where the Company's shares are listed.

Article 237

The Company's after-tax profit shall be allocated in accordance with the following order:

- (1) making up losses;
- (2) allocation to the statutory reserve fund;
- (3) allocation to the discretionary reserve fund;
- (4) payment of dividends in respect of ordinary shares.

Article 238

The Company's common reserve fund shall be divided into statutory reserve fund, discretionary reserve fund and capital reserve fund.

Article 239

When distributing each year's after-tax profits, the Company shall set aside 10% of the profits for the statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached more than 50% of the Company's registered capital, the Company need not make any further allocations to that fund.

Where the Company's statutory reserve fund is not enough to make up losses of the Company for the preceding year, the current year's profits shall be applied firstly to make up the losses before being allocated to the statutory reserve fund in accordance with the preceding paragraph.

Subject to a resolution of the shareholders' general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

After the Company has made up its losses and made allocations to the statutory reserve fund, the remaining profits are distributed in proportion to the number of shares held by the shareholders.

If a shareholders' general meeting or the Board of Directors violates the provisions in the preceding paragraph of this Article and profits are distributed to the shareholders before the Company makes up losses or makes allocations to the statutory reserve fund, the profits distributed in violation of the provisions must be returned to the Company.

No profit shall be distributed in respect of the shares held by the Company.

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

Article 240

Capital reserve fund includes the following items:

- (1) the amount of premium received when shares are issued at a premium to the par value;
- (2) any other income designated for the capital reserve fund by the regulations of the governing finance department of the State Council.

Article 241

The common reserve funds of the Company can only be applied to the following items:

- (1) making up losses;
- (2) expansion of the Company's production and operation or conversion into an increase of the capital of the Company.

However, the capital reserve fund cannot be used to make up losses of the Company.

When the Company converts its common reserve fund into its capital upon a resolution adopted in shareholders' general meeting, the Company shall either distribute new shares in proportion to the shareholders' number of shares, provided, however, that when the statutory reserve fund is converted into capital, the balance of the reserve fund shall not fall below 25% of the Company's registered capital prior to conversion.

Article 242

The Company, whilst maintaining sound and sustainable development, attaches great importance to reasonable return to its shareholders and adopts a consistent and stable profit distribution policy. In the event that the Company has to adjust its profit distribution policy as required with reference to its production and operation circumstances, investment plans and long-term development, etc., the profit distribution policy so adjusted shall be in compliance with the relevant requirements of the securities regulatory authorities.

The Company shall not distribute profit in violation of relevant laws and regulations and the requirements of the securities regulatory authorities, and the profit to be distributed shall not exceed its accumulated distributable profit (i.e. profit after taxation after making up losses and appropriation to reserves). The profit distribution of the Company shall not affect its ability to continue as a going concern and development capability. When distributing profit, the Company shall comply with the following requirements:

- (1) Intervals of profit distribution: the Company shall distribute its distributable profits on an annual basis provided that its cash flows are sufficient to satisfy its normal capital needs and sustainable development; and an interim profit distribution may be carried out as the Company deems necessary according to its profits and capital requirements;
- (2) Forms of profit distribution: the Company may distribute its profit in cash, shares, a combination of both cash and shares or otherwise permitted by laws and regulations; Cash dividend is prior to share dividend in profit distribution. Where the conditions of cash dividend are met, profit distribution shall be carried out in form of cash dividend.
- (3) Conditions for distributing profit in shares: where the Company's share capital size and equity structure are rational and its share capital increases in line with its results growth, the Company may distribute its dividends in shares;

(4) Conditions and percentages for distributing profit in cash:

If the Company's distributable profit for the period is positive and its cash flows are sufficient to meet normal capital requirements, such as project investment, project renovation or expansion, repair and maintenance of road assets, acquisition of assets or purchase of equipment, and support its sustainable development, the Company shall distribute dividends in cash, and the sum of any such cash dividend shall not be less than 30% of the distributable profit earned by the parent company for the period concerned (the lower of the profit attributable to shareholders under the PRC and overseas accounting standards respectively); and the Company shall take into account the following factors comprehensively including industry features, development stage, operation mode, profits level and if there are substantial arrangements for capital expenditures... etc, and, in accordance with the stipulated procedures under the Articles of Association, formulate differential cash dividend policy in the following situations: (1) when there is no substantial arrangements for capital expenditure of the Company, cash dividend shall amount to at least 80% of the relevant profits distribution; (2) when there is substantial arrangements for capital expenditure of the Company during a mature development stage of the Company, cash dividend shall amount to at least 40% of the relevant profits distribution; (3) when there is substantial arrangements for capital expenditure of the Company during a growth stage of the Company, cash dividend shall amount to at least 20% of the relevant profits distribution; Unless otherwise provided by laws and administrative regulations, the sum of an interim dividend shall not exceed 50% of the distributable profit as shown in the Company's interim income statement.

