

If there is any discrepancy between the English text and the Chinese text in respect of these Articles of Association, the Chinese text shall prevail.

遼寧港口股份有限公司

Liaoning Port Co., Ltd.
ARTICLES OF ASSOCIATION

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**Articles of Association
of
遼寧港口股份有限公司
Liaoning Port Co., Ltd.**

CHAPTER I GENERAL PROVISIONS

Article 1 The Articles of Association are formulated in accordance with 「The Company Law of the People's Republic of China」 (hereinafter referred to as the 「**Company Law**」), 「The Securities Law of the People's Republic of China」 (hereinafter referred to as the 「**Securities Law**」), 「the Guidelines to Articles of Association of Listed Companies」, 「the Measures for the Administration of Independent Directors of Listed Companies」, 「the Code of Corporate Governance for Listed Companies」, 「the Rules Governing the Listing of Stocks on Shanghai Stock Exchange」, 「the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited」 and other relevant provisions, with an aim to safeguard the lawful rights and interests of the Liaoning Port Co., Ltd. (hereinafter referred to as the 「**Company**」) and its shareholders and creditors, and to standardize the organization and activities of the Company.

Article 2 The Company is a Sino-foreign joint stock limited company established in the People's Republic of China (「the PRC」) in accordance with the Company Law and other relevant laws and administrative regulations of the State.

The Company was incorporated by way of promotion with the approval by Da Zheng No. [2005] 153 「Approval of the People's Government of Dalian on the incorporation of Dalian Port (PDA) Company Limited」 issued by the People's Government of Dalian City. It was registered with the Market Supervision Administration of Dalian Free Trade Zone and obtained its business license. The Company's unified social credit code is 91210200782451606Q.

The promoters of the Company are 大連港集團有限公司(Dalian Port Corporation Limited), 大連融達投資有限責任公司(Dalian Rongda Investment Company Limited), 大連海泰控股有限公司(Dalian Haitai Holdings Company Limited), 大連德泰控股有限公司(Dalian Detai Holdings Company Limited), and 大連保稅正通有限公司(Dalian Bonded Zhengtong Company Limited).

Article 3 On 21 March 2006, upon approval by the China Securities Regulatory Commission (the 「CSRC」), the Company initially issued to the public 966,000,000 overseas listed foreign shares (including the over-allotted shares), which were listed on The Stock Exchange of Hong Kong Limited (the 「SEHK」) on 28 April 2006. On 11 November 2010, upon approval by the CSRC, the Company initially issued 761,820,000 RMB-denominated ordinary shares to the public and conducted a private placement of 738,180,000 RMB-denominated ordinary shares to 大連港集團有限公司(Dalian Port Corporation Limited), which were listed on Shanghai Stock Exchange on 6 December 2010. Upon the approval by the CSRC on 8 October 2015, the Company issued 1,180,320,000 overseas listed foreign shares by way of private placement, which were listed on the SEHK on 1 February 2016. On 6 January 2021, upon the approval by the CSRC, the Company issued 9,728,893,454 new A Shares, and merged with Yingkou Port Liability Co., Ltd. by absorption, and those shares were listed on Shanghai Stock Exchange on 9 February 2021. The Company issued 1,363,636,363 A Shares by way of private placement, which were listed on Shanghai Stock Exchange on 19 November 2021.

Article 4 The registered name of the Company is:

In Chinese: 遼寧港口股份有限公司

In English: Liaoning Port Co., Ltd.

Article 5 The place of domicile of the Company: Xingang Commercial Building, Dayao Bay, Dalian Free Trade Zone

Postal code: 116001

Article 6 The Chairman of the Board is the legal representative of the Company.

Article 7 The Company is a Sino-foreign joint stock limited company with an operating period from 16 November 2015 to 15 November 2075. The nature of the Company is a Sino-foreign joint stock limited company.

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

All capital of the Company shall be divided into shares of equal par value and the rights and liability of a shareholder of the Company shall be limited to the proportion of shareholding held by him. The Company shall undertake its liabilities with all of its assets.

Article 8 The Articles of Association shall come into effect commencing from the date of the establishment of the Company.

From the date on which the Articles of Association come into effect, the Articles of Association shall constitute a 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.

Article 9 The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, general manager, deputy general manager and other senior management members; the aforementioned person(s) may assert claims in respect of the Company's affairs pursuant to the Articles of Association.

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

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

Article 10 The Company may invest in other limited liability companies and joint stock limited companies and shall be liable for the debts of the invested companies to the extent of its capital contribution. However, except as otherwise provided by law and administrative regulations, the Company shall not become an investor that is jointly and severally liable for the debts of the invested companies, nor shall it become a shareholder with unlimited liabilities in any economic organizations.

With the approval by the company approval authorities authorized by the State Council, the Company may operate according to its operational and management needs in accordance with the relevant provisions of the Company Law relating to holding companies.

Article 11 Subject to compliance with the laws and administrative regulations of the PRC, the Company has the rights to raise and borrow funds. The Company's rights to raise funds include but not limited to the issue of debentures, the charge or mortgage of part or whole of the ownership and rights to use of the Company's assets and other rights permitted by the PRC laws and administrative regulations.

CHAPTER II OBJECTIVES AND SCOPE OF BUSINESS

Article 12 The business objectives of the Company are as follows: to provide top quality, highly efficient, safe and environmental-friendly comprehensive port services that facilitate convenient and smooth transportation; to develop itself into a comprehensive port logistics operator that is capable of competing at the international level; and consequently to realise maximisation of the Company's value.

Article 13 The Company's scope of business shall be consistent with the scope of operation approved by the authority responsible for the Company's registration.

The Company's scope of business includes: provision of loading and discharging, transportation, trans-shipment, storage and other port and logistics services for international and domestic goods; provision of facilities and services for passengers waiting and embarkation and disembarkation; tallying for vessels on international and domestic routes; tugging business; port logistics and port information technology consultancy services; provision of crude oil storage services within port areas (operating under a license); refined oil products storage (restricted to those applying for bonded qualification and those at port storage facilities); import and export of goods and technology (excluding distribution of imported goods, and items prohibited by the relevant laws and administrative regulations; operating activities for items which are restricted by laws and administrative regulations shall be subject to obtaining a license) (with capital contribution from foreign parties less than 25%) (operating activities for items that are subject to approval according to law shall only be carried out with the approval of the relevant authorities.)

