

**ARTICLES OF ASSOCIATION**

**OF**

**PETROCHINA COMPANY LIMITED**

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CHAPTER 1: GENERAL PROVISIONS.....	3
CHAPTER 2: THE COMPANY’S OBJECTIVES AND SCOPE OF BUSINESS.....	5
CHAPTER 3: SHARES AND REGISTERED CAPITAL.....	7
CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES.....	11
CHAPTER 5: FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES .....	14
CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS.....	15
CHAPTER 7: SHAREHOLDERS’ RIGHTS AND OBLIGATIONS .....	21
CHAPTER 8: SHAREHOLDERS’ GENERAL MEETINGS .....	26
CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS .....	36
CHAPTER 10: BOARD OF DIRECTORS .....	39
CHAPTER 11: SECRETARY OF THE BOARD OF DIRECTORS .....	46
CHAPTER 12: PRESIDENT .....	46
CHAPTER 13: SUPERVISORY COMMITTEE.....	47
CHAPTER 14: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, PRESIDENT, SENIOR VICE PRESIDENTS, VICE PRESIDENTS, CHIEF FINANCIAL OFFICER AND OTHER SENIOR OFFICERS OF THE COMPANY .....	50
CHAPTER 15: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION ...	59
CHAPTER 16: APPOINTMENT OF ACCOUNTING FIRMS.....	62
CHAPTER 17: INSURANCE.....	65
CHAPTER 18: LABOUR AND PERSONNEL MANAGEMENT SYSTEMS.....	65
CHAPTER 19: TRADE UNIONS .....	66
CHAPTER 20: MERGER AND DIVISION OF THE COMPANY .....	66
CHAPTER 21: DISSOLUTION AND LIQUIDATION .....	67
CHAPTER 22: PROCEDURES FOR AMENDMENT OF THE COMPANY’S ARTICLES OF ASSOCIATION.....	70
CHAPTER 23: NOTICE.....	70
CHAPTER 24: SUPPLEMENTARY .....	71

Approved by a Shareholders' Special Resolution at the Extraordinary General Meeting on 3 December 1999  
Amended by a Shareholders' Special Resolution at the Extraordinary General Meeting on 10 March 2000  
Amended by a Resolution of the Fifth Meeting of the First Board of Directors on 30 May 2000  
Amended by a Shareholders' Special Resolution at the 2000 Annual General Meeting on 8 June 2001  
Amended by a Shareholders' Special Resolution at the 2004 Annual General Meeting on 26 May 2005  
Amended by a Resolution of the Meeting of the Special Board Committee on 31 August 2005  
Amended by a Shareholders' Special Resolution at the Extraordinary General Meeting on 1 November 2006  
Amended by a Resolution of the Meeting of the Special Board Committee on 17 September 2007  
Amended by a Shareholders' Special Resolution at the 2007 Annual General Meeting on 15 May 2008  
Amended by a Shareholders' Special Resolution at the 2012 Annual General Meeting on 23 May 2013  
Amended by a Shareholders' Special Resolution at the Extraordinary General Meeting on 26 October 2017  
Amended by a Shareholders' Special Resolution at the 2019 Annual General Meeting on 11 June 2020  
Amended by a Shareholders' Special Resolution at the 2021 Annual General Meeting on 9 June 2022  
Amended by a Shareholders' Special Resolution at the 2023 Annual General Meeting on 5 June 2024

## CHAPTER 1: GENERAL PROVISIONS

Article 1. The Company is a joint stock limited company established in accordance with the Company Law of the People's Republic of China (the Company Law), the Securities Law of the People's Republic of China, the Special Regulations of the State Council Regarding the Issue of Shares Overseas and the Listing of Shares Overseas by Joint Stock Limited Companies (the Special Regulations) and other relevant laws and regulations of the State.

The Company was established by way of promotion with the approval of the State Economic and Trade Commission of the People's Republic of China on 25 October 1999, as evidenced by approval document *Guo Jing Mao Qi Gai [1999]* no. 1024. It is registered with and has obtained a business licence from the State Administration for Industry and Commerce on 5 November 1999. The Company's business licence number is: 1000001003252.

The promoter of the Company is: China National Petroleum Corporation.

Article 2. The Company's registered Chinese name: 中国石油天然气股份有限公司  
The Company's registered English name: PetroChina Company Limited.

Article 3. The Company's address : 16 Andelu  
Dongcheng District  
Beijing  
China  
Telephone number : 010-84886270  
Facsimile number : 010-84886260  
Postal Code : 100011

Article 4. The Company's legal representative is the Chairman of the board of directors of the Company.

Article 5. The Company is a joint stock limited company which has perpetual existence.

All assets of the Company are divided into shares of equal value. The shareholders shall be liable to the Company to the extent of the shares they subscribed for. The Company shall be liable for its debts to the extent of all of its assets.

Article 6. The Company's Articles of Association shall take effect from the date of establishment of the Company.

From the date on which the Company's Articles of Association come into effect, the Company's Articles of Association constitute the legally binding document regulating the Company's organisation and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se.

Article 7. The Company's Articles of Association are binding on the Company and its shareholders, directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company, all of whom may assert rights in respect of the affairs of the Company pursuant to the Company's Articles of Association.

A shareholder may take legal action against the Company pursuant to the Company's Articles of Association, and the Company may take legal actions against its shareholders, directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers. A shareholder may also take legal action against another shareholder pursuant to the Company's Articles of Association. A shareholder can take legal action against the directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company pursuant to the Company's Articles of Association.

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

Article 8. According to the provisions of the Company Law and the Constitution of the Communist Party of China, the Company shall set the Party organizations and the Party working body with adequate number of Party affairs personnel, and guarantee the funds for the Party organizations. The Party organizations shall play the role of the core of leadership and political nucleus.

Article 9. The Company may invest in other enterprises; however, except as stipulated otherwise by law, it may not become an investor that bears joint and several liability for the debts of the enterprise in which it invests.

## CHAPTER 2: THE COMPANY'S OBJECTIVES AND SCOPE OF BUSINESS

Article 10. The Company's objectives are:

To comply with the rules of the market; To continuously explore business models which are suitable for the development of the Company; To fully utilise every resource of the Company; To place emphasis on personnel training and technological development; To provide the society with competitive products; To use its best endeavours to maximise its profits.

Article 11. The Company's scope of business includes:

Licensed business: the exploration of mineral resources, the exploitation of onshore oil and natural gas, the exploitation of offshore oil, the exploitation of offshore natural gas; the exploitation of geothermal resources, the heating supply services, the cooling supply services; the business undertakings of gas; the wholesale of crude oil, the storage of crude oil; the wholesale of refined oil, the storage of refined oil, the retails of refined oil; the production of hazardous chemicals, the storage of hazardous chemicals, the business undertakings of hazardous chemicals; the generation of electricity power, the transmission of electricity power, the supply (distribution) of electricity power, the supply of electricity power; waterway ordinary cargo transportation, roadway cargo transportation (excluding hazardous cargo), roadway hazardous cargo transportation; project construction; the pipeline storage and transportation of petroleum and natural gas; the production of food additives; the retail of tobacco products, the retail of electronic cigarette; the production of medical devices of Class II; the services of accommodation; the retail of publications; the reproduction of audio-visual products, the copy of audio-visual products; the information services of Internet.

General business: mineral processing, the production of chemical products (excluding licensed chemical products), the sales of chemical products (excluding licensed chemical products); the production of fertilizer, the sales of fertilizer; the sales of food additives; the production of petroleum products (excluding hazardous chemicals), the sales of petroleum products (excluding hazardous chemicals); the processing of lubricating oil (excluding hazardous chemicals), the production of lubricating oil (excluding hazardous chemicals), the sales of lubricating oil; the onshore pipeline transportation, the submarine pipeline transportation; engineering technical services (excluding planning management, exploration, design and supervision), the project management services, the technical services of petroleum and natural gas; the research and development of technology of carbon emission reduction, carbon conversion, carbon capture and carbon sequestration; the

research and development of emerging energy technology, the research and development of new materials technology, the promotion services of new materials technology; the technology services, the technology development, the technology consultation, the technology communication, the technology transfer, the technology promotion; the manufacture of batteries, the sales of hydrogen fueling and hydrogen storage facilities for stations; the sales of vehicle electricity charging, the centralized fast charging stations, the operation of electric vehicle charging infrastructures, the sales of electrical accessories of new energy vehicles, the sales of batteries, the sales of battery replacement facilities of new energy vehicles; the operation of gas fueling for gas vehicles; the manufacture of synthetic materials (excluding hazardous chemicals), the sales of synthetic materials; the manufacture of engineering plastics and synthetic resin, the sales of engineering plastics and synthetic resin; the manufacture of synthetic fiber, the sales of synthetic fiber; the manufacture of new membrane materials, the sales of new membrane materials; the sale of high-quality synthetic rubber; the manufacture of high-performance fiber and composite materials, the sales of high-performance fiber and composite materials; the manufacture of bio-based materials, the sales of bio-based materials; the manufacture of graphite and carbon products, the sales of graphite and carbon products; the sales of graphene materials; the manufacture of electronic special materials, the sales of electronic special materials, the research and development of electronic special materials; the research and experimental development of engineering and technology. The sales of pipeline transportation equipment; the repairment and maintenance of automobiles; the retail of automobile spare parts; the sales of commodity; the sales of agricultural machinery; the sales of medical devices of Class II; the import and export of goods, the import and export of technology, the custom clearance business; the domestic freight agency, the international freight agency, the international marine freight agency, domestic charter agency, international charter agency; the provision of accommodation; the sales of food (pre-packaged food only), the sales of agricultural and sideline products; the retail of publications, the lease of audio-visual products; the lease of non-residential real property, the lease of residential real property, the lease of machinery; the retail of clothing and accessory, the retail of sport usable and equipment, the wholesale of stationery goods, the retail of stationery goods, the wholesale of hardware goods, the retail of hardware goods, the sales of furniture, the sales of furniture spare parts, the sales of construction materials, the retail of daily household appliances, the sales of household appliances, the sales of electronic products, the wholesale of daily necessities, the sales of daily necessities, the sales of hygiene products and single-use medical products, the sales of labor protection supplies, the sales agency of single-use commercial prepaid card; sales agency; the ticket agency services; the electronic weighing services; the production, design, agency and publication of advertisement; the professional cleaning, washing and disinfection services.

For items required to be approved by laws, operations may be conducted only upon and with the approval of relevant authorities.

The Company's scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The Company may, according to the demand in the domestic and international markets, the Company's development ability and the requirements of its business, adjust its scope of business in accordance with the laws.

Subject to and in compliance with laws and administrative regulations of the People's Republic of China ("PRC"), the Company has the rights to raise and borrow money, which includes (without limitation) the rights to borrow money, issue debentures, mortgage or pledge all or part of the Company's interests and to provide guarantees of various forms for the debts of third parties (including, without limitation, subsidiaries or associated companies of the Company) under different circumstances.

### CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 12. There must, at all times, be ordinary shares in the Company. Subject to the approval of the companies approving department authorised by the State Council, the Company may, according to its requirements, create different classes of shares.

The shares of the Company shall be issued in accordance with the principles of openness, fairness and impartiality. Each share of the same class shall carry the same rights and the same benefits.

Shares of the same class issued at the same time shall be issued on the same terms and at the same price. The price of each share subscribed for by any organisation or individual shall be the same.

Article 13. The shares issued by the Company shall each have a par value of Renminbi one yuan. "Renminbi" means the legal currency of the PRC.

Article 14. Subject to the registration or filing to the securities authority of the State Council, the Company may issue shares to Domestic Investors and Foreign Investors.

"Foreign Investors" shall refer to investors from foreign countries and in the regions of Hong Kong, Macau and Taiwan who subscribe for the Company's shares. "Domestic Investors" shall refer to investors within the territory of the PRC (except the regions referred to above) who subscribe for the Company's shares.

Article 15. Shares which the Company issues to Domestic Investors for subscription in Renminbi shall be referred to as "Domestic-Invested Shares". Shares which the Company issues to Foreign Investors for subscription in foreign currencies shall be referred to as "Foreign-Invested Shares". Foreign-Invested Shares which are listed overseas are called "Overseas-Listed Foreign-Invested Shares".

"Foreign currencies" mean the legal currency of countries or regions outside the PRC which are recognised by the foreign exchange authority of the State for payment of the share price to the Company.

Domestic-Invested Shares issued by the Company shall be referred to as "A Shares", which are traded on the Shanghai Stock Exchange. Overseas-Listed Foreign-Invested Shares issued by the Company which are listed in Hong Kong shall be referred to as "H Shares". H Shares are shares admitted for listing on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange"), which are denominated in Renminbi and are subscribed for and traded in Hong Kong dollars. H Shares can also be listed on a stock exchange in the United States in the form of American Depository Receipts.