(5) Decision-making procedures for profit distribution:

The formulation of and any adjustment to the Company's profit distribution policy, after the independent Directors and the Supervisory Committee giving explicit opinions, shall be considered by the Board of Directors and then submitted to general meeting for shareholders' approval, which more than two-thirds of the voting rights represented by the shareholders (including their proxies) present at the meeting are required;

In formulating a specific proposal for profit distribution (especially cash dividend), the Board of Directors shall carefully study and expound the timing, conditions and minimum ratio of the Company's cash dividend, and the conditions for adjustment and relevant decision-making procedures, etc., in respect of which the independent Directors shall give their explicit opinions. After being considered and approved by the Board of Directors, the profit distribution proposal shall be proposed at the general meeting for shareholders' consideration and approval by way of an ordinary resolution;

After the Board of Directors has considered the profit distribution policy and profit distribution proposal, the Company shall communicate and exchange ideas with its shareholders, especially minority shareholders, by various means, take into full account the opinions and requests of the minority shareholders and address their concerns in time through shareholders' hotline and investor relations platform;

Unless the general meeting resolves otherwise, the Board of Directors may distribute interim dividend as authorized by the general meeting.

(6) The Supervisory Committee shall monitor the Board of Directors and the management in respect of the implementation of the Company's profit distribution policy and profit distribution plan.

Article 243

The Company shall distribute profit to its shareholders according to their respective shareholdings within six (6) months after the end of each financial year.

After a resolution on the profit distribution plan is adopted at general meeting of the Company, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two (2) months after the holding of the general meeting.

Subject to the relevant PRC laws and regulations, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statutory limitation period for bringing proceedings therefor.

The Company has the right to cease sending dividend warrants to holders of overseas listed foreign shares by post, if such warrants have been left uncashed, provided that such right shall not be exercised until the dividend warrants have been so left uncashed on two (2) consecutive occasions. However, such right may be exercised by the Company after the first occasion on which such a warrant is returned undelivered.

The Company has the right to sell, in such manner as the Board of Directors thinks fit, any shares of a holder of overseas listed foreign shares who is untraceable, subject to and conditional upon:

- (1) during a period of twelve (12) years at least three (3) dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (2) the Company shall, upon the expiry of the twelve (12) years, give notice of its intention to sell the shares by way of an announcement published in one or more newspapers and notify the stock exchange(s) on which such shares are listed.

Article 244 Dividends or other payments declared by the Company to be payable to holders of domestic-invested shares shall be declared and calculated in Renminbi, and paid in Renminbi within two (2) months; and those payable to holders of foreign-invested shares shall be declared and calculated in Renminbi, and paid in foreign currency within two (2) months.

Foreign currency required by the Company and payable to holders of foreign-invested shares shall be dealt with in accordance with the relevant foreign exchange control regulations of the State.

Article 245 The Company shall, in accordance with tax law of the PRC, withhold and pay on behalf of individual shareholders tax payable on their dividend income.

Article 246 The Company shall appoint on behalf of the holders of the overseas-listed foreign-invested shares receiving agents to receive on behalf of such shareholders dividends declared and all other monies payable by the Company in respect of their shares.

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

The Company shall on behalf of the holders of H Shares appoint a company which is registered as a trust company under the Trustee Ordinance of Hong Kong as the receiving agent.

CHAPTER 18: APPOINTMENT OF CERTIFIED PUBLIC ACCOUNTANTS' FIRM

Article 247 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial reports and review the Company's other financial reports.

The first certified public accountants' firm of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting and the certified public accountants' firm so appointed shall hold office until the conclusion of the first annual general meeting.

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

Article 248

The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders.