Article 14 The Company may, in accordance with changes in the domestic and overseas markets, its business development and its own capabilities, adjust its scope of business and mode of operation at an appropriate time subject to the adoption of a resolution in the general meeting of shareholders and the submission to the relevant government authority-in-charge for approval, and may set up subsidiaries, branch organizations and offices within and outside the PRC, as well as in Hong Kong, Macau and Taiwan.

The Company shall reinforce its construction of the rule of law and compliance management according to law, establish and improve the general legal counsel system, and strive to be an enterprise under rule of law and safeguard the compliant operations of the Company.

CHAPTER III SHARES AND REGISTERED CAPITAL

Section 1 Share Issuance

Article 15 Shares of the Company shall be in the form of share certificates. All shares issued by the Company shall have a par value of RMB1 per share.

The term 「RMB」 referred to in the preceding paragraph means the lawful currency of the PRC.

Article 16 Shares of the Company shall be issued in accordance with the principles of openness, fairness and justice, and each of the shares of the same class shall carry the same rights.

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

Article 17 Subject to registration or filing with the competent securities authorities of the State Council, the Company may issue shares to domestic investors and overseas investors.

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

Article 18 Shares issued by the Company to domestic investors for subscription in RMB are referred to as domestic shares. Domestic shares listed in the PRC are referred to as domestically listed domestic shares or in short, 「A Shares」. Shares issued by the Company to overseas investors for subscription in foreign currencies are referred to as foreign invested shares. Overseas listed foreign invested shares are referred to as overseas listed foreign invested shares.

Foreign invested shares issued by the Company and listed in Hong Kong shall be referred to as 「H Shares」. H Shares are shares which have been admitted for listing on the SEHK with a par value denominated in RMB and are subscribed for and traded in Hong Kong dollars. H Shares may also be listed in a stock exchange within the United States in the form of American Depositary Receipts.

To the extent permitted by the relevant laws, administrative regulations and departmental rules, and upon filing with the CSRC, domestic shareholders of the Company may transfer the Company's shares held by them to overseas investors and have such shares listed and traded publicly overseas. Shares transferred and listed on an overseas stock exchange shall also be subject to the regulatory procedures, regulations and requirements of the overseas stock exchange.

The term 「foreign currencies」 referred to in the preceding paragraph means the lawful currencies (other than RMB) of other countries or regions which are recognised by the department in charge of foreign exchange of the State and which can be used to pay the share price to the Company.

Article 19 Upon approval by the company approval authority authorised by the State Council, the total number of ordinary shares issued prior to the initial offering of H Shares of the Company was 1,960,000,000 shares, the entire of which were subscribed for by the promoters, among whom:

大連港集團有限公司(Dalian Port Corporation Limited) subscribed for 1,911,000,000 shares, representing 97.5% of the total number of ordinary shares that may be issued at the time of the establishment of the Company;

大連融達投資有限責任公司(Dalian Rongda Investment Company Limited) subscribed for 19,600,000 shares, representing 1% of the total number of ordinary shares that may be issued at the time of the establishment of the Company;

大連海泰控股有限公司(Dalian Haitai Holdings Company Limited) subscribed for 9,800,000 shares, representing 0.5% of the total number of ordinary shares that may be issued at the time of the establishment of the Company;

大連德泰控股有限公司(Dalian Detai Holdings Company Limited) subscribed for 9,800,000 shares, representing 0.5% of the total number of ordinary shares that may be issued at the time of the establishment of the Company;

大連保稅正通有限公司(Dalian Bonded Zhengtong Company Limited) subscribed for 9,800,000 shares, representing 0.5% of the total number of ordinary shares that may be issued at the time of the establishment of the Company.

Article 20 Upon approval by the competent securities authorities of the State Council, the Company initially issued 966,000,000 H shares (including the over-allotted shares) subsequent to its establishment, representing 33.01% of the total number of ordinary shares that may be issued by the Company.

The structure of the Company's share capital was as follow: 2,926,000,000 ordinary shares, in which an aggregate of 1,863,400,000 shares were held by the promoters of the Company, namely 大連港集團有限公司(Dalian Port Corporation Limited), 大連融達投資有限責任公司(Dalian Rongda Investment Company Limited), 大連海泰控股有限公司(Dalian Haitai Holdings Company Limited), 大連德泰控股有限公司(Dalian Detai Holdings Company Limited) and 大連保稅正通有限公司(Dalian Bonded Zhengtong Company Limited), representing 63.68% of the total number of issued ordinary shares of the Company; and 1,062,600,000 shares were held by holders of the overseas listed foreign invested shares, representing 36.32% of the total number of issued ordinary shares of the Company.

Upon approval by the competent securities authorities of the State Council, the Company, subsequent to its establishment, issued initially 1,500,000,000 domestically listed domestic shares, representing 33.89% of the total number of ordinary shares that may be issued by the Company. After the entire 1,863,400,000 issued domestic shares which had not yet been listed or traded were approved for listing and trading on Shanghai Stock Exchange, the structure of the Company's share capital was as follow: 4,426,000,000 ordinary shares, of which an aggregate of 2,451,580,000 restricted A shares were held by the promoters of the Company, namely 大連港集團有限公司(Dalian Port Corporation Limited), 大連融達投資有限責任公司(Dalian Rongda Investment Company Limited), 大連海泰控股有限公司(Dalian Haitai Holdings Company Limited), 大連德泰控股有限公司(Dalian Detai Holdings Company Limited) and 大連保稅正通有限公司(Dalian Bonded Zhengtong Company Limited), representing 55.39% of the total number of issued ordinary shares of the Company. 492,820,000 restricted A shares and 419,000,000 unrestricted A shares were held by holders, other than the promoters, of the domestically listed domestic shares, representing 20.60% of the total number of issued ordinary shares of the Company, and 1,062,600,000 H Shares were held by holders of the overseas listed foreign invested shares, representing 24.01% of the total number of issued ordinary shares of the Company.

Upon the approval of the securities regulatory authority under the State Council, the Company issued 1,180,320,000 ordinary shares by way of private placement in 2016, all of which were overseas listed foreign invested shares.