The A Shares of the Company shall be held in central custody at the Shanghai branch of China Securities Depository and Clearing Corporation Limited. The H Shares of the Company shall be held in custody by the authorised depository companies of Hong Kong Securities Clearing Company Limited and may also be held by shareholders in their own names.

Article 16. With the approval of the examination and approval department authorised by the State Council, the Company has issued a total of 183,020,977,818 ordinary shares, of which 161,922,077,818 shares are Domestic-Invested Shares, representing 88.47% of the Company's share capital, and 21,098,900,000 shares are Foreign-Invested Shares, representing 11.53% of the Company's share capital.

Article 17. Share Capital Movements of the Company:

The Company issued 160,000,000,000 shares to its promoter upon its establishment in November 1999, which then represented 100% of the Company's share capital.

The Company issued 15,824,176,000 H Shares at its initial public offering in April 2000. The promoter sold 1,758,242,000 shares of the Company held by it. The share capital of the Company changed to 175,824,176,000 ordinary shares, of which 158,241,758,000 shares were held by the promoter of the Company, China National Petroleum Corporation, representing approximately 90% of the Company's share capital, and 17,582,418,000 shares were held by the H Shares shareholders, representing 10% of the Company's share capital.



The Company placed 3,516,482,000 H shares (including the shares sold by the promoter, namely 287,712,182 shares sold by the National Council for Social Securities Fund and 31,968,000 additional H shares sold by the National Council for Social Securities Fund pursuant to the exercise in full of the managers' option) in September 2005. The share capital of the Company changed to 179,020,977,818 ordinary shares, of which 157,922,077,818 shares were held by the promoter of the Company, China National Petroleum Corporation, representing approximately 88.21% of the Company's share capital, and 21,098,900,000 shares were held by the H Shares shareholders, representing approximately 11.79% of the Company's share capital.

The Company issued 4,000,000,000 A Shares in October 2007. The share capital of the Company changed to 183,020,977,818 ordinary shares, of which 157,922,077,818 shares are held by the promoter of the Company, China National Petroleum Corporation, representing approximately 86.29% of the Company's share capital, 4,000,000,000 shares are held by the other holders of Domestic-Invested Shares, representing approximately 2.18% of the Company's share capital, and 21,098,900,000 shares are held by the H Shares shareholders, representing approximately 11.53% of the Company's share capital.

Article 18. The Company's board of directors may make arrangements to issue Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares separately after the Company's proposals for such issuance have been approved by the securities authority of the State Council.

The Company may implement its proposal to issue Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares separately pursuant to the preceding paragraph within fifteen (15) months from the date of approval by the securities authority of the State Council.

Article 19. Where the Company separately issues Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares within the total number of shares stated in the proposal for the issuance of shares, such shares shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for at their respective offerings due to special circumstances, the shares may, subject to the approval of the securities authority of the State Council, be issued in separate branches.

Article 20. The registered capital of the Company is RMB183,020,977,818; if new shares are issued or the issued shares are repurchased, the registered capital of the Company shall be adjusted accordingly, and filed with the companies approving department authorised by the State Council and the securities regulatory authority of the State Council.

Article 21. The Company may, based on its operating and development needs, authorise the increase of its capital pursuant to the Company's Articles of Association.

The Company may increase its capital in the following ways:

- (1) by public offering of shares;
- (2) by non-public offering of shares;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by converting common reserve fund into share capital;
- (5) by any other means which is stipulated by law and administrative regulation and approved by the securities regulatory authority under the State Council.

After the Company's increase of share capital by means of the issuance of new shares has been approved in accordance with the provisions of the Company's Articles of Association, the issuance shall be made in accordance with the procedures set out in the relevant laws and administrative regulations.

Article 22. Unless otherwise stipulated in the relevant laws or administrative regulations, shares of the Company shall be freely transferable and are not subject to any lien.

Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be purchased, sold, donated, inherited and charged on in accordance with the PRC laws and the Company's Articles of Association. The transfer and transmission of the shares shall be registered in accordance with the relevant regulations.

The Company may not accept its own shares as the subject matter of a pledge.

The Company has the power to sell the shares of a shareholder who is untraceable and retain the payment, if

- (a) during a period of 12 years at least three times dividends in respect of the shares in question have become payable and no dividend during that period has been claimed; and
- (b) on expiry of the 12 years the Company gives notice of its intention to sell the shares by way of an advertisement with the approval from the securities authority of the State Council, and notifies the relevant domestic and overseas securities regulatory authorities of such intention.

#### CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 23. According to the provisions of the Company's Articles of Association, the Company may reduce its registered capital.

Article 24. The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

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

The Company's registered capital may not, after the reduction in capital, be less than the minimum amount prescribed by law.

Article 25. The Company may, in accordance with the procedures set out in the Company's Articles of Association and with the approval of the relevant governing authority of the State, repurchase its issued shares under the following circumstances:

- (1) for the purposes of reducing its registered capital;
- (2) merging with another company that holds shares in the Company;
- (3) using the shares for employee stock ownership plans or share incentive;
- (4) a shareholder who objects to a resolution on the merger or division of the Company adopted at a shareholders' general meeting requests that the Company purchase his shares;
- (5) using the shares for the conversion of the convertible corporate bonds which are issued by the Company;
- (6) necessary for the Company to maintain its value and its shareholders' rights and interests;
- (7) other circumstances permitted by laws and administrative regulations.

Except for the above circumstances, the Company shall not trade in its own shares.

Article 26. With the approval of the relevant governing authority of the State, the Company may repurchase shares in one of the following ways:

- (1) by making a general offer for the repurchase of shares to all its shareholders on a pro rata basis;
- (2) by repurchasing shares through public dealing on a stock exchange;
- (3) by repurchasing shares outside of the stock exchange by means of an off-market agreement;
- (4) any other methods which are accepted by the securities regulatory authority under the State Council.

Article 27. The Company must obtain prior approval of the shareholders in a general meeting (in the manner stipulated in the Company's Articles of Association) before it can repurchase shares outside of the stock exchange by means of an off-market agreement. The Company may, by obtaining prior approval of the shareholders in a general meeting (in the same manner), terminate or amend the agreement which has been entered into in the above manner or waive any of its rights thereunder.

An agreement for the share repurchase referred to in the preceding paragraph includes (without limitation) an agreement pursuant to which the Company agrees to undertake the obligation and acquire the right to the repurchased shares.

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

Article 28. The repurchase by the Company of its own shares for a reason specified in Items (1) or (2) of Article 25 of the Company's Articles of Association, a resolution shall be made at a general meeting; the repurchase by the Company of its own shares for a reason specified in Items (3), (5) or (6) of Article 25 of the Company's Articles of Association, a resolution shall be made at a meeting of the board of directors by more than two-thirds of the directors attending the meeting according to the provisions of the Company's Articles of Association or the authorization of the general meeting.

If the Company repurchases its shares pursuant to Item (1) of Article 25, it shall cancel such shares within ten (10) days of the date of such repurchase. If the Company repurchases its shares pursuant to Item (2) or Item (4) of Article 25, it shall transfer or cancel such shares within six (6) months. If the Company repurchases its shares pursuant to Items (3), (5) or (6) of Article 25, the total number of shares held by the Company shall not exceed ten per cent (10%) of all the shares issued by the Company and the Company shall transfer or cancel such shares within three (3) years.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital. Provided that if the accounting treatment on repurchase of shares of the Company in accordance with applicable

accounting principles and standards provides otherwise, such accounting treatment shall be adopted.

Article 29. 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 at par value, payment shall be made out of the account balance of distributable profits of the Company or out of the proceeds from the issue of new shares made for the purpose of repurchasing old shares;
- (2) where the Company repurchases shares at a premium to its par value, payment for the amount of the par value shall be made out of the account balance of distributable profits of the Company or out of the proceeds from the issue of new shares made for the purpose of repurchasing old shares. Payment of the portion in excess of the par value shall be made as follows:
  - (i) if the shares being repurchased were issued at par value, payment shall be made out of the account balance of distributable profits of the Company;
  - (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made out of the account balance of distributable profits of the Company or out of the proceeds from the issue of new shares made for the purpose of repurchasing old shares, provided that the amount paid out of the proceeds from the issue of new shares shall not exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased, nor shall it exceed the book value of the Company's capital common reserve fund account (including the amount of premiums received on the issue of new shares) at the time of the repurchase;
- (3) the Company shall make the following payments out of the Company's distributable profits:
  - (i) payment for the acquisition of the right to repurchase its own shares;
  - (ii) payment for variation of any contract for the repurchase of its shares;
  - (iii) payment for the release of its obligation(s) under any contract for the repurchase of shares;
- (4) after the Company's registered capital has been reduced by the aggregate par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable

profits of the Company for payment of the par value of shares which have been repurchased shall be credited to the Company's capital common reserve fund account.

#### CHAPTER 5: FINANCIAL ASSISTANCE FOR ACQUISITION OF SHARES

Article 30. The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to a person who acquires or proposes to acquire the shares of the Company. This includes any person who directly or indirectly incurs any obligations as a result of the acquisition of shares of the Company (the "Obligor").

The Company and its subsidiaries shall not, at any time, provide any form of financial assistance to the Obligor for the purposes of reducing or discharging the obligations assumed by such person.

This Article shall not apply to the circumstances specified in Article 32 of this Chapter.

Article 31. For the purposes of this Chapter, "financial assistance" includes (without limitation) the following:

- (1) gift;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the Obligor), compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (3) provision of loan or the conclusion of any agreement under which the obligations of the Company are to be fulfilled before the obligations of the other party, any change to such loan or parties to the agreement, or the assignment of rights under such loan or agreement;
- (4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets, or if such financial assistance will substantially reduce the Company's net assets.

For the purposes of this Chapter, "assumption of obligations" includes the assumption of obligations by the Obligor by way of entering into any contract or making an arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligation is to be borne solely by the Obligor or jointly with other persons) or by any other means which results in a change in his financial position.

Article 32. The following actions shall not be deemed as activities prohibited by Article 30 of this Chapter:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interests of the Company, and the principal purpose of which is not for the acquisition of shares of the Company, or the financial assistance provided is an incidental part of a general plan of the Company;
- (2) the lawful distribution of the Company's assets by way of dividend;
- (3) the distribution of dividend by allotment of shares;
- (4) the reduction of registered capital, the repurchase of shares of the Company or the reorganisation of the share capital structure of the Company effected in accordance with the Company's Articles of Association;
- (5) the provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the Company's distributable profits);

contributions made by the Company to the employee share ownership schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the Company's distributable profits).

## CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 33. Share certificates of the Company shall be in registered form.

The share certificate of the Company shall, aside from matters required by the Company Law and the Special Regulations, also contain other matters required to be stated therein by the stock exchange(s) on which the Company's shares are listed.

Article 34. Share certificates of the Company shall be signed by the Chairman of the Company's board of directors. Where the stock exchange(s) on which the Company's shares are listed require other senior officer(s) of the Company to sign on the share certificates, the share certificates shall also be signed by such senior officer(s). The share certificates shall take effect after being sealed or imprinted with the seal of the Company. The share certificate shall only be sealed with the Company's seal under the authorisation of the board of directors. The signatures of the Chairman of the board of directors or other senior officer(s) of the Company may also be in printed form.

Article 35. The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name (title), address (residence), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable for the shares held by each shareholder;
- (4) the share certificate number(s) 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 shareholder ceases to be a shareholder.

Unless there is evidence to the contrary, the register of shareholders shall be sufficient evidence of the shareholders' holding of shares of the Company.

Article 36. The Company may, in accordance with the mutual understanding and agreements made between the securities authority of the State Council and overseas securities regulatory authorities, maintain the register of shareholders of Overseas-Listed Foreign-Invested Shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original register of shareholders for holders of H Shares shall be maintained in Hong Kong.

A duplicate register of shareholders for the holders of Overseas-Listed Foreign-Invested Shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall ensure consistency between the original and the duplicate register of shareholders of Overseas-Listed Foreign-Invested Shares at all times.

If there is any inconsistency between the original and the duplicate register of shareholders of Overseas-Listed Foreign-Invested Shares, the original shall prevail.

Article 37. The Company shall have a complete register of shareholders which shall comprise the following parts:

- (1) the register of shareholders which is maintained at the Company's residence (other than those share registers which are described in sub-paragraphs (2) and (3) of this Article);
- (2) the register of shareholders of Overseas-Listed Foreign-Invested Shares of the Company which is maintained in the same place as the overseas stock exchange on which the shares are listed; and
- (3) the register of shareholders which are maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.



Article 38. Different parts of the register of shareholders shall not overlap. No transfer of any shares registered in a certain part of the register shall, during the continuance of that registration, be registered in any other part of the register.

Amendments or rectification of the register of shareholders shall be made in accordance with the laws of the place where the register of shareholders is maintained.