Article 249

The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books and records and vouchers of the Company, and shall be entitled to require from the directors, managers and other officers of the Company any relevant information and explanation;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the purposes of discharging its duties as the certified public accountants' firm appointed by the Company;
- (3) a right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the certified public accountants' firm appointed by the Company.

Article 250

Before the convening of the shareholders' general meeting, the Board of Directors may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 251

The shareholders in general meeting may by ordinary resolution remove an certified public accountants' firm before the expiration of its term of office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 252

The remuneration of a certified public accounts firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of a certified public accountants' firm appointed by the board of directors shall be determined by the Board of Directors.

Article 253

The Company's appointment of, removal of and non-reappointment of a certified public accountants' firm shall be resolved upon by shareholders in general meeting. The resolution of the shareholders' general meeting shall be filed with the competent securities authority of the State.

Where any resolution is proposed to be passed at a shareholders' general meeting concerning the appointment of a certified public accountants' firm which is not an incumbent firm to fill a casual vacancy in the office of certified public accountants' firm, the reappointment of a retiring certified public accountants' firm which was appointed by the Board of Directors of the Company to fill a casual vacancy, or the removal of a certified public accountants' firm before the expiration of its terms of office, the following provisions shall apply:

- (1) A copy of the proposal shall be sent before notice of the meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post (leaving includes leaving by removal, resignation and retirement).
- (2) If the firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):
 - (i) in any notice of the resolution given to shareholders, state the fact of the representations having been made;
 - (ii) attach a copy of the representations to the notice and send it to the shareholders in the manner stipulated in these Articles of Association.

- (3) If the firm's representations are not sent in accordance with item (2) of this Article, the relevant firm may require that the representations be read out at the meeting and may lodge further complaints.
- (4) A certified public accountants' firm which is leaving its post shall be entitled to attend:
 - (i) the shareholders' general meeting at which its term of office would otherwise have expired;
 - (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;
 - (iii) any shareholders' general meeting convened on its resignation;

And to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its role as the former certified public accountants' firm of the Company.

Article 254

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

A certified public accountants' firm may resign its office by depositing at the Company's residence a resignation notice which shall become effective on the date of such deposit or such later date as may be stipulated in such notice and such notice shall include the following:

- (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;
- (2) a statement of any such circumstances.

Where a notice is deposited under the preceding paragraph, the Company shall within fourteen (14) days send a copy of the notice to the relevant governing authority. If the notice contains a statement under item (2) of this Article, a copy of such statement shall be available for inspection by shareholders of the Company at the Company's residence. The Company shall also send a copy of such statement by prepaid mail to every holder of H shares at the addresses registered in the registers of shareholders.

Where the certified public accountants' firm notice of resignation contains a statement of any circumstances which should be brought to the notice of the shareholders or creditors of the Company, the firm may require the Board of Directors to convene a shareholders' extraordinary general meeting for the purpose of receiving an explanation of the circumstances connected with its resignation.

CHAPTER 19: INSURANCE

Article 255

The Company's various types of insurance shall be taken out with the designated insurance organization in the designated manner in accordance with the rules of the relevant governing authority, or be taken out with the People's Insurance Company of China or other insurance companies which are registered in the PRC and permitted by PRC laws to provide insurance to Chinese companies. The types of coverage, the insured amounts and periods shall be discussed and decided at a meeting of the Board of Directors based on the practices of similar industries in other countries and the practice and legal requirements in the PRC.

CHAPTER 20: LABOUR AND PERSONNEL MANAGEMENT SYSTEMS

Article 256 The Company shall, in accordance with the relevant provisions of the “Labour Law of the PRC”, formulate its labour and personnel management systems which shall be appropriate to its actual positions.

Article 257 The Company shall comply with national laws and administrative regulations on labor protection and safety production, implement relevant national policies, and safeguard the legitimate rights and interests of workers. The Company shall, according to national laws, administrative regulations, and policies related to labor and personnel, and based on production and operation needs, formulate labor, personnel, and salary systems. Based on the actual situation, the Company shall establish a personnel selection and employment mechanism that meets the requirements of marketization, such as open recruitment of employees, selection and competition of management personnel, adjustment of the least competent, and exit due to incompetence. At the same time, the Company shall establish a salary distribution system for key core talents with market competitiveness, and actively and orderly carry out medium- and long-term incentive work.