Upon the private placement of H Shares of the Company (first tranche placing) as stated in the preceding paragraph, the shareholding structure of the Company was as follows: 5,606,320,000 ordinary shares, of which 3,363,400,000 A Shares held by domestic shareholders, representing 59.99% of the total ordinary shares of the Company in issue, and 2,242,920,000 H Shares held by overseas listed foreign shareholders, representing 40.01% of the total ordinary shares of the Company in issue.

Upon the approval by the shareholders at the 2015 annual general meeting, based on the initial share capital of a total of 5,606,320,000 shares in 2015, the Company further made a dividend bonus issue of new shares on the basis of three (3) bonus shares (including tax) per ten (10) existing shares. At the same time, the Company also made another bonus issue of new shares by way of conversion of capital reserve of the Company into share capital on the basis of ten (10) shares for every ten (10) existing shares; after such dividend bonus issue and the issue of new shares by way of conversion of capital reserve into share capital, the structure of the Company's share capital was as follow: 12,894,535,999 ordinary shares, including 7,735,820,000 A Shares of which 5,369,367,462 A Shares were held by the promoters of the Company, namely 大連港集

團有限公司(Dalian Port Corporation Limited), 大連海泰控股有限公司(Dalian Haitai Holdings Company Limited), 大連德泰控股有限公司(Dalian Detai Holdings Company Limited) and 大連保稅正通有限公司(Dalian Bonded Zhengtong Company Limited), representing 41.64% of the total number of issued ordinary shares of the Company, and such shares are unrestricted A Shares; apart from the unrestricted A Shares held by the promoters, 2,366,452,538 unrestricted A shares were held by holders of the domestically listed domestic shares, representing 18.35% of the total number of issued ordinary shares of the Company. Holders of the overseas listed foreign invested shares held 5,158,715,999 H shares, representing 40.01% of the total number of issued ordinary shares of the Company, of which 2,714,736,000 H Shares were restricted shares and 2,443,979,999 H Shares were unrestricted shares, representing 21.05% and 18.95%, respectively, of the total number of issued ordinary shares of the Company.

Upon approval by the competent securities authorities of the State Council, the Company merged with 營口港務股份有限公司 (Yingkou Port Liability Co., Ltd.) by additionally issuing 9,728,893,454 A shares, and upon the completion of the merger, the total share capital increased from 12,894,535,999 shares to 22,623,429,453 shares, of which 17,464,713,454 A Shares were held by holders of domestic listed shares, representing 77.20% of the total number of issued ordinary shares of the Company and 5,158,715,999 H shares were held by holders of the overseas listed foreign invested shares, representing 22.80% of the total number of issued ordinary shares of the Company.

Upon approval by the competent securities authorities of the State Council, the Company non-publicly issued 1,363,636,363 A Shares. The total share capital of the Company increased from 22,623,429,453 shares to 23,987,065,816 shares, of which 18,828,349,817 A Shares were held by holders of domestic listed shares, representing 78.49% of the total number of issued ordinary shares of the Company, and 5,158,715,999 H shares were held by holders of the overseas listed foreign invested shares, representing 21.51% of the total number of issued ordinary shares of the Company.

The restricted A Shares, unrestricted A Shares and H Shares as mentioned above shall rank pari passu in respect of entitlements to dividends and other forms of distributions without priority or seniority.

Article 21 The domestic shares issued by the Company shall be centralised and held in custody by the China Securities Depository & Clearing Corporation Limited. The Hong Kong-listed foreign invested shares of the Company shall be held principally by Hong Kong Securities Clearing Company Limited.

Article 22 The registered capital of the Company shall be RMB23,987,065,816.

Article 23 The Company or its subsidiaries (including affiliated enterprises of the Company) shall not provide any financial assistance in the form of gifts, advances, guarantees, compensation or loans to persons who purchase or propose to purchase shares of the Company.

Section 2 Increase, Reduction and Repurchase of Shares

Article 24 The Company may, according to its operation and development needs, approve an increase of its registered capital in accordance with the relevant provisions of the Articles of Association, subject to requirements of the laws and regulations and a relevant resolution being passed in a general meeting.

The Company may increase its capital in the following ways:

(1) public share offering;

(2) non-public share offering;

(3) allotting bonus shares to its existing shareholders;

(4) capital increase by conversion from common reserve funds;

(5) any other means prescribed by the laws and administrative regulations as well as upon approval of the CSRC.

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

Article 25 If the Company increases or reduces its registered capital, the Company shall, according to laws, apply for a change in the registration with the company registration authority.

Article 26 The Company may reduce its registered capital pursuant to the provisions of the Articles of Association. The Company's reduction of registered capital, shall be conducted in accordance with the procedures set forth in the Company Law and other relevant requirements and the Articles of Association.

Article 27 When the Company reduces its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within ten days of the date of the Company's resolution for a reduction of registered capital and shall issue a public announcement in newspapers within thirty days from the date of such resolution. A creditor of the Company shall be entitled, within thirty days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within forty-five days from the date of the public announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debt.

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

Article 28 The Company may repurchase its own outstanding shares in accordance with the laws, administrative regulations, departmental rules and regulations as well as the Articles of Association and with the approval of the relevant organizations of the State under the following circumstances:

- (1) to cancel shares for the purpose of reducing the capital of the Company;
- (2) to merge with other companies that hold shares in the Company;
- (3) to use shares in employee stock ownership plans or equity incentives;
- (4) to acquire the shares of shareholders (upon their request) who vote against to any resolution adopted at any general meetings on the merger or division of the Company;
- (5) to use the shares for converting convertible bonds issued by the Company;
- (6) as necessary for the Company to safeguard the value of the Company and its shareholders' interests.

The Company shall not acquire the Company's shares save and except for the aforesaid circumstances.

Article 29 The Company may repurchase its own shares through public and centralized trading or other methods as permitted by laws, administrative regulations and the China Securities Regulatory Commission (CSRC).

If the Company repurchases its shares due to the circumstances as stipulated in sub-paragraphs (3), (5) and (6) of sub-clause 1 of Article 28 of the Articles of Association, this shall be conducted by way of public and centralized trading.