Article 39. All Overseas-Listed Foreign-Invested Shares shall be transferred by instrument in writing in any usual or common form or any other form which the directors may approve. The instrument of transfer of any share may be executed by hand without seal. If the shareholder is a recognised clearing house or its nominee defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the share transfer form may be executed by hand or in mechanically-printed form.

All Overseas-Listed Foreign-Invested Shares listed in Hong Kong which have been fully paid-up may be freely transferred in accordance with the Company's Articles of Association. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognise any instrument of transfer and would not need to provide any reason therefor:

- (1) a fee of HK\$2.50 per instrument of transfer or such higher amount as the board of directors may from time to time require but not exceeding the amount agreed from time to time in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited has been paid to the Company for registration of the instrument of transfer and other documents relating to or which will affect the ownership of the shares;
- (2) the instrument of transfer only relates to Foreign-Listed Foreign-Invested Shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the instrument of transfer has already been paid;
- (4) the relevant share certificate(s) and any other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint owners, the number of joint owners shall not be more than four (4);
- (6) the Company does not have any lien on the relevant shares.

If the Company refuses to register any transfer of shares, the Company shall provide the transferor and transferee with a notice of refusal to register such transfer within two (2) months of formal application for the transfer.

Article 40. No change may be made in the H Share register of shareholders as a result of a transfer of shares within thirty (30) days prior to the date of a shareholders' general meeting or within five (5) days prior to the record date set by the Company for its distribution of dividends. Changes in the A Share register of shareholders shall comply with applicable PRC laws and regulations.

Article 41. When the Company convenes a shareholders' meeting, distributes dividends, enters into liquidation or undertakes any other acts which requires determination of rights attaching to the shares of the Company, the board of directors or the convener of the shareholders' meeting shall decide on a date for the registration of rights attaching to the shares of the Company. The shareholders of the Company shall be such persons who appear in the register of shareholders at the close of such registration date.

Article 42. Any person who has objections and requests to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 43. Any person who is a registered shareholder or who requests his name (title) be entered in the register of shareholders may, if his share certificate (the "original certificate") is lost, apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

Application by a holder of Domestic-Invested Shares, who has lost his share certificate, for a replacement share certificate shall be dealt with in accordance with the Company Law.

Application by a holder of Overseas-Listed Foreign Shares, who has lost his share certificate, for a replacement share certificate may be dealt with in accordance with the law of the place where the original register of shareholders of Overseas-Listed Foreign-Invested Shares is maintained, the rules of the stock exchange or other relevant regulations.

The issue of a replacement share certificate to a holder of H Shares, who has lost his share certificate, shall comply with the following requirements:

- (1) The applicant shall submit an application to the Company in a prescribed form accompanied by a notarial certificate or a statutory declaration (i) stating the grounds upon which the application is made and the circumstances and evidence of the loss; and (ii) declaring that no other person is entitled to have his name entered in the register of shareholders in respect of the Relevant Shares.
- (2) The Company has not received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of such shares before it decides to issue a replacement share certificate to the applicant.

- (3) The Company shall, if it intends to issue a replacement share certificate, publish a notice of its intention to do so at least once every thirty (30) days within a period of ninety (90) consecutive days in such newspapers as may be prescribed by the board of directors.
- (4) The Company shall, prior to publication of a notice of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been displayed in the premises of the stock exchange. Such notice shall be displayed in the premises of the stock exchange for a period of ninety (90) days.

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

- (5) If, by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this Article, the Company has not have received any objections from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his application.
- (6) Where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and record the cancellation of the original share certificate and issuance of a replacement share certificate in the register of shareholders accordingly.
- (7) All expenses relating to the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant and the Company is entitled to refuse to take any action until reasonable security is provided by the applicant therefor.

Article 44. Where the Company issues a replacement share certificate pursuant to the Company's Articles of Association and a bona fide purchaser acquires or becomes the registered owner of such shares, his name (title) shall not be removed from the register of shareholders.

Article 45. 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 issuance of the replacement share certificate unless the claimant is able to prove that the Company has acted in a deceitful manner.

Article 46. Shares held by the promoter of the Company may not be transferred within one (1) year of the date of establishment of the Company. Shares

issued by the Company prior to the public offering of its shares may not be transferred within one (1) year of the date of listing of its shares on a stock exchange.

The directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company shall declare to the Company the status of their respective shareholding in the Company and any change thereof, and during their respective term of office, may not on an annual basis transfer more than twenty-five per cent (25%) of the shares of the Company held by them respectively. The shares held by the aforementioned person may not be transferred within one (1) year of the date of listing of the Company's shares. Any of the aforementioned person may not transfer the shares in the Company held by him/her within six (6) months after he/she leaves office, except for changes in his/her shares as a result of judicial enforcement, succession, bequest, or legal partition of property.

Where a director, supervisor, president, senior vice president, vice president, chief financial officer and other senior officer of the Company holds not more than one thousand (1,000) shares of the Company, he/she may transfer all of the shares at a time and shall not be subject to the restriction on transfer percentage specified in the preceding paragraph.

Article 47. If a director, supervisor, president, senior vice president, vice president, chief financial officer and other senior officer of the Company, or the shareholder of Domestic-Invested Shares who holds five per cent (5%) or more of the shares of the Company, sells his shares in the Company within six (6) months of acquiring the same, or buys within six (6) months of selling his shares of the Company, gains arising therefrom shall belong to the Company and the board of directors of the Company shall recover such gains from him/her/it and make timely disclosure of the relevant circumstances. However, a securities company that acquires five per cent (5%) or more of the shares of the Company as a result of its underwriting commitment to purchase unsold shares shall not be subject to the six (6) month time limit when selling such shares.

If the board of directors of the Company fails to act in accordance with the preceding paragraph, shareholders shall have the right to demand that the board of directors act accordingly within thirty (30) days. If the board of directors of the Company fails to act within the said time period, shareholders shall have the right, in the interests of the Company, to directly initiate proceedings in the court in their own name.

If the board of directors of the Company fails to act in accordance with the first paragraph of this Article, the responsible directors shall be jointly liable in accordance with laws.

## CHAPTER 7: SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 48. A shareholder of the Company is a person who lawfully holds shares of the Company and whose name (title) is entered in the register of shareholders.

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

In the case of the joint shareholders, if one of the joint shareholders is deceased, only the other existing shareholders of the joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require them to provide a certificate of death as necessary for the purpose of modifying the register of shareholders. For joint shareholders of the shares, only the joint shareholder ranking first in the register of shareholders has the right to accept certificates of the relevant shares, receive notices of the Company, attend and vote at shareholders' general meetings of the Company. Any notice which is delivered to such shareholder shall be considered as having been delivered to all the joint shareholders of the relevant shares.

Article 49. The shareholders of ordinary shares of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to propose, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to vote thereat in accordance with laws;
- (3) the right of supervisory management over the Company's business operations and the right to present proposals or to raise queries;
- (4) the right to transfer, donate or pledge shares in accordance with laws, administrative regulations and provisions of the Company's Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Company's Articles of Association, including:
  - (i) the right to obtain a copy of the Company's Articles of Association, subject to payment of costs;
  - (ii) the right to inspect and copy, subject to payment of a reasonable fee:
    - (a) all parts of the register of shareholders;

- (b) personal particulars of each of the Company's directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers, including:
    - (aa) present and former name and alias;
    - (bb) principal address (place of residence);
    - (cc) nationality;
    - (dd) primary and all other part-time occupations and positions;
    - (ee) identification documents and the numbers thereof.
  - (c) financial report;
  - (d) status of the Company's share capital;
  - (e) reports showing the aggregate par value, number, and highest and lowest price paid in respect of each class of shares repurchased by the Company since the last financial year and the aggregate amount paid by the Company for the repurchases;
  - (f) special resolutions passed at the shareholders' meeting;
  - (g) a copy of the latest annual return filed with the State Administration for Industry and Commerce of the PRC;
  - (h) minutes of shareholders' general meetings;
  - (i) counterfoil of corporate bonds, resolutions of the meetings of the board of directors and resolutions of the meetings of the supervisory committee;
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of residual assets of the Company in proportion to the number of shares held;
  - (7) the right to request the Company to purchase the shares held by that shareholder if such shareholder objects to a resolution of the shareholders' general meeting on the merger or division of the Company;
  - (8) other rights conferred by laws, administrative regulations and the Company's Articles of Association.

The Company shall make available the above mentioned documents at its Hong Kong representative office for inspection by the shareholders and in respect of the documents mentioned in sub-sections (5)(ii)(a) and 5(ii)(c)-(g) above, by the public.

Article 50. A shareholder requesting for inspection of information or access to materials referred to in the preceding Article shall produce to the Company written documents evidencing the class and number of shares that the shareholder holds. The Company shall provide such information and materials as requested by the shareholder after confirming the identity of the shareholder.

Article 51. If the content of a resolution of a shareholders' general meeting or the board of directors violates any laws or administrative regulations, a shareholder has the right to file a petition with the court to invalidate the resolution.

If the procedure for convening or the method of voting at a shareholders' general meeting or a meeting of the board of directors violates any laws, administrative regulations or the Company's Articles of Association, or if the contents of a resolution breaches the Company's Articles of Association, a shareholder may file a petition with the court to revoke the resolution within sixty (60) days from the date on which the resolution was passed.

Article 52. If a director, president, senior vice president, vice president, chief financial officer or any other senior officer has violated any laws, administrative regulations or the Company's Articles of Association in the course of performing his or her duties to the Company, and thereby caused the Company to incur a loss, a shareholder or shareholders who individually or jointly hold one per cent (1%) or more of the Company's shares for more than one hundred and eighty (180) consecutive days may request in writing the supervisory committee to initiate proceedings in the court. If the supervisory committee has violated the laws, administrative regulations or the Articles of Association in the course of performing its duties to the Company, and thereby caused the Company to incur a loss, shareholder(s) may request in writing the board of directors to initiate proceedings in the court in respect thereof.

If the supervisory committee or the board of directors refuses to initiate proceedings after receipt of a written request from the shareholder(s) as mentioned in the preceding paragraph, or fails to initiate proceedings within thirty (30) days of the date of receipt of the request, or under urgent circumstances where failure to promptly initiate proceedings would cause irreparable harm to the Company's interests, the shareholders mentioned in the preceding paragraph are entitled to directly initiate proceedings in the court in their own name in the interests of the Company.

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

Article 53. If a director, president, senior vice president, vice president, chief financial officer and any other senior officer violates laws, administrative regulations or the Company's Articles of Association and prejudices the interests of the shareholders of the Company, the shareholders may initiate proceedings in the court in respect thereof.

Article 54. The shareholders of ordinary shares of the Company shall assume the following obligations:

- (1) to comply with the Company's Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) not to withdraw their share capital unless otherwise provided by laws or administrative regulations;
- (4) not to abuse their shareholders' rights to harm the Company's or other shareholders' interests; not to abuse the Company's legal person status or the shareholders' limited liability to harm the interests of the Company's creditors. If a shareholder abuses its shareholder rights and causes a loss to the Company or other shareholders, he shall be held liable for damages in accordance with laws. If a shareholder abuses the Company's legal person status or his limited liability as a shareholder to evade debts and thereby seriously harms the interests of the Company's creditors, he shall bear joint and several liability for the debts of the Company;
- (5) other obligations imposed by laws, administrative regulations and the Company's Articles of Association.

Shareholders shall not bear any liability for further contribution to share capital other than according to the conditions agreed to by the subscribers of the relevant shares on subscription.

Article 55. In addition to the obligations imposed by laws and administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder (as such term is defined in the following Article) shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (1) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including (without limitation) opportunities which are beneficial to the Company;



- (3) to approve the deprivation by a director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights (save in a company restructuring which has been approved by the shareholders in a general meeting in accordance with the Company's Articles of Association).

Article 56. For the purpose of the foregoing Article, a "controlling shareholder" means a person who satisfies any one of the following conditions:

- (1) a person who, acting alone or in concert with others, has the power to elect half or more of the board of directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

Article 57. Where a shareholder of Domestic-Invested Shares who holds five per cent (5%) or more of the voting shares of the Company pledges the shares he holds, such shareholder shall report in writing to the Company on the date on which the pledge happens. Any pledge of H Shares shall be made in accordance with applicable Hong Kong laws, stock exchange rules and other relevant regulations.

Article 58. The controlling shareholder and the de facto controller of the Company shall not take advantage of their affiliated relationship to harm the interests of the Company, and shall be held liable for damages if they cause any loss to the Company in violation of the preceding provisions.

The controlling shareholder and the de facto controller of the Company shall bear the fiduciary duty to the Company and the shareholders who hold the shares issued to the public. The controlling shareholder shall exercise his rights as an investor strictly according to laws. It shall not harm the lawful interests of the Company and the shareholders of shares issued to the public by way of profit distribution, assets restructuring, investment in any third party, appropriation of funds, loan security or any other ways. The controlling shareholder shall not harm the interests of the Company or the shareholders of shares issued to the public by taking advantage of his controlling status.