CHAPTER 21: MASS ORGANIZATION

Article 258 The Company shall, in accordance with the law, improve the democratic management system in the form of employee representatives’ congress, promote the openness of business, implement employees’ rights to know, participate, express and supervise, and listen to the opinions of employees when making major decisions, put major issues involving the vital interests of employees under deliberation of the employee representatives’ congress or the employees’ congress, and adhere to and improve relevant systems, ensuring the interest of employee representatives to orderly participate in corporate governance.

Article 259 The Company shall establish a trade union in accordance with the “Trade Union Law of the People’s Republic of China” to carry out activities of the trade union and protect the legitimate rights and interests of its staff, and provide conditions which are prerequisite for the activities of the trade union and protect the legitimate rights and interests of its staff according to law.

Article 260 The Company shall allocate 2% of the total amount of actual wages of the staff and workers to the trade union monthly. Such fund shall be used by the trade union of the Company in accordance with the “Measures for the Management of Trade Union’s Revenues and Expenditures” formulated by the All-China Federation of Trade Unions.

Article 261 The Company shall establish the Communist Youth League, women’s organization and other mass organizations in accordance with the relevant regulations of the PRC and constitutions of other relevant mass organizations. Such mass organizations shall independently carry out activities under the leadership of the Party Committee in accordance with their respective constitutions.

CHAPTER 22: MERGER AND DIVISION OF THE COMPANY

Article 262 In the event of the merger or division of the Company, a plan shall be presented by the Company’s Board of Directors and shall be approved in accordance with the procedures stipulated in these articles of association and the relevant examining and approving formalities shall be processed as required by law. A shareholder who objects to the plan of merger or division shall have the right to demand that the Company or the shareholders who consent to the plan of merger or division purchase his shareholding at a fair price.

The contents of the resolutions of merger or division of the Company shall be made into special documents for inspection by shareholders. The special documents shall be sent by mail to holders of H shares.

Article 263 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company’s resolution to merge and shall publish a public notice in a newspaper within thirty (30) days of the date of the Company’s resolution to merge. A creditor has the right within thirty (30) days of receiving such notice from the Company or, for creditors who do not receive the notice within forty-five (45) days of the date of the public notice, to demand that

the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantees for such debts, it may not be merged.

After the merger, rights in relation to debtors and indebtedness of each of the merged parties shall be assumed by the company which exists after the merger or the newly established company.

Article 264

When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, the dividing parties shall execute a division agreement and the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution to divide and shall publish a public notice in a newspaper within thirty (30) days of the date of the Company's resolution to divide. A creditor has the right within thirty (30) days of receiving such notice from the Company or, for creditors who do not receive the notice, within forty-five (45) days of the date of the public notice to demand that the Company repay its debts to that creditor or provide a corresponding guarantee for such debt. Where the Company fails to repay its debts or provide corresponding guarantees for such debts, it may not be divided.

Article 265

When the Company merges or divides and there is a change in any item in its registration, the Company shall change its registration with the companies registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Article 266

Debts of the Company prior to the division are severally assumed by the post-division companies but and save as otherwise agreed by the Company and creditors on settling liabilities in writing prior to such division.

CHAPTER 23: DISSOLUTION AND LIQUIDATION

Article 267

The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) a resolution for dissolution is passed by shareholders at a general meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared bankrupt due to its failure to repay debts due;
- (4) the operating term provided by the Articles of Association expires or other dissolution events provided by the Articles of Association occur;
- (5) the Company has experienced material difficulties in operation and management, and the continuous operation would cause substantial loss to the interest of its shareholders. In the event that this cannot be solved by other methods, shareholders holding more than 10% of the voting rights of all shareholders of the Company may request the People's Court to dissolve the Company and the People's Court legally dissolves it;
- (6) the Company is ordered to close down or the business license is suspended or revoked according to law for its violation of laws and administrative regulations.

Article 268

A liquidation committee shall be set up to start liquidation within fifteen (15) days of the occurrence of the dissolution events under the sub-clauses (1), (4), (5), (6) of the preceding Article, and the composition of the liquidation committee shall be determined by an ordinary resolution of the Directors or in general meeting. If a liquidation committee to carry out liquidation procedures is not set up within the specified time limit, the creditors may apply to the People's Court to have it designate relevant persons to form a liquidation committee in order to carry out liquidation procedures.