Article 30 If the Company repurchases its own shares for the circumstances as stipulated in sub-paragraphs (1) and (2) of sub-clause 1 of Article 28 hereof, resolutions related thereto shall be adopted at a general meeting; If the Company acquires its shares in the circumstances as stipulated in sub-paragraphs (3), (5) and (6) of sub-clause 1 of Article 28 of the Articles of Association, this shall be resolved by the board meeting attended by two-thirds or more of the Directors in accordance with the provisions of the Articles of Association or the authorization of the general meeting.

If the Company repurchases its own shares in accordance with sub-clause 1 of Article 28 of the Articles of Association under the circumstances set forth in sub-paragraph (1), the shares so repurchased shall be cancelled within ten days from the date of repurchase. In the event of the circumstances set forth in sub-paragraphs (2) and (4), the shares so repurchased shall be transferred or cancelled within six months. In the event of the circumstances set forth in sub-paragraphs (3), (5) and (6), the total number of the Company's shares held by the Company shall not exceed 10% of the total issued shares of the Company and such shares shall be transferred or cancelled within 3 years.

Section 3 Transfer of Shares

Article 31 Shares of the Company are transferable according to law.

Article 32 The Company shall not accept pledges created over the Company's shares.

Article 33 Shares held by promoters shall not be transferred within one year from the date of establishment of the Company. Shares previously issued by the Company prior to the initial public offering shall not be transferred within one year from the first day listing and trading of the Company's shares on a stock exchange. Where the transfer of the Company's shares held by the shareholders or its de facto controllers of listed companies is otherwise stipulated by laws, administrative regulations, or requirements by the securities regulatory authorities under the State Council, such provisions shall prevail.

During their terms of office, directors, supervisors and other senior management members of the Company shall report to the Company their shareholdings in the Company and changes therein and shall not transfer in a given year during their terms of office determined at the time of his/her assumption of office more than 25% of the total number of shares of the Company which they hold; the shares of the Company held by them shall not be transferred within one year from the first day on which the shares of the Company are listed and traded. The aforesaid persons shall not transfer the shares of the Company held by them within six months from the date of their leaving the Company.

If the aforesaid persons resign prior to the expiration of their term of office, they shall comply with the provisions of the preceding paragraph during their term of office determined when they take office and within six months after the expiration of such term of office.

None of the directors, supervisors and senior management members of the Company is allowed to transfer the shares of the Company held by them within one year after the shares of the Company are listed for trading.

If laws, administrative regulations, departmental rules and normative documents specify otherwise, such provisions shall prevail.

Article 34 Any gains from any sale of shares or other equity securities of the Company by any director, supervisor, senior management member or shareholder of the Company holding 5% or more of the shares of the Company within six months after the date of purchase of the same, and any gains from any purchase of shares or other equity securities of the Company by any of the aforesaid parties within six months after the date of sale of the same shall be disgorged and paid to the Company, and the Board shall recover such gains from the abovementioned parties. However, securities companies holding 5% or more of the shares as a result of taking up unsubscribed shares as underwriters and other circumstances provided by the CSRC are exempt from such requirement.

The shares or other equity securities held by directors, supervisors, senior management members and natural person shareholders referred to in the preceding paragraph include shares or other equity securities held by their spouses, parents and children in their own account and others' account.

If the Board fails to comply with the requirements in accordance with the first paragraph, a shareholder shall have the right to request the Board to effect the same within 30 days. If the Board fails to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the Court directly in his own name for the interests of the Company.

If the Board fails to comply with the requirements in accordance with the first paragraph, the responsible director or directors shall assume joint and several liabilities in accordance with the law.

Article 35 Subject to compliance with the provisions in the Articles of Association and other applicable requirements, upon a transfer of share(s) of the Company, the name(s) of the transferee(s) shall be recorded in the register of members as the holder(s) of such share(s).

CHAPTER IV SHAREHOLDERS AND SHAREHOLDERS' GENERAL MEETING

Section 1 Shareholders' Rights and Obligations

Article 36 The Company shall keep a register of members based on the evidence provided by the share registrar. The register of members serves as sufficient evidence of the shareholders' ownership of the Company's shares. A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares he holds. Shareholders holding the same class of shares shall enjoy the same rights and assume the same obligations.

The register of holders of overseas listed foreign invested shares shall be maintained in Hong Kong for shareholders' reference. However, the Company is allowed to close the register of members temporarily in accordance with provisions equivalent to Section 632 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong).

Article 37 Holders of the ordinary shares of the Company shall enjoy the following rights:

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

(2) the right to propose, convene and preside over, to attend or appoint a proxy to attend, speak at, the general meetings and to exercise the corresponding voting right thereat in accordance with the law (unless individual shareholders are required to abstain from voting rights in respect of individual matters in accordance with the relevant requirements of the places where the Company's securities are listed);

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

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

(5) the right to review these Articles of Association, register of members, corporate bond certificates, minutes of general meetings, resolutions of the meetings of the Board of Directors, resolutions of meetings of the Supervisory Committee, and financial accounting reports;

(6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company in accordance with the number of shares held;

(7) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;

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

Article 38 Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. After confirmation of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Article 39 If a resolution of the Company's general meeting or board meeting violates the laws or administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid.

If the procedures for convening a meeting of, or the method of voting at, a general meeting or board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolutions within 60 days from the date on which such resolution is adopted.

Article 40 Where the Company incurs losses as a result of directors' and senior management members' violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders severally or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the Supervisory Committee to initiate proceedings in the court; where the Company incurs losses as a result of the Supervisory Committee's violation of any provision of law, administrative regulation or the Articles of Association in the course of performing its duties with the Company, such shareholders shall be entitled to request in writing to the Board to initiate proceedings in the court.

In the event that the Supervisory Committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraph shall have the right to initiate proceedings in the court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in the people's court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

Article 41 Shareholders may initiate proceedings in the people's court in the event that a director or a senior management member has violated the laws, administrative regulations or the Articles of Association, thereby infringing the interests of shareholders.

Article 42 Holders of the ordinary shares of the Company shall have the following obligations:

(1) to abide by the laws, administrative regulations and the Articles of Association;

(2) to pay the share subscription price based on the shares subscribed for and the method of subscription;

(3) not to withdraw their shares unless required by the laws and regulations;

(4) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders, and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interest of any creditor;

If a shareholder of the Company abuses its shareholder's rights and thereby causes loss on the Company or other shareholders, such shareholder shall be liable for indemnity in accordance with the law.