## CHAPTER 8: SHAREHOLDERS' GENERAL MEETINGS

Article 59. The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with laws.

Article 60. The shareholders' general meeting shall have the following functions and powers:

- (1) to decide on the Company's operational policies and investment plans;
- (2) to elect and replace directors and to decide on matters relating to the remuneration of directors;
- (3) to elect and replace supervisors who represent the shareholders and to decide on matters relating to the remuneration of supervisors;
- (4) to examine and approve the board of directors' reports;
- (5) to examine and approve the supervisory committee's reports;
- (6) to examine and approve the Company's proposed annual financial budget and final accounts;
- (7) to examine and approve the Company's annual profit distribution plans and loss recovery plans;
- (8) to decide on the increase or reduction of the Company's registered capital;
- (9) to decide on matters such as merger, division, dissolution, liquidation of the Company, or changes in the form of the Company;
- (10) to decide on the issue of debentures by the Company;
- (11) to decide on the appointment, dismissal or non-renewal of the appointment of the accounting firms of the Company;
- (12) to amend the Company's Articles of Association;
- (13) to consider motions raised by shareholders who represent three per cent (3%) or more of the total number of voting shares of the Company;
- (14) to examine and approve the security-related matters that are subject to the approval of shareholders in general meetings according to laws, administrative regulations or the Company's Articles of Association;

- (15) to examine the matters of purchase and/or sale by the Company within one year of significant assets exceeding thirty per cent (30%) of the latest audited total assets of the Company;
- (16) to examine and approve the change of the use of the raised funds;
- (17) to examine stock incentive plans;
- (18) to decide on other matters which, according to laws, administrative regulations or the Company's Articles of Association, are subject to shareholders' approval in general meetings.

The shareholders in a general meeting may authorise the board of directors to carry out matters on their behalf or which they may delegate to the board of directors. Such authorization shall be clear and specific. An ordinary resolution of the shareholders' general meeting shall be passed by affirmative votes representing at least fifty per cent (50%) of the voting rights represented by the shareholders (including shareholders' proxies) present at the meeting. A special resolution of the shareholders' general meeting shall be passed by affirmative votes representing at least two-thirds of the voting rights represented by the shareholders (including shareholders' proxies) present at the meeting.

Article 61. The Company's following activities of providing security for a third party shall be examined and approved by the shareholders' general meeting.

- (1) Any security provided after the total amount secured by the Company and its controlled subsidiaries for third parties reaches or exceeds fifty per cent (50%) of the latest audited net assets of the Company;
- (2) Any security provided after the total amount secured by the Company for third parties reaches or exceeds thirty per cent (30%) of the latest audited total assets of the Company;
- (3) The amount guaranteed by the Company within one (1) year exceeds thirty per cent (30%) of the latest audited total assets of the Company;
- (4) Any security provided for the beneficiary whose debt-to-asset ratio exceeds seventy per cent (70%);
- (5) Any security with its amount exceeding ten per cent (10%) of the latest audited net assets;
- (6) Any security provided for a shareholder, de facto controller and their affiliated parties.

Article 62. The Company shall not, without the prior approval of shareholders' special resolutions in a general meeting, enter into any contract with any person (other than a director, supervisor, president, senior vice president, vice

president, chief financial officer or other senior officer) whereby the Company delegates such person to the management and administration of the whole or any substantial part of the Company's business.

Article 63. 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 end of the preceding financial year. The shareholders' general meetings shall be held at a meeting place in the form of on-site meeting. The Company may use the network or any other means for its shareholders to conveniently participate in the shareholders' general meetings. The shareholders that participate the shareholders' general meeting by any aforesaid means shall be regarded as having attended the meeting.

The board of directors shall convene an extraordinary general meeting within two (2) months of the occurrence of any one of the following events:

- (1) where the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Company's Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) where shareholder(s) who individually or jointly holds 10% or more of the Company's issued and outstanding voting shares request(s) in writing for the convening of an extraordinary general meeting;
- (4) whenever the board of directors deems necessary or the supervisory committee so requests;
- (5) other circumstances specified in laws, administrative regulations, departmental regulations or the Company's Articles of Association.

Article 64. When the Company convenes a shareholders' general meeting, written notice of the meeting shall be given forty-five (45) days before the date of the meeting to notify all of the shareholders whose names appear in the share register of the matters to be considered and the date and place of the meeting. A shareholder who intends to attend the meeting shall deliver to the Company his written reply concerning his attendance at such meeting twenty (20) days before the date of the meeting.

Article 65. When the Company convenes a shareholders' general meeting, shareholder(s) holding 3% or more of the total voting shares of the Company shall have the right to propose interim motions in writing to the convener ten (10) days prior to the date of such meeting. Within two (2) days upon receipt thereof the convener shall issue a supplemental notice of the shareholders' general meeting to announce the content of such interim motions.

The content of the motions mentioned in the preceding paragraph shall fall within the functions and powers of the shareholders' general meeting, shall contain clear subjects for discussion and specific matters to be resolved and shall comply with relevant provisions of the laws, administrative regulations and the Company's Articles of Association.

Article 66. The Company shall, based on the written replies which it receives from the shareholders twenty (20) days before the date of the shareholders' general meeting, calculate the number of voting shares represented by the shareholders who intend to attend the meeting. If the number of voting shares represented by the shareholders who intend to attend the meeting amount to one-half or more of the Company's total voting shares, the Company may hold the meeting; if not, then the Company shall, within five (5) days, notify the shareholders by way of public announcement the matters to be considered at, and the place and date for, the meeting. The Company may then hold the meeting after publication of such announcement.

A shareholders' general meeting shall not decide on any matter not stated in the notice for the meeting.

Article 67. A notice of a meeting of the shareholders of the Company shall meet the following requirements:

- (1) be in writing;
- (2) specify the form, place, date and time of the meeting;
- (3) state the matters to be discussed at the meeting;
- (4) provide such information and explanation as are necessary for the shareholders to make an informed decision on the matters to be discussed at the meeting. Without limiting the generality of the foregoing, where a proposal is made to merge the Company with another, to repurchase the shares of the Company, to reorganise its 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) include a disclosure of the nature and extent of the material interests (if any) of any director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer in the proposed transaction and explain the effect which the proposed transaction will have on them in their capacity as shareholders provided that it is different from the effect on other shareholders of the same class;
- (6) include the full text of any special resolution to be proposed at the meeting;

- (7) include a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one (1) or more proxies to attend and vote at such meeting on his behalf and that a proxy need not be a shareholder;
- (8) specify the time and place for lodging proxy forms for the relevant meeting;
- (9) the registration date for the shareholders entitled to attend the meeting;
- (10) name and telephone number of the standing contact person of the meeting.

Article 68. Notice of shareholders' general meetings shall be sent to the shareholders (whether or not such shareholder is entitled to vote at the meetings) pursuant to Article 203 of the Company's Articles of Association. Where a notice is sent by way of announcement, upon the publication of such announcement, all relevant persons shall be deemed to have received the notice.

Article 69. Any shareholder who is entitled to attend and vote at a general meeting of the Company shall be entitled to appoint one (1) or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights pursuant to the authorisation from that shareholder:

- (1) the shareholders' right to speak at the meeting;
- (2) the right to demand voting by poll individually or jointly with other persons;
- (3) the right to vote by hand or by poll, but a proxy of a shareholder who has appointed more than one (1) proxy may only vote by poll.

If the shareholder is a recognized clearing house defined by the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), such shareholder is entitled to appoint one or more persons as his proxies to attend on his behalf at a general meeting or at any class meeting or any creditors meeting; but, if one or more persons have such authority, the letter of authorization shall contain the number and class of the shares with respect to each of such authorized persons. Such person can exercise the right on behalf of the recognized clearing house (or its attorney) as if he is an individual shareholder of the Company.

Article 70. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or under the hand of a director or a duly authorised attorney. The letter of authorization shall contain the number of the shares to be represented by the attorney. If several persons are authorized

as the attorneys of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.

Article 71. The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authorization documents 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 appointor is a legal person, its legal representative or such person as is authorised by resolution of its board of directors or other governing body may attend any meeting of shareholders of the Company as a representative of the appointor.

Article 72. Any form issued to a shareholder by the Company's board of directors for use by such shareholder for the appointment of a proxy to attend and vote at meetings of the Company shall be such as to enable the shareholder to freely instruct the proxy to vote in favour of or against the motions, such instructions being given in respect of each individual matter to be voted on at the meeting. Such a form shall contain a statement that, in the absence of specific instructions from the shareholder, the proxy may vote as he thinks fit.

The Company has the right to request a proxy who attends a shareholders' meeting to provide evidence of his or its identity.

If a shareholder which is a legal person appoints its legal representative to attend a meeting on its behalf, the Company has the right to request such legal representative to produce evidence of his identity and a notarially certified copy of the resolutions of such shareholder's board of directors in respect of the appointment of the proxy or the power of attorney executed by such other organisation which has the capacity to appoint the proxy.

Article 73. A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

Article 74. Resolutions of shareholders' general meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing one-half or more of the voting rights represented by the shareholders (including proxies) present at the meeting.

A special resolution must be passed by votes representing two-thirds or more of the voting rights represented by the shareholders (including proxies) present at the meeting.

Article 75. A shareholder (including a proxy), when voting at a shareholders' general meeting, may exercise such voting rights as are attached to the voting shares which he represents. Except where the cumulative voting system is adopted for voting on the election of directors and supervisors under Article 76 hereof, each share shall have one (1) vote.

No voting rights shall be attached to the Company's shares held by the Company, and such shares shall be excluded for the purpose of calculating the total number of voting shares held by the shareholders present at the shareholders' general meeting.

Where any shareholder, under the listing rules, is required to abstain from voting on any particular resolution or restricted to vote only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 76. The voting on the election of directors and supervisors at the shareholders' general meeting shall apply the cumulative voting system, which means that each share held by a shareholder shall have the same number of voting rights as the number of directors and supervisors to be elected and the voting rights held by a shareholder can be collectively exercised. In the event of any discrepancy between the relevant rules issued by regulatory authorities and the Articles of Association and its appendices, the shareholders' general meeting may decide to adopt an appropriate cumulative voting system subject to compliance with the laws and regulations. Details on the implementation of the cumulative voting system are set out in the Rules of Procedures of Shareholders' General Meeting.

Article 77. Except where the cumulative voting system is adopted, the shareholders' general meeting shall vote on all motions one by one. If there are different motions on the same issue, the motions shall be voted on in chronological order according to the sequence they are proposed. Except for the reasons of force majeure or other special reasons which cause the shareholders' general meeting to be adjourned or no resolutions can be made, the shareholders' general meeting will not shelve or refuse to vote on any motions.

Article 78. At any shareholders' general meeting, a resolution shall be decided on a show of hands unless voting by way of a poll is required under the listing rules or demanded by the following persons before or after any vote by a show of hands:

- (1) the chairman of the meeting;



- (2) at least two (2) shareholders present in person or by proxy entitled to vote thereat;
- (3) one (1) or more shareholders present in person or by proxy who represent(s), individually or in aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Unless voting by way of a poll is required under the listing rules or demanded by the persons, the chairman may declare that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

Article 79. A poll demanded on the election of the chairman of the meeting, or on a question of adjournment of the meeting, 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 be deemed to be a resolution of the meeting at which the poll was demanded.

Article 80. On a poll taken at a meeting, a shareholder (including a proxy) entitled to two (2) or more votes are not required to cast all his votes in the same way.

Article 81. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 82. 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) annual profit distribution plans and loss recovery plans formulated by the board of directors;
- (3) appointment or removal of members of the board of directors and members of the supervisory committee, their remuneration and manner of payment;
- (4) annual budgets and final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;
- (5) matters other than those which are required by the laws, administrative regulations or the Company's Articles of Association to be adopted by a special resolution.

Article 83. The following matters shall be resolved by a special resolution at a shareholders' general meeting:

- (1) increase or reduction in the share capital of the Company and the issue of shares of any class, warrants and other similar securities by the Company;
- (2) issue of debentures of the Company;
- (3) division, split, merger, dissolution and liquidation of the Company;
- (4) amendment of the Company's Articles of Association;
- (5) acquisition or disposal of major assets in one year or provision of securities for third parties which exceeds thirty per cent (30%) of the latest audited total assets of the Company;
- (6) stock incentive plans;
- (7) any other matters considered by the shareholders in general meeting, and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by a special resolution in accordance with the laws, administrative regulations and the Company's Articles of Association.

Article 84. Where any shareholders request for the convention of an extraordinary general meeting or a class meeting the following procedures shall be followed:

- (1) Shareholders who individually or in aggregate hold not less than ten per cent (10%) of the Company's shares with voting right shall have the right to request in writing the board of directors to convene an extraordinary general meeting or a class meeting. The board of directors shall, according to the laws, administrative regulations and the Company's Articles of Association, give written feedback of consenting to or refusing the convening of such extraordinary shareholders' general meeting within ten (10) days after it has received the request.