Where the Company is dissolved in the circumstances referred to in item (3) of the preceding Article, the people's court shall in accordance with provisions of relevant laws organize the shareholders, relevant authorities and relevant professional personnel to establish a liquidation committee to carry out liquidation procedures.

Article 269

Where the Board of Directors proposes to liquidate the Company due to causes other than a declaration of bankruptcy, the board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board of Directors is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of a resolution for the liquidation of the Company, all powers of the Board of Directors shall cease.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting and shall make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of liquidation; and to present a final report to the shareholders' general meeting on completion of the liquidation.

Article 270

The liquidation committee shall within ten (10) days of its establishment send notices to creditors, and within sixty (60) days of its establishment publish a public notice in a newspaper. A creditor shall within thirty (30) days of receiving notice, or for creditors who do not receive notice, within forty-five (45) days of the date of the public notice, report its rights as a creditor to the liquidation committee.

When reporting creditors' rights, the creditor shall provide an explanation of matters relevant to the creditor's rights and shall provide evidential materials. The liquidation committee shall carry out registration of creditors' rights.

During the period for reporting claims, the liquidation committee shall not repay the creditors.

Article 271

During the liquidation period, the liquidation committee shall exercise the following powers:

- (1) to ascertain the Company's assets and separately prepare a balance and an inventory of assets;
- (2) to send notices to creditors, notify them by public notice;
- (3) to deal with the Company's uncompleted business matters related to the liquidation;
- (4) to pay off outstanding taxes;
- (5) to ascertain all claims and debts;
- (6) to deal with the remaining assets after the Company's debts have been repaid;
- (7) to represent the Company in any civil litigation proceedings.

Article 272

After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' general meeting or to the People's Court for confirmation.

To the extent that the Company is able to repay its debts, it shall pay all liquidation expenses, wages of staff and workers, social insurance fees and taxes payable by order, and shall repay the Company's debts.

The assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed according to the types of shares in proportion to the number of shares held by the shareholders of the Company.

During the liquidation period, the Company shall continue to exist but shall not commence any new operational activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment of debts in accordance with provisions of the preceding paragraph.

Article 273

If after putting the Company's assets in order and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the discovers that the Company's assets are insufficient to repay the Company's debts, the liquidation committee shall immediately apply to the people's court for a declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer the liquidation matters to the People's Court, and the liquidation shall be proceeded with in accordance with the laws relating to enterprise bankruptcy.

Article 274

Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by a PRC certified public accountant and submitted to the shareholders' general meeting or the People's Court for confirmation.

The liquidation committee shall also within thirty (30) days after such confirmation, submit the documents referred to in the preceding paragraph to the companies registration authority and apply for cancellation of registration of the Company, and publish a public notice relating to the termination of the Company.

**CHAPTER 24: PROCEDURES FOR AMENDMENT TO
THE ARTICLES OF ASSOCIATION**

Article 275

The Company may amend its Articles of Association in accordance with laws, administration regulations and these Articles of Association.

The Company shall amend the Articles of Association under situations as follows:

- (1) there are contradictions between the provisions of the Articles of Association and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;

- (2) there is inconsistency with matters as recorded in the Articles of Association when the situation of the Company changes;
- (3) general meeting has resolved to amend the Articles of Association;
- (4) other situations where the Articles of Association shall be amended occur.

Article 276

The amendment to the Company's Articles of Association shall be dealt with according to the following procedures:

- (1) the Board of Directors shall, in accordance with provisions of these Articles of Association, adopt a resolution to propose to the shareholders' general meeting to amend the Company's Articles of Association, and formulate the draft amendments to the Articles of Association;
- (2) notice of the draft amendments to the Articles of Association referred to above shall be sent to the Company's shareholders, and a shareholders' general meeting shall be convened to vote on the contents of the amendments;
- (3) a special resolution approving the draft amendments to the Articles of Association shall be passed by shareholders in general meeting;
- (4) the amendments shall be reported to the companies approving department authorized by the State Council for approval.

Article 277

Any amendments to the Company's Articles of Association involving the contents of the Mandatory Provisions shall become effective upon approval by the companies approving department authorized by the State Council. If any changes relate to the Company's name, domicile, legal representative, registered capital, enterprise type, business scope, term of business operation or the name of the promoter, application shall be made to the companies registration authority for registration of the changes.