If a shareholder of the Company abuses the Company's independent legal person status and the limited liability of shareholders for the purposes of avoiding debts, thereby materially impairing the interests of the creditors of the Company, such shareholder shall be jointly and severally liable for the debts owed by the Company.

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

Article 43 Where a shareholder holding 5% or more voting shares of the Company pledges any domestic shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 44 The controlling shareholder of the Company and persons who exercise de facto control over the Company shall not take advantage of their connected relationship to act in detriment to the Company's interests. If they have violated the provision and caused damage to the Company, they are liable for such damages.

The controlling shareholder of the Company and persons exercising de facto control over the Company shall have a fiduciary duty towards the Company and its public shareholders. The controlling shareholder shall execute its rights as an investor in strict compliance with the law. The controlling shareholder shall not adversely affect the lawful interests of the Company and its public shareholders through profit distribution, asset restructuring, foreign investment, possession of capital, lending guarantees and shall not make use of its controlling status against the interests of the Company and its public shareholders.

Article 45 The term 「controlling shareholder」 as mentioned in the Articles of Association refers to the shareholder who holds ordinary shares (including preference shares with restored voting rights) accounting for 50% or more of the total share capital of the Company; or the shareholder who holds less than 50% of the shares but the voting rights attached to his/her shares are sufficient to have a significant impact on the resolutions of the general meeting.

For the purposes hereof, the term 「persons exercising de facto control over the Company」 means the persons, not being shareholders of the Company, who are able to exercise actual control over the acts of the Company through an investment relationship, agreement or other arrangements.

For the purposes hereof, the term 「connected relationship」 means the relationship between the controlling shareholders, persons exercising de facto control over the Company, directors, supervisors or senior management members of the Company and the enterprise directly or indirectly controlled by them and any other relationship that may lead to the transfer of any interest of the Company. However, enterprises controlled by the State do not have a connected relationship with one another simply because they are under the control of the State.

Section 2 General Provisions of the General Meeting

Article 46 The general meeting is the Company's authoritative organ which shall exercise its functions and powers in accordance with the laws.

Article 47 The 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 who are not employees' representatives and decide on matters relating to their remuneration;
- (3) to elect and replace supervisors who are shareholders' representatives and decide on matters relating to their remuneration;
- (4) to consider and approve the reports of the Board;
- (5) to consider and approve the reports of the Supervisory Committee;
- (6) to consider and approve the Company's preliminary annual budgets and final accounts;
- (7) to consider and approve the Company's profit distribution plans and loss recovery plans;
- (8) to decide on the increase or reduction of the Company's registered capital and the acquisition of the Company's shares;

(9) to decide on matters such as merger, division, dissolution, liquidation and change in the form of the Company;

(10) to decide on the issue of bonds by the Company;

(11) to decide on the appointment, dismissal and non-reappointment of the public accountant firm of the Company;

(12) to amend the Articles of Association;

(13) to consider the motions raised by shareholders who represent more than 3% of the total number of voting shares of the Company;

(14) to consider and approve the provision of guarantees under Article 48 of the Articles of Association;

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

(16) to consider and approve changes in the use of proceeds from fund raising;

(17) to consider the share incentive schemes;

(18) to consider other matters which, according to the laws, administrative regulations, departmental rules and regulations and the Articles of Association, should be resolved by the shareholders at general meetings.

The aforesaid functions and powers of general meetings shall not be exercised by the Board or by other organizations and individuals on behalf of shareholders through authorization. General meetings may authorize or appoint the Board to deal with matters other than the aforesaid powers and functions.

Article 48 The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:

(1) a guarantee to be given after the total amount of the guarantees which have been provided to third parties by the Company and its controlling subsidiaries exceed 50% of the latest audited net assets of the Company;

(2) a guarantee to be given after the total amount of guarantees which have been provided to third parties by the Company and its controlling subsidiaries exceed 30% of the latest audited total assets of the Company;

(3) a guarantee to be provided in favour of an obligor which has a debt-to-asset ratio exceeding 70%;

(4) a guarantee of which the single guaranteed amount exceeds 10% of the latest audited net assets of the Company;

(5) a guarantee the amount of which, when added to the total amount of guarantees given within the last 12 consecutive months, will cause such cumulative total amount of guarantees to exceed 30% of the Company's latest audited total assets;

(6) a guarantee which is provided to shareholders, persons exercising de facto control over the Company and their respective connected parties;

(7) such other guarantees as required by the stock exchange on which the shares of the Company are listed or by the Articles of Association.

When the general meeting of the Company considers the guarantee in sub-clause (5) of the preceding paragraph, it shall be approved by two-thirds or more of the voting rights held by the shareholders attending the meeting.

Guarantees provided to third parties which shall be approved at a general meeting shall be considered and approved by the Board before submission to the general meeting for approval. When the general meeting is considering a proposal to provide guarantees for any shareholder, persons exercising de facto control over the Company or their respective connected parties, the said shareholder or the shareholders controlled by the said persons exercising de facto control over the Company shall be abstained from voting on the proposal, and the approval of such proposal shall be subject to more than half of the voting rights of the other attending shareholders.

Save and except for the aforesaid circumstances, the Board shall be authorized to consider and approve other guarantees provided to third parties. However, such guarantees must be approved by adopting a resolution by two thirds or more of the attending directors and such resolution should be approved by more than half of all directors of the Company, and disclosed timely.

Article 49 Except that the Company is in special circumstances such as crises, the Company shall not, without the approval of shareholders by a special resolution at general meetings, enter into any contract with any person other than a director, supervisor, general manager, deputy general manager or other senior management member whereby the administration of the whole or any substantial part of the business of the Company is to be handed over to such person.

Article 50 General meetings are divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings are held once a year and within six months from the end of the preceding financial year.

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

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

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

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

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

(5) more than 2 of the independent directors propose to convene the meeting;

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

In the event of Sub-clauses (3), (4) and (5) above, the agenda shall include the topics proposed by the meeting conveners.

Article 51 The venue for convening the general meeting shall be the domicile of the Company or other specific places notified by the general meeting conveners.

The general meeting shall have a meeting venue and be convened by ways of on-site meetings. The Company will also provide online or other means to facilitate the participation by shareholders in general meetings. Shareholders who attend general meetings through the aforesaid means shall be deemed as present.