If the board of directors consents to convene an extraordinary general meeting or a class meeting, it shall give notice for such shareholders' general meeting within 5 days after it has so resolved. The consent of the concerned shareholders shall be obtained if any change is to be made to the request in the notice.

If the board of directors refuses to convene an extraordinary general meeting or a class meeting, or it fails to give any feedback within ten (10) days after it has received the request, the shareholders who individually or in aggregate hold not less than ten per cent (10%) of

the Company's shares shall have the right to request in writing the supervisory committee to convene the extraordinary general meeting or class meeting.

- (2) If the supervisory committee consents to convene the extraordinary general meeting or the class meeting, it shall give the notice for such shareholders' general meeting within five (5) days after it has received the request. The consent of the concerned shareholders shall be obtained if any change is to be made to the request in the notice.

If the supervisory committee fails to give notice of convening the shareholders' general meeting within the provided time limit, the supervisory committee shall be deemed to have failed to convene and preside the shareholders' general meeting, and the shareholders who individually or in aggregate hold not less than ten per cent (10%) of the Company's shares for more than ninety (90) consecutive days may at their own discretion convene and preside such a meeting.

Any reasonable expenses incurred by the shareholders concerned by reason of failure by the board of directors to duly convene a meeting shall be repaid to shareholders concerned by the Company and any sum so repaid shall be set-off against sums owed by the Company to the defaulting directors.

Article 85. The chairman of the board of directors shall preside over the shareholders' general meetings. When the chairman is unable or fails to perform his duties, the vice-chairman shall preside over the meetings. When the vice-chairman is unable or fails to perform his duties, the director jointly selected by half or more of the directors shall preside over the meeting.

The chairman of the supervisory committee shall preside over the shareholders' general meeting convened by the supervisory committee. When the chairman of the supervisory committee is unable or fails to perform his duties, the supervisor jointly selected by half or more of the supervisors shall preside over the meeting.

The shareholders' general meeting convened by shareholders shall be presided over by the representative selected by the convener.

If the shareholders' general meeting cannot proceed due to violation of the rules of procedures by the chairman during the meeting, another person selected by more than one-half of the shareholders with voting rights and present at the meeting may preside over the meeting, and then the meeting shall proceed.

Article 86. The chairman of the meeting shall be responsible for determining whether a resolution has been passed. His decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the meeting minutes.

Article 87. If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote at a shareholders' meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the announcement of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 88. If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the meeting minutes.

The meeting minutes shall be in the charge of the secretary to the board of directors. The chairman of the meeting and the directors, supervisors, secretary to the board of directors, conveners or their representatives who attend the meeting shall sign on the meeting minutes. The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's place of residence for at least ten (10) years.

Article 89. The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's place of residence.

Article 90. Copies of the minutes of any shareholders' meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests for a copy of such minutes from the Company, the Company shall send a copy of such minutes to him within seven (7) days after receipt of reasonable fees therefor.

Article 91. The resolution(s) of shareholders' general meeting shall be announced timely. The announcement shall set forth the following: the number of shareholders and proxies present at the meeting, the total number of voting shares held by attending shareholders (and proxies) and its proportion to the total voting shares of the Company, voting methods, voting outcome of each motion and the details of each resolution adopted.

Article 92. If a motion is not passed or a resolution adopted at the previous shareholders' general meetings is changed at the current shareholders' general meeting, a specific explanation shall be made in the announcement of the resolution(s) of the shareholders' general meeting.

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

Article 93. Those shareholders who hold different classes of shares are class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Company's Articles of Association.

Article 94. Rights conferred on any class of shareholders ("class rights") may not be varied or abrogated save with the approval of a special resolution of shareholders in a general meeting and by the class shareholders affected at a separate meeting conducted in accordance with Articles 95 to 100.

Article 95. The following circumstances shall be deemed to be variation or abrogation of the rights attaching to a particular class of shares:

- (1) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting right or right to dividends or other privileges equal or superior to those of shares of that class;
- (2) to exchange all or part of the shares of that class for shares of another class or to exchange or to create a right to exchange all or part of the shares of another class for shares of that class;
- (3) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;
- (4) to reduce or remove preferential rights attached to shares of that class to receive dividends or the distribution of assets in the event that the Company is liquidated;
- (5) to add, remove or reduce share conversion rights, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;
- (7) to create a new class of shares having voting right, right to dividends or other privileges equal or superior to those of the shares of that class;
- (8) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;
- (9) to issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;
- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations among various classes of shareholders;
- (12) to vary or abrogate any provision of this Chapter.

Article 96. Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' general meetings, have the right to vote at class

meetings in respect of matters concerning sub-paragraphs (2) to (8), (11) and (12) of Article 95, but interested shareholder(s) shall not be entitled to vote at such class meetings.

"(An) interested shareholder(s)", as such term is used in the preceding paragraph, means:

- (1) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a stock exchange pursuant to Article 26, a "controlling shareholder" within the meaning of Article 56;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Article 26, a holder of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, a shareholder who assumes a lower proportion of obligation than the obligations imposed on shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the other shareholders of that class.

Article 97. Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class present at the relevant meeting who, according to Article 96, are entitled to vote thereat.

Article 98. Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders forty-five (45) days before the date of the class meeting. Such notice shall give such shareholders notice of the matters to be considered at such meeting, and the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company twenty (20) days before the date of the class meeting.

If the shareholders who intend to attend such class meeting represent half or more of the total number of shares of that class which have the right to vote at such meeting, the Company may hold the class meeting; if not, the Company shall within five (5) days give the shareholders further notice of the matters to be considered, and the date and the place of the class meeting by way of public announcement. The Company may then hold the class meeting after such public announcement has been made.

Article 99. Notice of class meetings is only required to be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' general meetings. The provisions of the Company's

Articles of Association relating to the manner for convening shareholders' general meetings are also applicable to class meetings.

Article 100. In addition to holders of other classes of shares, the holders of the Domestic-Invested Shares and holders of Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.

The special procedures for approval by separate class shareholders shall not apply to the following circumstances:

- (1) where the Company issues, upon the approval by a special resolution of its shareholders in a 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; or
- (2) where the Company's plan to issue Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares at the time of its establishment is implemented within fifteen (15) months from the date of approval of the securities authority of the State Council.

#### CHAPTER 10: BOARD OF DIRECTORS

Article 101. The Company shall have a board of directors. The board of directors shall consist of eleven (11) to fifteen (15) directors. The board of directors shall have one (1) Chairman and one (1) to two (2) Vice-chairman. At least one third of the board directors should be independent (non-executive) directors which should include at least one (1) accounting professional.

Article 102. Directors shall be elected at the shareholders' general meeting each for a term of three (3) years. A director may be re-elected upon the expiry of his term, and any independent director shall not serve as an independent director of the Company for a consecutive period of over six (6) years. The term of office of a director shall commence from the date when the relevant resolution is passed at the shareholders' general meeting.

Candidates other than candidates for independent directors shall be nominated by the board of directors, supervisory committee or shareholder(s) holding, individually or jointly, more than three per cent (3%) of the total amount of voting shares in the Company and elected at the general meeting.

Candidates for independent directors shall be nominated by the board of directors, supervisory committee or shareholder(s) holding, individually or jointly, more than one per cent (1%) of the total amount of issued shares of the Company and elected at the general meeting. The investor protection institutions legally established may publicly request the shareholders to entrust it to exercise the right to nominate an independent director.

The period for lodgement of notices in writing to the Company of the intention to propose a person for election as a director and of such person's willingness to be elected shall be at least seven (7) days, which shall commence no earlier than the day after the despatch of the notice of the shareholders' general meeting to be convened to consider such election and shall end no later than seven (7) days prior to the date of such general meeting.

The Chairman and the Vice-chairman shall be elected and removed by more than one-half of all of the members of the board of directors.

If no re-election is timely carried out upon the expiration of a director's term of office, the original director shall perform his duties as a director in accordance with laws, administrative regulations, department rules and the Company's Articles of Association until a new director is elected and takes his position.

President, senior vice presidents, vice presidents, chief financial officer or other senior officers may concurrently serve as a director, provided that the aggregate number of such directors shall not exceed one half of all the directors of the Company.

Subject to compliance with all relevant laws and administrative regulations, the shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office. However, the director's right to claim for damages which arises out of his removal under any agreement shall not be affected thereby.

The Directors shall not be required to hold qualifying shares.

Article 103. The board of directors is accountable to the shareholders' general meeting and exercises the following functions and powers:

- (1) to be responsible for the convening of the shareholders' general meeting and to report on its work to the shareholders in general meetings;
- (2) to implement the resolutions passed by the shareholders in general meetings;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's annual final financial budgets and final accounts;
- (5) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (6) to formulate proposals for the increase or reduction of the Company's registered capital and for the issuance of the Company's debentures or other securities as well as listing of securities of the Company;



- (7) to draw up plans for the acquisition of the Company's stocks, merger, division, dissolution as well as change of corporate forms of the Company;
- (8) to decide on the Company's internal management structure;
- (9) to appoint or dismiss the Company's president, to appoint or dismiss the senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company based on the president's nomination, and to decide on their remuneration;
- (10) to formulate the Company's basic management system;
- (11) to formulate proposals for any amendment of the Company's Articles of Association;
- (12) to manage the disclosure of information of the Company;
- (13) to exercise any other powers conferred by the shareholders in general meetings.

Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (11) of this Article which shall be passed by the affirmative votes of two-thirds or more of all the directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative votes of half or more of all the directors.

The board of directors establishes five (5) committees: the nomination committee, the audit committee, the investment and development committee, the examination and remuneration committee and the sustainable development committee. All such committees shall be comprised of directors. The nomination committee shall be comprised of three (3) directors and chaired by the Chairman of the board of directors with the majority members being independent directors. The audit committee shall be comprised of three (3) to four (4) directors and chaired by an independent director with the majority members being independent directors. The investment and development committee shall be comprised of three (3) to four (4) directors. The examination and remuneration committee shall be comprised of three (3) to four (4) directors and chaired by an independent director with the majority members being independent directors. The sustainable development committee shall be comprised of three (3) to four (4) directors.

The main responsibility of these committees is to provide support to the board of directors in decision-making. The directors participating in these committees focus on particular issues according to their division of labour and make recommendations on the improvement of the corporate governance of the Company. The board of directors is responsible for formulating rules of procedures of these committees and regulating their operation.

Article 104. The board of directors shall take the Party organization's advices before it determines the material matters, such as the orientations of the Company's reform and development, key objectives/tasks and major work arrangements. When the board of directors intends to appoint the management personnel, the Party organizations shall consider and put forward their advices on the candidates nominated by the board of directors or the president, or nominate candidates to the board of directors and the president.

Article 105. In the absence of relevant provisions in the Company's Articles of Association or without the legitimate authorization of the board of directors, a director shall not act in his own capacity on behalf of the Company or the board of directors. When a director is acting in his own capacity and a third party may reasonably deem that he is acting on behalf of the Company or the board of directors, the director shall clarify his position and status in advance.

Article 106. In addition to the functions and powers conferred on the directors by the Company Law, other relevant laws, administrative regulations, the Company's Articles of Association and its annexes, the independent directors shall also have the following special functions and powers:

- (1) independently engaging intermediaries to conduct audit, consultation or verification of specific matters of the Company;
- (2) proposing the board of directors to convene extraordinary general meetings;
- (3) proposing to convene meetings of the board of directors;
- (4) publicly soliciting shareholders' rights according to law;
- (5) expressing independent opinions on matters that may damage the rights and interests of the Company or its minority shareholders;
- (6) other functions and powers as prescribed by laws, administrative regulations, rules of the China Securities Regulatory Commission and the Company's Articles of Association.

An independent director who exercises the functions and powers as prescribed in Items (1) to (3) of the preceding paragraphs shall obtain the consent of more than half of all the independent directors.

Article 107. 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 expected value of the proposed disposition and the total amount of all the dispositions of fixed assets of the Company that have been completed in the period of four (4) months immediately preceding the proposed disposition, exceeds thirty-three per cent. (33%) of the value of the Company's fixed assets as shown in the latest balance sheet which was tabled at a shareholders' general meeting.

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

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

Article 108. Unless otherwise provided by applicable laws, regulations and/or relevant listing rules, the board of directors shall have the authority to decide on investment or acquisition projects with investment amount less than twenty-five per cent (25%) of the latest audited total assets of the Company.

Article 109. The Chairman of the board of directors shall exercise the following powers:

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

When the Chairman is unable to exercise his powers, such powers shall be exercised by the Vice-chairman who has been designated by the Chairman to exercise such powers on his behalf.