CHAPTER 25: SETTLEMENT OF DISPUTES

Article 278

The Company shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims between holders of the overseas-listed foreign-invested Shares and the Company, holders of the overseas-listed foreign-invested Shares and the Company's directors, supervisors, general manager, deputy general managers or other officers, or holders of the overseas-listed foreign-invested Shares and holders of domestic-invested shares arise from these articles of association or any rights or obligations conferred or imposed by the Company Law or laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred to arbitration.

Where a dispute or claim of rights referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, director, supervisor, general manager, deputy general manager or other officer of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and the share register need not be referred to arbitration.

- (2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

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

- (3) Where any disputes or claims of rights prescribed in item (1) of this Article are referred to arbitration, the PRC law shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 26: NOTICE AND ANNOUNCEMENT

Article 279

Notices issued by the Company to shareholders include notices of meetings, corporate communications or other written materials.

Corporate Communications means any document issued or intended to be issued by the Company for reference or action by the holders of any securities of the Company, including but not limited to:

- (1) Annual reports, including the reports of the Board of Directors, the Company's annual accounts together with the auditor's reports and, where applicable, the financial summary reports;
- (2) Interim reports and, where applicable, interim summary reports;
- (3) Notices of the meetings;
- (4) Listing documents;
- (5) Circulars;
- (6) Proxy forms;
- (7) Receipt and other document data; and
- (8) Other documents as required by the laws, regulations and listing rules of the place where the Company's shares are listed.

Holders of overseas-listed foreign-invested shares may by notice in writing choose to receive corporate communications that shall be dispatched by the Company to shareholders by electronic means or by mail and shall also specify whether they wish to receive the English version or the Chinese version, or both. Holders of overseas-listed foreign-invested shares may by reasonable notice in writing served on the Company to change their choice as to the manner of receiving and the language version of the aforesaid corporate communications.

Although the Company is required to provide written corporate communications to shareholders according to the preceding paragraph, if the Company obtained the shareholders' prior written consent or implied consent according to relevant laws and regulations and the Hong Kong Listing Rules amended from time to time, it may send corporate communications to shareholders by e-mail or via publication on the website of the Company.

Notices to be issued to holders of domestic-invested shares shall have to be released in any one or more newspapers appointed by the securities administration unit of the PRC; all holders of domestic-invested shares shall be deemed to have received such notices once they are published.

Article 280

All notices which are to be sent by mail shall be clearly addressed, postage pre-paid, and shall be put in envelopes before being posted by mail.

Article 281

Any notice, document, information or written statement from the shareholders or directors to the Company shall be delivered personally or sent by registered mail to the legal address of the Company.

Article 282

Shareholders or directors of the Company who want to prove that certain notices, documents, information or written statements have been sent to the Company shall provide evidential materials showing that such notices, documents, information or written statements have been sent to the Company by normal methods within designated times, and that the mailing address is correct and the postage is fully paid.

Article 283

Notices of the Company may be despatched to shareholders in the following ways:

- (1) By personal delivery;
- (2) By mail;
- (3) By email, fax or other electronic means, or other information carriers;
- (4) By an announcement published in the press;
- (5) By publication on the website of the Company and websites designated by the securities regulatory authorities of the place where the Company's shares are listed, provided that it is permitted under the laws and regulations and relevant rules of securities regulatory authorities of the place where the Company's shares are listed;
- (6) By other ways as agreed in advance between the Company and the addressee or as accepted by the addressee after the notice is received; and
- (7) By any other means as accepted by securities regulatory authorities of the place where the Company's shares are listed or as prescribed in this Articles of Association.

Even if this Articles of Association specify the form of notification, communication or any other written materials, the Company may choose to publish the corporate communications in the form stipulated in item (5) of the first paragraph of this Article, and send or provide the corporate communications to the shareholders of the Company's overseas-listed foreign shares instead of being sent by personal delivery or by postage-paid mail, if it is in compliance with the Hong Kong Listing Rules, and under the premise of compliance with the laws and listing rules of the place where the Company's shares are listed, regarding providing and/or distributing corporate communications.