Article 52 The Company shall engage lawyers to attend general meetings and advise on the following issues with announcements made thereon:

(1) whether the convening of the general meeting and its procedures are in compliance with the laws, administrative regulations and the Articles of Association;

(2) whether the attendees are eligible and whether the eligibility of the convener is both lawful and valid or not;

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

(4) legal opinions on other related matters at the request of the Company.

Section 3 Convening of the General Meeting

Article 53 More than half of independent directors shall be entitled to propose to the Board the convening of an extraordinary general meeting. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting within ten days upon receipt of such proposal of convening an extraordinary general meeting by independent directors.

If the Board agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after adopting the relevant resolution by the Board. If the Board does not agree to convene an extraordinary general meeting, reasons for such disagreement shall be given by way of an announcement.

Article 54 The Supervisory Committee shall be entitled to propose to the Board the convening of an extraordinary general meeting, provided that such proposal shall be made in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary general meeting, a notice of meeting shall be issued within five days after adopting the relevant resolution by the Board. Any change to the original proposal made in the notice shall require the approval of the Supervisory Committee.

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

Article 55 Shareholders severally or jointly holding 10% or more of the Company's shares shall be entitled to request the Board to convene extraordinary general meetings, provided that such request shall be made in writing. The Board shall, in accordance with provisions of the laws, administrative regulations and the Articles of Association, furnish a written reply stating its agreement or disagreement to the convening of an extraordinary general meeting within ten days after receiving such proposal of the same.

If the Board agrees to convene an extraordinary general meeting, the notice of general meeting shall be issued within five days after adopting the relevant resolution of the Board. Any changes to the original request made in the notice shall be subject to prior approval of the shareholders concerned.

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

If the Supervisory Committee agrees to convene an extraordinary general meeting, the notice of convening the general meeting shall be issued within five days after receiving such request. Any changes to the original request made in the notice shall require prior approval of the shareholders concerned.

Failure of the Supervisory Committee to issue a notice of general meeting within the stipulated period shall be deemed as the failure of the Supervisory Committee to convene and preside over a general meeting, and the shareholders severally or jointly holding 10% or more of the Company's shares for more than ninety consecutive days shall be entitled to convene and preside over the meeting on an unilateral basis.

Article 56 Shareholders requiring the holding of an extraordinary general meeting shall comply with the following procedures:

Two or more shareholders holding in aggregate 10% or more of the shares carrying the right to vote at the meeting to be held shall sign one or more counterpart requisitions stating the meeting agenda and requiring the Board to convene a shareholders' extraordinary general meeting. For such proposal, the Board shall, in accordance with laws, administrative regulations and these Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting of shareholders, within 10 days upon receipt of such proposal.

If the Board agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the resolution of the Board is passed. Changes made to the original proposal in the notice shall be approved by the relevant shareholders.

If the Board does not agree to convene the extraordinary general meeting, or fails to give a relevant notice within 10 days after the receipt of the request, the shareholders, individually or jointly, holding 10% or more of the Company's shares may request the Supervisory Committee to convene an extraordinary general meeting of shareholders, and such proposals shall be made to the Supervisory Committee in writing.

If the Supervisory Committee agrees to convene the extraordinary general meeting, a notice of such meeting shall be issued within 5 days after the receipt of the request. Changes made to the original proposal in the notice shall be approved by the relevant shareholder(s).

If the Supervisory Committee fails to give a relevant notice within the designated period, it shall be deemed that the Supervisory Committee fails to convene and preside over the shareholders' general meeting. The shareholder(s) individually or collectively holding 10% or more of the shares of the Company continuously for more than 90 days may convene and preside over the meeting by himself/themselves.

Any reasonable expenses incurred by shareholders' convening and presiding over a meeting by reason of the failure of the Board and the Supervisory Committee to duly convene a meeting as requested above shall be borne by the Company.

Article 57 If the Supervisory Committee or shareholders determine to convene a general meeting on their own, they shall give a written notice to the Board and file the same with the stock exchange for record.

The shareholding proportion of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The convening shareholders shall submit relevant evidence to the stock exchange upon issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

Article 58 The Board and the secretary to the Board shall cooperate with respect to matters relating to a general meeting convened by the Supervisory Committee or the shareholders on their own. The Board shall provide the shareholder registers as of the date of equity registration. If the Board fails to provide the register of members, the convener in possession of the relevant notice or announcement on the convening of the general meeting may apply to the securities registration and clearing institution or agents to obtain such register. The register of members obtained by the convener shall not be used for any purpose other than the convening of the general meeting.

Article 59 If a general meeting is convened by the Supervisory Committee or the shareholders on their own, all necessary expenses arising therefrom shall be borne by the Company.

Section 4 Proposals and Notices of the General Meeting

Article 60 When the Company convenes an annual general meeting, a public announcement to notify all shareholders shall be given twenty-one days before the date of the meeting, and when the Company convenes an extraordinary general meeting, a public announcement to notify all shareholders shall be given fifteen days before the date of the meeting.

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

Article 61 Whenever the Company convenes a general meeting, the Board, the Supervisory Committee and shareholder(s) severally or jointly holding 3% or more of the total number of the Company's shares shall have the right to propose motions to the Company.

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

Save as provided above, the convener shall not amend motions stated in or add new motions to the notice of general meeting after the same has been issued and announced.

No voting or resolution shall be effected or adopted at the general meeting for motions that have not been stated in the notice of general meeting or that do not comply with Article 62 of the Articles of Association.

Article 62 A motion proposed at general meetings shall meet the following conditions:

(1) the substance of the motion proposed shall not be in conflict with the laws, administrative regulations and the requirements set forth in the Articles of Association, and shall fall within the scope of business of the Company and the scope of responsibilities of general meetings;

(2) there is a clear subject matter of discussion and a specific resolution;

(3) the motion shall be submitted or served to the Board in writing.

Article 63 The Company shall, based on the written replies received within the period specified in Article 60 of the Articles of Association, calculate the number of voting shares represented by the shareholders who intend to attend the meeting.

Article 64 A notice of a general meeting shall meet the following conditions:

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

(2) stating the issues and motions to be considered at the meeting;

(3) specifying the registration date of the shareholders entitled to attend the general meeting;

(4) containing a conspicuous statement that a shareholder entitled to attend and vote may appoint one or more proxies to attend and vote on his behalf and such proxy is not necessarily a shareholder;

(5) specifying the name and telephone number of the contact person of the meeting.