Article 110. Meetings of the board of directors shall be held at least four times every year and shall be convened by the Chairman of the board of directors. Where there is an urgent matter, an extraordinary meeting of the board of directors may be held if it is so requested by one-third or more of the directors, the Chairman of the board of directors, shareholders representing ten per cent (10%) or more of the voting rights, the supervisory committee or the Company's president.

Article 111. Notice of meetings and extraordinary meetings of the board of directors shall be delivered in person, by facsimile, by electronic means, by express delivery service or by registered mail. The time limit for the delivery of notice of meetings and extraordinary meetings of the board of directors shall be at least fourteen (14) days and ten (10) days respectively before the meetings. Where the circumstance is urgent and it is necessary to hold an extraordinary meeting of the board of directors as soon as possible, the notice of the meeting can be circulated at any time by phone or any other verbal means, but the convener shall make explanations at the meeting.

A notice for a meeting of the board of directors shall set out the followings:

- (1) time and venue of the meeting;

- (2) duration of the meeting;
- (3) reasons and agenda;
- (4) the delivery date of the notice.

Article 112. Notice of a meeting shall be deemed to have been given to any director who attends the meeting without protesting against, before or at the commencement of the meeting, any lack of notice.

Article 113. Any regular or extraordinary meeting of the board of directors may be held by way of telephone conferencing or similar communication equipment so long as all directors participating in the meeting can clearly hear and communicate with each other. All such directors shall be deemed to be present in person at the meeting.

Article 114. Meetings of the board of directors shall be held only if half or more of the directors (including any director appointed as a representative of another director pursuant to Article 115 of the Company's Articles of Association) are present.

Each director shall have one (1) vote. Unless otherwise provided for in the Company's Articles of Association, a resolution of the board of directors must be passed by more than half of all of the directors of the Company. A resolution of the board of directors relating to related party transactions shall be signed by independent (non-executive) directors before coming into effect.

Where there is an equality of votes cast both for and against a resolution, the Chairman of the board of directors shall have a casting vote.

A director shall not vote on any board resolution in which he or any of his associates or a substantial shareholder has a material interest nor shall he be counted in the quorum present at the same board meeting. The relevant transaction shall be dealt with by way of a board meeting and not by way of circulation of written meeting materials. If an independent non-executive director (and whose associates) has no material interests in the transaction, he should be present at such board meeting.

In this Article, "substantial shareholder" and "associate" shall have the same meaning as defined in the listing rules. If any stock exchange where the shares of the Company are listed sets out more stringent rules in relation to the matters on which any director should abstain from voting, the directors should comply with the more stringent rules.

Article 115. 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 may by a written power of attorney appoint another director to attend the meeting on his behalf. The power of attorney shall set out the scope of the authorisation.

A Director appointed as a representative of another director to attend the meeting shall exercise the rights of a director within the scope of authority conferred by the appointing 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 behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 116. In respect of any matter which needs to be determined by the board of directors at an extraordinary meeting of the board of directors, where the board of directors has already sent out written notice of matters to be decided at such meeting to all the directors and the number of directors who have given their written consent thereto reaches the amount set out in Article 114, a valid resolution shall be deemed to be passed and there is no need to hold a board of directors' meeting.

Article 117. The board of directors shall keep minutes of resolutions passed at meetings of the board of directors. 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 the Company's Articles of Association and the Company suffers serious losses as a result thereof, the directors who participated in the passing of such resolution are liable to compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be released from such liability.

Article 118. A director may resign from his position prior to the expiration of his term of service. The resigning director shall submit a written resignation report to the board of directors. Except for special circumstances, the board of directors shall disclose the information in connection thereof within two (2) days.

If the number of the members of the board of directors falls below the statutory minimum due to the resignation of a director, the resigning director shall perform his duties as a director in accordance with laws, administrative regulations, department rules and the Company's Articles of Association until a new director is elected and takes his position. If the resignation of an independent director will lead to the situation that the proportion of independent directors in the board of directors or its committees fails to conform to rules of regulatory authorities or the Company's Articles of Association, or there is lack of accounting professionals among the independent directors, the independent director who plans to resign shall continue to perform his duties until the day when a new independent director is elected.

Except for the circumstance mentioned in the preceding paragraph, a director's resignation shall take effect upon the delivery of the resignation report with the board of directors.

#### CHAPTER 11: SECRETARY OF THE BOARD OF DIRECTORS

Article 119. The Company shall have one (1) secretary of the board of directors. The secretary shall be a senior officer of the Company.

Article 120. The secretary of 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 organise board meetings and shareholders' general meetings of the Company, and to ensure that the Company has complete organisation documents and records;
- (2) to ensure that minutes of the meetings of the board of directors shall be circulated to all directors for their review, signature and records within 14 days after the board meeting is held and to keep such minutes for inspection;
- (3) to ensure that the Company prepares and delivers, in accordance with laws, those reports and documents required by competent authorities entitled thereto;
- (4) to ensure that the Company's registers of shareholders are properly maintained and that persons entitled to receive the Company's records and documents are furnished therewith without delay.

Article 121. A director or other senior officers of the Company may also act as the secretary of the board of directors. Any accountant from the accounting firm which has been appointed by the Company to act as its auditors shall not act as the secretary of the board of directors.

Where the office of secretary of the board of directors 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 of the board of directors may not perform the act in a dual capacity.

#### CHAPTER 12: PRESIDENT

Article 122. The Company shall have president, senior vice presidents, vice presidents and chief financial officer. The president shall be nominated by the Chairman of the board of directors and appointed or dismissed by the board of directors. Senior vice presidents, vice presidents, chief financial officer and other

senior officers shall be nominated by the president and appointed or dismissed by the board of the directors. A member of the board of directors may act concurrently as the president, senior vice presidents, vice presidents, chief financial officer or other senior officers.

Article 123. The president shall be accountable to the board of directors and shall exercise the following functions and powers:

- (1) to be in charge of the Company's production, operation and management and to organise the implementation of the resolutions of the board of directors;
- (2) to organise the implementation of the Company's annual business plan and investment proposal;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate concrete rules and regulations of the Company;
- (6) to propose the appointment or dismissal by the board of directors of the Company's senior vice presidents, vice presidents, chief financial officer and other senior officers;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;
- (8) other powers conferred by the Company's Articles of Association and the board of directors.

Article 124. The president shall attend meetings of the board of directors. The president, who is not a director, does not have any voting rights at board meetings.

Article 125. The president, senior vice presidents, vice presidents and chief financial officer, when performing their functions and powers, shall act honestly and diligently and in accordance with laws, administrative regulations and the Company's Articles of Association.

#### CHAPTER 13: SUPERVISORY COMMITTEE

Article 126. The Company shall have a supervisory committee.

Article 127. The supervisory committee shall compose of nine (9) supervisors. One of the members of the supervisory committee shall act as the chairman. Each supervisor shall serve for a term of three (3) years, which is renewable upon re-election.

The term of office of a supervisor shall commence from the date on which he takes his position.

The election or removal of the chairman of the supervisory committee shall be determined by two-thirds or more of the members of the supervisory committee.

The chairman shall serve for a term of three (3) years, which is renewable upon re-election.

If the number of members of the supervisory committee falls below the statutory minimum due to a failure to timely elect a supervisor upon expiration of a supervisor's term of office or due to the resignation of a supervisor during his term of office, the original supervisor shall continue to perform his duties as a supervisor in accordance with laws, administrative regulations and the Company's Articles of Association until the newly elected supervisor takes his position.

Article 128. The supervisory committee shall comprise supervisors who shall represent the shareholders and who shall be elected or removed by the shareholders in general meetings, and supervisors representing not less than one-third of the total number of supervisors who shall represent the employees of the Company and who shall be elected or removed democratically thereby.

Article 129. The directors, president, senior vice presidents, vice presidents, chief financial officer shall not act concurrently as supervisor.

Article 130. The supervisory committee shall convene at least one meeting every six (6) months. The supervisors may propose to convene an extraordinary meeting of the supervisory board.

Meetings of the supervisory committee shall be convened by the chairman of the supervisory committee. If the chairman is unable or fails to perform his duties, a supervisor jointly selected by half or more of the supervisors shall convene and preside over the meetings.

Article 131. The supervisory committee shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers in accordance with laws:

- (1) to review the Company's periodical reports prepared by the board of directors and issue written opinions;
- (2) to review the Company's financial position;
- (3) to supervise the execution of official duties by the directors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers; for any of them that acts in contravention of any laws, administrative regulations, the Company's Articles of



Association or the resolutions of the shareholders' meetings, to propose to remove the person(s) concerned;

- (4) to demand any director, president, senior vice president, vice president, chief financial officer or any other senior officer who acts in a manner which is harmful to the Company's interest to rectify such behaviour;
- (5) to check 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 to retain, in the Company's name, certified public accountant and practising auditors to assist in the re-examination of such information should any doubt arise in respect thereof;
- (6) to propose to convene a shareholders' extraordinary general meeting and to convene and preside over the shareholders' meeting when the board of directors fails to perform the duties of convening and presiding over the shareholders' meeting;
- (7) to make proposals to the shareholders' meeting;
- (8) to represent the Company in negotiations with directors or to bring actions against a director, president, senior vice president, vice president, chief financial officer or other senior officers on behalf of the Company according to the Company Law;
- (9) to conduct an investigation in the event of discovering any irregularities in the Company's operations;
- (10) to supervise the compliance of related party transactions;
- (11) other functions and powers specified in the Company's Articles of Association.

Supervisors shall attend meetings of the board of directors and can raise queries or suggestions on matters decided by the board of directors.

Article 132. Meetings of the supervisory committee shall be held only if half or more supervisors are present. Resolutions of the supervisory committee shall be passed by the affirmative votes of two-thirds or more of all the supervisors.

Article 133. All reasonable fees incurred in respect of the engagement of professionals (such as, lawyers, certified public accountants or practising auditors) which are required by the supervisory committee in the exercise of its functions and powers shall be borne by the Company.

Article 134. A supervisor shall carry out his duties honestly and faithfully in accordance with laws, administrative regulations and the Company's Articles of Association.

CHAPTER 14: THE QUALIFICATIONS AND DUTIES OF THE DIRECTORS,  
SUPERVISORS, PRESIDENT, SENIOR VICE PRESIDENTS, VICE PRESIDENTS,  
CHIEF FINANCIAL OFFICER AND OTHER SENIOR OFFICERS OF THE  
COMPANY

Article 135. A person may not serve as a director, supervisor, president, senior vice president, vice president, chief financial officer or any other senior officer of the Company if any of the following circumstances applies:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been sentenced for corruption, bribery, infringement of property, misappropriation of property or other crimes which destroy the social economic order, where less than five (5) years have lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five (5) years have lapsed since the sentence was served;
- (3) a person who is a former director or factory manager of a company or enterprise which has been insolvent and liquidated as a result of mismanagement and who was personally liable for the bankruptcy of such company or enterprise, where less than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of laws and who is personally liable therefor, 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 which have become overdue;
- (6) a person who is currently under investigation by judicial organs for violation of criminal laws;
- (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than five (5) years have lapsed from the date of such conviction;

- (10) a person who has been prohibited by the China Securities Regulatory Commission from access to the securities market and such penalty has not expired.

Article 136. Independent directors shall keep their independence. None of the following persons may be appointed as an independent director:

- (1) anyone who holds a position in the Company or its subsidiaries, or his spouse, parents, children or major social relations;
- (2) any natural-person shareholder who directly or indirectly holds more than one per cent (1%) of the shares issued by the Company or who ranks in the top ten (10) shareholders of the Company, or his spouse, parents or children;
- (3) anyone who holds a position in any of shareholder who directly or indirectly holds more than five per cent (5%) of the shares issued by the Company or of the top five (5) shareholders of the Company, or his spouse, parents or children;
- (4) anyone who holds a position in a subsidiary of the controlling shareholder or de facto controller of the Company, or his spouse, parents or children;
- (5) anyone who has significant business contacts with the Company or its controlling shareholder, de facto controller or their respective subsidiaries, or anyone who holds a position in entities that have significant business contacts with the Company or such entities' controlling shareholders or de facto controllers;
- (6) anyone who provides financial, legal, consulting, sponsoring or any other service for the Company, its controlling shareholder, de facto controller or their respective subsidiaries, including but not limited to the project team members of intermediary agencies that provide services, the reviewers at all levels, the persons who sign on the report, partners, directors, senior managers and main responsible persons;
- (7) anyone who has fallen under any of the circumstances listed in Items (1) to (6) in the past twelve (12) months;
- (8) any other person who has no independence as provided for in laws, administrative regulations, rules of the China Securities Regulatory Commission, rules of the stock exchange and the Company's Articles of Association.

The subsidiaries of the controlling shareholder or de facto controller of the Company as mentioned in Items (4) to (6) of the preceding paragraphs shall not include the enterprises that are under the control of the same state-owned

assets administration with the Company and have no related-party relationship with the Company according to relevant provisions.