- Article 284** Notice convening the board meeting shall be sent by fax, express delivery, registered mail, delivery in person or other ways. Provided that the relevant laws and regulations and rules where the Company has its shares listed have any special provisions, such provisions shall prevail.
- Article 285** Notice convening the meeting of the Supervisory Committee shall be sent by fax, express delivery, registered mail, delivery in person or other ways. Provided that the relevant laws and regulations and rules where the Company has its shares listed have any special provisions, such provisions shall prevail.
- Article 286** As for notice of the Company sent by hand, the receiver shall sign (or seal) on the reply slip with the receiving date as the delivery date; as for notice of the Company sent by mail, the first business day after sending to the post office is the delivery date; as for notice of the Company made by announcement, the first publishing date is the delivery date.
- Article 287** The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive the notice of the meeting shall not invalidate the meeting and the resolutions passed at the meeting.
- Article 288** The Company shall designate the websites of the Hong Kong Stock Exchange, the Shanghai Stock Exchange and the Company, the Securities Supervisory and Regulatory Authority of the State Council and the media permitted by the Hong Kong Stock Exchange as the media for publishing the Company's announcement and other information required to be disclosed.

CHAPTER 27: SUPPLEMENTARY PROVISIONS

Article 289

Any matters unspecified in the Articles of Association shall be implemented in accordance with the relevant national laws, regulations of the state, the listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong, Limited, and other applicable administrative regulations. For the avoidance of doubt, provided that more stringent provisions for the content of the Articles of Association are stipulated in the relevant national laws, regulations of the state, the listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong, Limited, and other applicable administrative regulations, such provisions shall prevail; provided that the Articles of Association is inconsistent with the laws, regulations of the state, the listing rules of the Shanghai Stock Exchange and The Stock Exchange of Hong Kong, Limited, and other applicable administrative regulations promulgated by the state in the future, the newly promulgated provisions shall prevail.

The Articles of Association has Chinese and English versions. Should there be any discrepancy between the two versions, the latest Chinese version registered with the corporate registration authority prescribed by the state shall prevail.

Article 290

The Board of Directors can establish detailed rules of the Articles of Association in accordance with the provisions of it.

There shall not be discrepancy between the detailed rules and the Articles of Association.

The Articles of Association shall be interpreted by the Board of Directors.

The appendices to the Articles of Association include Rules of Procedures for General Meetings, Rules of Procedures for the Board Meetings, Rules of Procedures for the Supervisory Committee.

Article 291

In these Articles of Association, the meaning of a certified public accountants' firm is the same as that of "auditors".

Article 292 In these Articles of Association, “associate” in relation to any director, has the same meaning ascribed to it under the rules of the Hong Kong Stock Exchange as amended from time to time.

Article 293 In the Articles of Association, “above”, “within”, “below” include the figure itself, while “less than”, “beyond”, “lower than”, “more than” do not include the figure itself.

Article 294 In the Articles of Association, unless the context otherwise requires, the following terms and expressions have the meanings set out below:

“The Articles of Association”	–	the articles of association of the Company
“Board of Directors”	–	the board of directors of the Company
“Chairman”	–	the chairman of the Board of Directors
“Director(s)”	–	director(s) of the Company
“Legal address”	–	address of the Company described in Article 7 of the Articles of Association
“Manager”	–	the general manager of the Company
“Renminbi”	–	the lawful currency of PRC
“Secretary to the Company”	–	the secretary to the Company appointed by the Board of Directors
“The Hong Kong Stock Exchange”	–	the Stock Exchange of Hong Kong Limited
“State”, “PRC”, “China”	–	the People’s Republic of China
“Supervisor(s)”	–	supervisor(s) of the Company

“Supervisory Committee”	– the Supervisory Committee of the Company
“Newspaper”	– newspapers permitted by the China Securities Regulatory Commission and the Hong Kong Stock Exchange for information disclosure;
“Securities Supervisory and Regulatory Authority of the State Council”	– the China Securities Regulatory Commission
“Connected relationship”	– the relationship between the Company’s controlling shareholders, de facto controllers, Directors, Supervisors, senior management and enterprises controlled directly or indirectly by them, as well as other relationship which may cause the transfer of the Company’s interest. However, enterprises have no connected relationship although being controlled by the State at the same time.
“Controlling shareholder(s)”	– Shareholder(s) who holds shares above 50% of the Company’s share capital or shares (though below 50%) carrying voting rights which have significant impact on the resolutions passed at the general meeting.
“De facto controller(s)”	– A person who is not the Company’s shareholder but can have de facto control on the behaviours of Company through investment, agreement or other arrangement.