For issues to be discussed requiring the opinions of independent directors, the notice of general meeting or the supplementary notice shall disclose both the opinions and the reasons thereof of the independent directors.

Where the Company convenes the general meeting online or by other means, the notice of meeting shall specify the time and procedures of online voting or other means of voting. Online or other means of voting for general meeting shall start no earlier than 3:00 p.m. on the day before the convening of the on-site general meeting and no later than 9:30 a.m. on the day of convening of the on-site general meeting, and shall end no earlier than 3:00 p.m. on the day when the on-site general meeting is concluded.

The interval between the registration date and the date of the meeting shall not be more than 7 working days. No changes shall be made once the registration date is confirmed.

Article 65 For a general meeting to deliberate the election of directors or supervisors, the notice of such meeting shall fully disclose the detailed information on the candidates of directors or supervisors, at least in the following aspects:

(1) personal information such as educational background, working experience, and other part time engagements;

(2) whether such candidate has any affiliation with directors, supervisors, senior management members of the Company, persons exercising de facto control over the Company, and shareholders holding 5% or more of the shares of the Company;

(3) circumstances, if any, prohibiting such candidate from serving as a director or supervisor of a listed company;

(4) the number of shares of the Company such candidate holds;

(5) whether such candidate has been penalised by the CSRC or any other relevant authorities and the stock exchange;

(6) other important matters required to be disclosed by laws, regulations and regulatory rules of the places where the Company's securities are listed and other provisions.

Save and except for directors or supervisors who are elected by way of cumulative voting system, a single proposal shall be put forward for each candidate of directors or supervisors.

Article 66 Notice of general meeting shall be served on the shareholders (whether or not they are entitled to vote at the meeting), by the means of notice as provided in the Articles of Association or other means as permitted by the stock exchange(s) where the Company's securities are listed.

Article 67 Upon serving a notice convening a general meeting on the shareholders, the general meeting shall not be postponed or canceled without any justified cause, and the proposals set out in the notice convening the general meeting should not be canceled. Should there be any postponement or cancellation, the convener shall make an announcement at least two working days before the convening of the meeting and explain the reasons thereof.

Section 5 Convening of a General Meeting

Article 68 The Board and other conveners shall take necessary measures to ensure the good order of the general meeting, take measures to deter any act disturbing the meeting, picking quarrels and provoking troubles or infringing the lawful rights and interests of any shareholder, and shall report in a timely manner such act to the relevant department for investigation and penalisation.

Article 69 All the shareholders or their proxies recorded in the register of members on the registration date are entitled to attend the general meeting, and shall exercise their voting rights pursuant to the laws, regulations and the Articles of Association.

Shareholders may attend the meeting in person, or they may appoint proxies to attend the meeting on their behalf.

Article 70 An individual shareholder who attends the general meeting in person shall produce his identification card or other valid credentials or evidence, his stock account card which can prove his identity. Where a proxy is appointed to attend the meeting, the proxy shall produce his own valid identification documents and the instrument for appointing a proxy.

A legal entity shareholder shall attend the meeting by its legal representative or the attorney as appointed by such legal representative. A legal representative who attends the general meeting shall produce his identification card and valid documents which can prove his being qualified as the legal representative. Where an attorney is appointed to attend the meeting, the attorney shall produce his own identification card and the relevant power of attorney executed by such legal representative pursuant to the laws.

Article 71 Proxy forms issued by shareholders appointing other proxies to attend general meetings should include the following information:

(1) name of the proxy;

(2) whether or not having voting right;

(3) instructions on voting for, against or abstention on each of the matters to be considered and specified in the agenda of the general meeting;

(4) date of issue of the proxy form and its valid term;

(5) signature (or seal) of the appointer. If the appointer is a legal entity shareholder, it should be affixed with the seal of the legal entity.

Article 72 The proxy form should specify whether the proxy is entitled to vote at his own discretion in the absence of specific instruction from the shareholder.

Article 73 The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a legal entity, either under seal or under the hand of a director or attorney duly authorised. Such power of attorney shall contain the number of shares represented by a proxy; if several persons are appointed as proxies, the number of shares represented by each proxy should be specified.

Article 74 If an instrument appointing a proxy for voting is signed by an attorney authorised by an appointer, the relevant power of attorney or any other authorization documents shall be notarized. The power of attorney or other authorization documents so notarized together with the instrument appointing a proxy for voting shall be deposited at the domicile of the Company or any other addresses specified in the notice convening the meeting.

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

Article 75 The register of attendees of the meeting shall be prepared by the Company. Such register of the meeting shall specify such information as the name, identity card number, residential address of, number of voting shares held or represented by the persons (or units) attending the meeting, and name of the persons (or units) the proxy represent(s).

Article 76 In connection with the convening of the general meeting, the convener and the legal counsel retained by the Company shall jointly verify the qualifications of shareholders according to the register of members provided by the securities depository and clearing institution, and shall register the name of the shareholders and the number of their voting shares. Such registration shall be concluded prior to the announcement by the chairman of the general meeting of the number of shareholders and their proxies attending the meeting and the total number of their voting shares.

Article 77 All directors and supervisors and the board secretary shall attend the general meeting, whereas the general manager, deputy general manager and other senior management members shall be present at the meeting.

Article 78 A general meeting shall be presided over and chaired by the Chairman of the Board. If the Chairman is unable or fails to perform such duties, a director to be elected than one half or more of the directors shall preside over and chair the meeting on behalf of the Chairman; if one half or more of the directors fail to or unable to elect a chairman of the meeting, shareholders so present at the meeting shall elect one director to preside over and chair the meeting.

A general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his duties, a supervisor elected by half or more of the supervisors shall preside over the meeting.

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

When a general meeting is held and the chairman of the meeting violates the rules of procedures such that the general meeting cannot proceed, a person may be nominated to preside over and proceed with the meeting, subject to the approval of shareholders who attend the meeting and are entitled to more than half of the voting rights.

Article 79 The Company shall formulate rules of procedures of the general meeting to specify in details the convening and voting procedures of the meeting, including notice, registration, deliberation of proposals, votes, vote counting, announcement of voting results, form of resolutions, minutes and the signatures thereon, announcements, etc., as well as the principles of authorisation to the Board by the general meeting, and the contents of such authorisation shall be expressly specified. The rules of proceedings of the general meeting shall be an appendix to the Articles of Association, and shall be drafted by the Board and approved by the general meeting.