Article 137. To act as an independent director of the Company, the following conditions shall be satisfied:

- (1) having the qualification for acting as an independent director of a listed company in accordance with laws, administrative regulations and other relevant provisions;
- (2) meeting the requirements for independence as provided in Article 136 of the Company's Articles of Association;
- (3) having the basic knowledge on the operation of the listed company and being familiar with relevant laws, regulations and rules;
- (4) having more than five (5) years' work experience in law, accounting or economics which are necessary for performing the duties and responsibilities of an independent director;
- (5) having good personal morality and having no such bad records as major dishonesty;
- (6) other conditions as provided for in laws, administrative regulations, rules of the China Securities Regulatory, rules of the stock exchange and the Company's Articles of Association.

Article 138. The validity of an act carried out by a director, president, senior vice president, vice president, chief financial officer or other senior officer of the Company on its behalf as against a bona fide third party shall not be affected by any non-compliance in respect of his office and election or any defect in his qualification.

Article 139. In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers owes the following duties to each shareholder when exercising the functions and 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 and in the best interests of the Company;
- (3) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which are beneficial to the Company;

- (4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights except for the restructuring of the Company which has been submitted to the shareholders' general meeting for approval in accordance with the Company's Articles of Association.

Article 140. Each of the Company's directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers owes a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 141. Each of the Company's directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers shall exercise his powers or perform his duties in accordance with the fiduciary principle; and shall not put himself in a position where his duty and his interest may conflict. This principle includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to act within the scope of his powers and not to exceed such scope;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of other persons and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his discretion to other persons;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Company's Articles of Association or except with the informed consent of the shareholders given in a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his own benefit without the informed consent of the shareholders given in a general meeting;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which are beneficial to the Company;
- (8) not to accept commissions in connection with the Company's transactions without the informed consent of the shareholders given in a general meeting;

- (9) to comply with the Company's Articles of Association, to perform his official duties faithfully, to protect the Company's interests and not to exploit his position and power in the Company to advance his own interests;
- (10) not to compete with the Company in any way without the informed consent of the shareholders given in a general meeting;
- (11) not to misappropriate the Company's funds or lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his own name or in any other name or use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities;
- (12) not to release any confidential information relating to the Company which he has obtained during his term of office without the informed consent of the shareholders in a general meeting and not to use such information other than for the Company's benefit, save that disclosure of such information to the court or other governmental authorities is permitted if:
  - (i) disclosure is made under compulsion of law;
  - (ii) disclosure is required for public interests;
  - (iii) disclosure is required for the interests of the relevant director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer;
- (13) to strictly comply with the relevant laws and regulations and the relevant rules of the stock exchanges on which the shares of the Company are listed in respect of dealings in the securities of the Company.

Article 142. Each director, supervisor, president, senior vice president, vice president, chief financial officer and other senior officer of the Company shall not direct the following persons or institutions ("associates") to act in a manner which he is prohibited from so acting:

- (1) the spouse or minor child of the director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer;
- (2) the trustee of the director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer or of any person described in sub-paragraph (1) above;

- (3) the partner of the director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer or any person referred to in sub-paragraphs (1) and (2) of this Article;
- (4) a company in which the director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer, whether alone or jointly with the persons referred to in sub-paragraphs (1), (2) and (3) of this Article or other directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers, has de facto control;
- (5) the directors, supervisors, president, senior vice presidents, vice presidents and other senior officers of a company which is being controlled in the manner set out in sub-paragraph (4) above.

Article 143. The fiduciary duties of the directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company do not necessarily cease with the expiry of their tenure. The duty of confidentiality in respect of trade secrets of the Company survives the expiry of their tenure. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the expiry of their tenure and the act concerned, and the circumstances and the terms under which the relationship between the relevant director, supervisor, president, senior vice president, vice president and the senior officer on one hand and the Company on the other hand was ended.

Article 144. Subject to Article 55, a director, supervisor, president, senior vice president, vice president, chief financial officer and other senior officer of the Company may be relieved from liabilities for specific breaches of his duty with the informed consent of the shareholders given at a general meeting.

Article 145. Where a director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer of the Company is in any way, directly or indirectly, materially interested in a contract, transaction, arrangement or proposed contract, transaction or arrangement with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the board of directors at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the board of directors.

Unless the interested director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer discloses his interests to the board of directors in accordance with the preceding sub-paragraph of this Article and the contract, transaction or arrangement is approved by the board of directors at a meeting in which the interested director, supervisor, president, senior vice president, vice president or other senior officer is not counted as part of the quorum and abstain from voting,

a contract, transaction or arrangement in which that director, supervisor, president, vice president or other senior officer is materially interested is voidable at the discretion of the Company except as against a bona fide party thereto who does not have knowledge of the breach of duty by the interested director, supervisor, president, vice president, chief financial officer or other senior officer.

For the purposes of this Article, a director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.

Article 146. Where a director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer of the Company gives to the board of directors a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements which may subsequently be entered into 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 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 147. The Company shall not pay taxes for a director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer in any manner.

Article 148. The Company shall not directly or indirectly make a loan to or provide any security for a director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer of the Company or of the Company's holding company or any of their respective associates.

The foregoing prohibition shall not apply to the following circumstances:

- (1) the provision by the Company of a loan to or a security for its subsidiary;
- (2) the provision by the Company of a loan or a security or any other funds to any of its directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers to meet expenditure incurred or to be incurred by him for the sake of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in a general meeting;
- (3) if the ordinary business scope of the Company includes the provision of loans and security, the Company may make a loan to or provide a security to any of the relevant directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other



senior officers or their respective associates on normal commercial terms.

Article 149. Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.

Article 150. A security for the repayment of a loan which has been provided by the Company acting in breach of Article 148(1) shall not be enforceable against the Company, save in the following circumstances:

- (1) the security was provided in connection with a loan which was made to an associate of any of the directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company or of the Company's holding company and the lender did not know of the relevant circumstances when providing the loan; or
- (2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 151. For the purposes of the foregoing provisions of this Chapter, a "security" includes an undertaking or property provided to secure the obligor's performance of his obligations.

Article 152. In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor, president, senior vice president, vice president, chief financial officer and other senior officer of the Company breaches the duties which he owes to the Company, the Company has a right:

- (1) to demand such director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer to compensate for losses sustained by the Company as a result of such breach;
- (2) to rescind any contract or transaction which has been entered into between the Company and such director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer, or between the Company and a third party (where such third party knows or should have known that such director, supervisor, president, senior vice president, vice president or other senior officer representing the Company has breached his duties owed to the Company);
- (3) to demand such director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer to account for profits made as result of the breach of his duties;

- (4) to recover any monies which should have been received by the Company and which were received by such director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer instead, including (without limitation) commissions; and
- (5) to demand repayment of interest earned or which may have been earned by such director, supervisor, president, senior vice president, vice president, chief financial officer or other senior officer on monies that should have been paid to the Company.

Article 153. The Company may purchase liability insurance for directors, supervisors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers.

Article 154. The Company shall, with the prior approval of shareholders in a general meeting, enter into a contract in writing with a director or supervisor wherein his emoluments are stipulated. The aforesaid emoluments include:

- (1) emoluments in respect of his service as director, supervisor or senior officer of the Company;
- (2) emoluments in respect of his service as director, supervisor or senior officer 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 and any of its subsidiaries;
- (4) payment by way of compensation for loss of office, or as consideration for or in connection with his retirement from office.

No proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the matters mentioned in this Article except pursuant to the contract mentioned above.

Article 155. The contract concerning the emoluments between the Company and its directors and supervisors should provide that in the event that the Company is acquired, the Company's directors and supervisors shall, subject to the prior approval of shareholders in a general meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement. For the purposes of this paragraph, the acquisition of the Company includes any of the following:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to making the offeror become a "controlling shareholder" within the meaning of Article 56.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the acceptance of such offer. The expenses incurred in

distributing such sum on a pro rata basis amongst such persons shall be borne by the relevant director or supervisor and shall not be paid out of such sum.

## CHAPTER 15: FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 156. The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 157. At the end of each fiscal year, the Company shall prepare a financial report which shall be examined and verified in a manner prescribed by law.

Article 158. The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations and regulatory documents promulgated by competent local governments and the governmental authorities in charge require the Company to prepare.

Article 159. The Company's financial reports shall be made available for shareholders' inspection at the Company 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.

The Company shall deliver or send to each shareholder of Overseas-Listed Foreign-Invested Shares the aforesaid reports together with the report of the board of directors not later than twenty-one (21) days before the date of every annual general meeting according to Article 203.

Article 160. The financial statements 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, such difference shall be stated in notes of the financial statements. In distributing its after-tax profits, the lower of the two amounts shown in the financial statements shall be adopted.

Article 161. Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations, as well as international accounting standards or that of the overseas place where the Company's shares are listed.

Article 162. The Company shall publish its financial reports four (4) times every fiscal year. The Company shall submit an annual financial and accounting report to the securities regulatory authority under the State Council and stock exchange within four (4) months after the end of each fiscal year, submit an

interim financial and accounting report to the securities regulatory authority under the State Council and the stock exchange within two (2) months after the end of the first six (6) months of each fiscal year and submit a quarterly financial and accounting report to the securities regulatory authority under the State Council and stock exchange within one (1) month after the end of the first three (3) and the first nine (9) months of each fiscal year respectively.

Article 163. The Company shall not keep any other accounts other than those required by law.

Article 164. When the Company distributes its after-tax profits for a given year, it shall allocate ten per cent (10%) of profits to its statutory common reserve fund. The Company shall no longer be required to make allocations to its statutory common reserve fund once the aggregate amount of such reserve reaches fifty per cent (50%) or more of its registered capital.

If the Company's statutory common reserve fund is insufficient to make up its losses of the previous years, such losses shall be made up from the profit for the current year before the Company makes allocations to the statutory common reserve fund pursuant to the preceding paragraph.

The Company may, if so resolved by the shareholders' meeting, make allocations to the discretionary common reserve fund from after-tax profits after making allocations to the statutory common reserve fund from the after-tax profits.

The Company's after-tax profits remaining after it has made up its losses and made allocations to its common reserve fund shall be distributed in proportion to the shareholdings of its shareholders.

If the shareholders' meeting violates the preceding paragraph by distributing profits to shareholders before the Company has made up its losses and made allocations to the statutory common reserve fund, the profits distributed in violation of laws must be returned to the Company by the shareholders.

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

Article 165. Capital common reserve fund includes the following items:

- (1) premium on shares issued at a premium price;
- (2) any other income prescribed by the finance regulatory department of the State Council as capital common reserve fund.

The capital common reserve fund may not be used to make up the losses of the Company.

Article 166. The common reserve fund of the Company shall be applied for the following purposes:

- (1) to make up losses;
- (2) to expand the Company's production and operation;
- (3) to be converted into capital. The Company may convert its common reserve fund into capital with the approval of shareholders in a general meeting. When such conversion takes place, the Company shall either distribute new shares in proportion to the existing shareholding percentages, or increase the par value of each share, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below 25% of the registered capital.

Article 167. Dividend shall be paid twice a year. The annual dividends of the Company shall be decided by the shareholders by way of an ordinary resolution. The shareholders may by way of an ordinary resolution authorize the board of directors to decide on the interim dividends.

Article 168. (1) The Company shall give full consideration to the reasonable investment returns for its investors and seek to protect the long-term interests of the Company, the overall interests of all of its shareholders as well as sustainable development of the Company itself. It shall also strive to maintain the consistency and stability of its policy on distribution of profits.

(2) The Company may pay any dividends in cash, shares or otherwise in such other way as permitted by laws and regulations. The Company will tend to pay any such dividends in cash over other methods of payment.

(3) The Company shall pay cash dividends for the year in which both the net profit attributable to the parent company and the cumulative undistributed profit are positive and so long as the cash flows of the Company may support its normal course of operation and sustainable development. Any such cash dividends shall not be less than 30% of the net profit attributable to the parent company for that year.

(4) If, for any special reason, the Company will have to revise or modify the profit distribution policy as provided in (2) and (3) under this article, any such revision or modification, having been appraised by independent directors of the Company, shall be adopted by the Board of Directors prior to consideration for approval at a shareholders' meeting. The general meeting shall be held in such a manner which satisfies the regulatory requirements of the jurisdiction in which the Company is listed.

If the shareholders' general meeting passes motions in connection with the distribution of cash dividend, allotment of bonus shares, or conversion of capital common reserve fund into share capital, the Company shall implement detailed plans thereof within two (2) months after the conclusion of such shareholders' general meeting.

If a shareholder has not claimed his dividends six years after such dividends has been declared in accordance with the Articles of Association, such shareholder is deemed to forfeit his right to claim such dividends. The Company shall not exercise its power to forfeit the unclaimed dividends until after the expiry of the applicable limitation period.

Article 169. The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Domestic-Invested Shares in Renminbi. The Company shall calculate and declare dividends and other payments which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in the local currency of the place in which such Overseas-Listed Foreign-Invested Shares are listed (if such shares are listed in more than one place, then the currency of the principal place on which such shares are listed as determined by the board of directors shall be adopted).

Article 170. The Company shall pay dividends and other amounts to holders of Foreign-Invested Shares in accordance with the relevant foreign exchange control regulations of the State. If there is no applicable regulation, the applicable exchange rate shall be the average closing rate for the relevant foreign currency announced by the People's Bank of China during the week prior to the announcement of payment of dividend and other amounts.

Article 171. The Company shall appoint receiving agents for holders of the Overseas-Listed Foreign-Invested Shares. Such receiving agents shall receive dividends which have been declared by the Company and all other amounts which the Company should pay to holders of Overseas-Listed Foreign-Invested Shares on such shareholders' behalf.

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

The receiving agent appointed for holders of Overseas-Listed Foreign-Invested Shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

#### CHAPTER 16: APPOINTMENT OF ACCOUNTING FIRMS

Article 172. The Company shall appoint an independent accounting firm which meets the relevant requirements of the State to audit the Company's annual financial report and review the Company's other financial reports.

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

If the inaugural meeting does not exercise the powers under the preceding paragraph, those powers shall be exercised by the board of directors.

Article 173. The accounting firm appointed by the Company shall hold its office from the conclusion of the annual general meeting of shareholders at which it was appointed until the conclusion of the next annual general meeting of shareholders.

Article 174. The accounting firm appointed by the Company shall enjoy the following rights:

- (1) the right to review to the books, records and vouchers of the Company at any time and the right to require the directors, president, senior vice presidents, vice presidents, chief financial officer and other senior officers of the Company to supply relevant information and make explanations;
- (2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the discharge of its duties;
- (3) the 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 Company's accounting firm.

Article 175. If there is a vacancy in the position of the accounting firm of the Company, the board of directors may appoint an accounting firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accounting firm which has been appointed by the Company may continue to act during the period during which a vacancy arises.

Article 176. The shareholders in a general meeting may by an ordinary resolution remove the Company's accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

Article 177. The remuneration of an accounting firm or the manner to determine its remuneration shall be determined by the shareholders in a general meeting. The remuneration of an accounting firm appointed by the board of directors shall be determined by the board of directors.

Article 178. The Company's appointment, removal or non-renewal of the appointment of an accounting firm shall be resolved by the shareholders in a general meeting. Such resolution shall be filed with the securities authority of the State Council.

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

- (1) A copy of the appointment or removal proposal shall be sent (before notice of meeting is given to the shareholders) to the accounting firm proposed to be appointed or proposing to leave its post or the accounting firm which has left its post in the relevant fiscal year (leaving includes leaving by removal, resignation and retirement).
- (2) If the accounting firm leaving its post makes representations in writing and requests the Company to give the shareholders notice of such representations, the Company shall (unless the representations have been received too late) take the following measures:
  - (a) in any notice regarding the adoption of resolutions given to shareholders, state the fact of the representations having been made; and
  - (b) attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Company's Articles of Association.
- (3) If the Company fails to send out the representations made by the accounting firm in the manner set out in sub-paragraph (2) above, such accounting firm may (in addition to his right to be heard) require that the representations be read out at the meeting.
- (4) The accounting firm which is leaving its post shall be entitled to attend the following shareholders' general meetings:
  - (a) the shareholders' general meeting at which its term of office would otherwise have expired;
  - (b) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
  - (c) the shareholders' general meeting which is convened as a result of its resignation,

and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which it attends on any part of the business of the meeting which concerns it as former accounting firm of the Company.



Article 179. Prior notice should be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be entitled to make representations at the shareholders' general meeting. Where the accounting firm resigns from its position as the Company's auditor, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

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

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

Where a notice is deposited under the preceding sub-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 the preceding sub-paragraph (2), a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also notify each shareholder of Overseas-Listed Foreign Shares of a copy of such statement pursuant to Article 203 of the Company's Articles of Association.

Where the accounting firm's notice of resignation contains a statement in respect of the above, it 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 17: INSURANCE

Article 180. The various types of insurance of the Company's insurance shall be decided at a meeting of the board of directors in accordance with the relevant insurance laws in China.

## CHAPTER 18: LABOUR AND PERSONNEL MANAGEMENT SYSTEMS

Article 181. The Company may at its discretion employ and dismiss employees based on the business development needs of the Company and in accordance with the requirements of the laws and administrative regulations of the State.

Article 182. The Company may formulate its labour and payroll systems and payment methods in accordance with the relevant laws and regulations of the State,

the Company's Articles of Association and the economical benefits of the Company.

Article 183. The Company shall endeavour to improve its employee benefits and to continually improve the working environment and living standards of its employees.

Article 184. The Company shall provide medical, retirement and unemployment insurance for its employees and put in place a labour insurance system in accordance with the relevant laws and regulations of the State.

#### CHAPTER 19: TRADE UNIONS

Article 185. The Company's employees may form trade unions, carry on trade union activities and protect their legal rights. The Company shall provide the necessary conditions for such activities.

#### CHAPTER 20: MERGER AND DIVISION OF THE COMPANY

Article 186. 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 the Company's Articles of Association. The Company shall then go through the relevant approval process. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan to acquire his shares at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company.

Article 187. 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 commencing from the date of the Company's merger resolution and shall publish a public announcement in a newspaper within thirty (30) days commencing from the date of the Company's merger resolution. Creditors may, within a period of thirty (30) days commencing from the date of receipt of the written notification, or within a period of forty-five (45) days commencing from the date of the announcement for those who do not receive written notification, claim full repayment or require the provision of a corresponding security from the Company.

After the merger, rights and liabilities of each party to the merger shall be assumed by the company which survives the merger or the newly established company.

Article 188. Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten (10) days commencing from the date of the Company's division resolution and shall publish a public announcement in a newspaper within thirty (30) days commencing from the date of the Company's division resolution.

Liabilities incurred by the Company prior to the division shall be borne by the companies surviving the division jointly and severally, unless the Company and its creditors have entered into a written agreement on payment of debts prior to the division and the agreement stipules otherwise.

Article 189. The Company shall, in accordance with laws, apply for change in its registration with the companies registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with law. Where a new company is established, the Company shall apply for registration thereof in accordance with law.

#### CHAPTER 21: DISSOLUTION AND LIQUIDATION

Article 190. 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 required as a result of a merger or division of the Company;
- (3) its business licence has been revoked, or it is ordered to close down or is dissolved in accordance with laws; or
- (4) where there are serious difficulties in the operation and management of the Company and the continual existence would cause major losses to the interests of the shareholders, and the matter cannot be resolved through other means, shareholders representing 10% or more of the voting rights of the Company may petition to the court for dissolution of the Company.

Article 191. A liquidation committee shall be set up so as to commence the liquidation procedures within fifteen (15) days of the Company being dissolved pursuant to sub-paragraphs (1), (3) and (4) of the Article 190 of the Company's Articles of Association. The liquidation committee shall be composed of

directors or of the persons determined by the shareholders' general meeting. If the Company fails to establish liquidation committee to carry out the liquidation within the time limit, its creditors may make an application to the court for its designation of relevant persons to form a liquidation committee to carry out the liquidation.

Article 192. Where the board of directors proposes to liquidate the Company for any reason other than the Company's declaration of its own insolvency, the board shall include a statement in its notice of convening a shareholders' general meeting stating 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 the resolution by the shareholders in a general meeting for the liquidation of the Company, all functions and powers of the board of directors shall cease.

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

Article 193. The liquidation committee shall, within ten (10) days of its establishment, send notices to creditors and shall, within sixty (60) days of its establishment, publish a public announcement in a newspaper.

A creditor shall, within thirty (30) days of receipt of the notice, or for creditors who have not personally received such notice, within forty-five (45) days of the date of the public announcement, report its rights to the liquidation committee. When reporting his rights, the creditor shall provide an explanation of matters which are relevant thereto and shall provide evidential material in respect thereof. The liquidation committee shall register the creditor's rights.

Article 194. During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (1) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify the creditors or to publish public announcements;
- (3) to deal with any unfinished businesses of the Company in connection with the liquidation;

- (4) to pay all outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to settle claims and debts;
- (6) to deal with the residual assets remaining after the Company's debts have been repaid;
- (7) to represent the Company in any civil proceedings.

Article 195. After it has sorted out the Company's assets and has prepared the 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 relevant governmental authority for confirmation.

The Company's assets shall be distributed in accordance with the sequence stipulated by laws and regulations. If there is no applicable law, such distribution shall be carried out in accordance with a fair and reasonable procedure determined by the liquidation committee.

Any residual assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding paragraph shall be distributed to its shareholders according to the class of shares and the proportion of shares held.

During the liquidation period, the Company shall not commence any new business activities.

Article 196. For a liquidation arising from the Company's dissolution, if after liquidating the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the court for a declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the court, the liquidation committee shall transfer all matters arising from the liquidation to the court.

Article 197. Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income received and expenses incurred during the liquidation period and a financial report, which shall be verified by a PRC certified public accountant and submitted to the shareholders' general meeting or the relevant governmental authority for confirmation.

The liquidation committee shall, within thirty (30) days after such confirmation, submit the documents referred to in the preceding paragraph to the companies registration authority, apply for cancellation of registration

of the Company, and publish a public announcement relating to the termination of the Company.

Article 198. Members of a liquidation committee shall be faithful in the discharge of their duties and perform the liquidation obligations in accordance with laws. Members of a liquidation committee may not abuse their authority to accept bribes or other illegal income and may not seize the Company's property.

If members of a liquidation committee wilfully or by gross negligence cause loss to the Company or its creditors, they shall be liable for compensation.

#### CHAPTER 22: PROCEDURES FOR AMENDMENT OF THE COMPANY'S ARTICLES OF ASSOCIATION

Article 199. The Company may amend its Articles of Association in accordance with the requirements of laws, administrative regulations and the Company's Articles of Association.

Article 200. The Company's Articles of Association shall be amended in the following manner:

- (1) The board of directors shall propose amendments to the Company's Article of Association;
- (2) The foregoing proposal shall be furnished to the shareholders in writing and a shareholders' meeting shall be convened;
- (3) The amendments shall be approved by votes representing two-thirds or more of the voting rights represented by the shareholders present at the meeting.

Article 201. Amendment of the Company's Articles of Association which involves the content of the Mandatory Provisions of Overseas-Listed Companies' Articles of Association (signed by the Securities Committee of the State Council and the Economic Reform Committee of the State on 27 August 1994) ("Mandatory Provisions") shall become effective upon receipt of approvals from the companies approving department authorised by the State Council and the securities authority of the State Council. If there is any change relating to the registered particulars of the Company, application shall be made for change in registration in accordance with law.

#### CHAPTER 23: NOTICE

Article 202. Unless otherwise provided, the Company shall, where it is making a public announcement in the prescribed or approved manner, issue any notice or announcement in at least one (1) media which has been designated by the securities authority of the State Council, and, where possible, to publish such

notice or announcement on the same day in the forms required, from time to time, by overseas regulatory authorities where the Company's shares are listed.

Article 203. Corporate communication such as notices, information or written statements shall be issued by the Company to holders of Overseas-Listed Foreign-Invested Shares by announcement, electronic means or other methods according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Notices to be issued to holders of Domestic-Invested Shares shall be released in any one or more media appointed by the securities authority of the State Council. All holders of Domestic-Invested Shares shall be deemed to have received such notices once they are published.

Article 204. All notices which are to be sent by mail shall be clearly addressed with postage pre-paid, and shall be put in envelopes before being posted. Such letters of notice shall be deemed to have been received by shareholders five (5) days after the date of despatch.

Article 205. 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 206. 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 delivered to the Company by normal methods within a designated time period, or have been delivered to the correct mailing address with postage fully pre-paid.

#### CHAPTER 24: SUPPLEMENTARY

Article 207. In the Company's Articles of Association, references to "accounting firm" shall have the same meaning as "auditor".

In the Company's Articles of Association, references to "listing rules", if not stated otherwise, shall mean the Rules of Shanghai Stock Exchange for the Listing of Shares and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited collectively.

Article 208. The Company's Articles of Association are written in Chinese and English. Both text shall be equally valid. If there is any discrepancy between the two versions, the Chinese version shall prevail.

Article 209. The right to interpret the Company's Articles of Association shall vest with the board of director of the Company. Any outstanding matters not covered in the Company's Articles of Association or any conflicts between the

Company's Articles of Association and the laws and regulations and the relevant rules of the stock exchanges shall be handled in accordance with the laws and regulations and the relevant rules of the stock exchanges and the actual situation of the Company.