Article 80 At the annual general meeting, the Board and the Supervisory Committee shall report their respective work of the previous year to the general meeting, and each independent director shall also make his duty report correspondingly.

Article 81 Directors, supervisors and senior management members shall give explanation and description to the inquiries and suggestions raised by the shareholders at the general meeting.

Article 82 Chairman of the meeting should announce the number of shareholders and proxies attending the meeting and the total number of voting shares held by them before voting. The number of shareholders and proxies attending the meeting and the total number of voting shares held by them are based on the record of meeting registration.

Article 83 The secretary to the Board shall be responsible for preparing minutes of general meetings, which shall contain:

- (1) the time, venue, agendas of the meeting, and the name of the convener;
- (2) the names of the chairman of the meeting, the directors, supervisors, general manager, deputy general manager and other senior management members attending or present at the meeting;
- (3) the number of shareholders and proxies attending the meeting, the total number of their voting shares and their respective proportions to the total number of shares of the Company;
- (4) the process of deliberation of each proposal, the main points of speeches and the voting results;
- (5) the inquiries or suggestions of the shareholders and the corresponding replies or explanations;
- (6) the names of legal counsel, vote counters, and scrutineer;
- (7) such other contents which should be contained in the minutes of the meeting as prescribed by the Articles of Association.

Article 84 The convener of meeting shall guarantee the truthfulness, accuracy and completeness of the minutes of the meetings. Directors, supervisors, the secretary to the Board, convener or their representatives, chairman of the meeting shall sign on the minutes of the meetings. The minutes of meetings shall be kept together with the valid information such as the attendance register of the attending shareholders and the power of attorney of their proxies, the votes cast by way of internet and by other means shall be kept at the premises of the Company for a period of ten years.

Article 85 The convener shall ensure that the continuity of the general meeting until the final resolution is formed. Where the general meeting is suspended or no resolution can be made due to force majeure or any other special causes, necessary measures shall be taken to resume as soon as possible or directly terminate the general meeting, and an announcement shall be made in a timely manner. Meanwhile, the convener shall submit a report to the agency of the CSRC or the stock exchange on which the Company's shares are listed.

Section 6 Voting at and Resolutions of a General Meeting

Article 86 Resolutions of general meeting are divided into ordinary resolutions and special resolutions.

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

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

Article 87 In the case of voting at general meetings, shareholders (including their proxies) may exercise their voting rights in accordance with the number of their voting shares. Each share shall have one vote.

Where material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes by small and medium investors shall be counted separately. The separate counting results shall be publicly disclosed in a timely manner.

The Company's shares held by the Company do not have voting rights and are not included in the total number of the voting shares held by the attendees of a general meeting.

If a shareholder's acquisition of voting shares violates the first and second paragraphs of Article 63 of the Securities Law, the voting rights represented by the portion exceeding the required ratio must not be exercised within 36 months from the acquisition date and these shares are not included in the total number of the voting shares held by the attendees of the general meeting.

The review and consideration of the connected transactions or continuing connected transactions at the general meeting shall be subject to laws, administrative regulations and regulatory requirements of the place(s) where the Company's shares are listed, including the Listing Rules amended from time to time by SEHK. If required by the listing rules of the stock exchange on which the Company's shares are listed, the shareholders who are connected persons should abstain from voting and the number of voting shares represented by them shall not be taken in the total number of valid voting. The announcement on the resolutions at the general meeting should contain a complete disclosure of the voting details of non-associated shareholders.

The Board, independent directors, shareholders holding 1% or more of the voting shares or investor protection agencies established in accordance with laws, administrative regulations or the provisions of the CSRC may, as the caller, by themselves or entrusting securities company, securities service agency, publicly request the shareholders of the Company to appoint them to attend the general meeting and to exercise the shareholders' rights such as proposal rights and voting rights on the shareholders of the Company.

The caller who solicits for rights of Shareholders in accordance with the preceding paragraph shall disclose the soliciting announcement and relevant soliciting documents and the Company shall cooperate. No payment or other form of de facto payment shall be made to the shareholders for such public solicitation. Save for the statutory conditions, the Company shall not impose any limitation related to minimum shareholding on the collection of voting rights. Where the public soliciting of shareholders' rights is in violation of laws, administrative regulations or relevant rules of the CSRC and causes damages to the Company or its shareholders, the caller shall assume liability for compensation in accordance with the laws.

Article 88 The following matters shall be resolved by an ordinary resolution at a general meeting:

- (1) working reports of the Board and the Supervisory Committee;
- (2) plans formulated by the Board for distribution of profits and for losses recovery;
- (3) removal of any members of the Board and members of the Supervisory Committee, and determination of their remuneration and method of payment;
- (4) annual budget plan and final accounts plan of the Company;
- (5) annual reports of the Company;
- (6) such other matters other than those specified by the laws, administrative regulations or the Articles of Association to be resolved by special resolutions.

Article 89 The following matters shall be resolved by a special resolution at a general meeting:

- (1) the increase or decrease in share capital, repurchase of shares of the Company and the issue of shares of any class, warrants and other similar securities of the Company;
- (2) the division, spin-off, merger, dissolution, liquidation and change of the form of the Company;
- (3) amendments to the Articles of Association;
- (4) the plans of the Company to purchase or sell major assets or provides a guarantee, within a year, the amount of which exceeds 30% of the Company's latest audited total assets;
- (5) share incentive scheme;
- (6) such other matters stipulated by the laws, administrative regulations or the Articles of Association and those considered by the general meeting by way of an ordinary resolution to have a material impact on the Company and require adoption by a special resolution.

Article 90 The chairman of the meeting shall be responsible for deciding whether a resolution has been adopted. His decision shall be final and shall be announced at the meeting and recorded in the minutes of meeting.

Article 91 The list of candidates for directors and supervisors shall be submitted to shareholders for voting by way of a proposal.

The election of directors or supervisors shall fully reflect the opinions of minority shareholders. When a voting is made on the election of directors or supervisors at a general meeting, the cumulative voting system may be adopted in accordance with the provisions of the Articles of Association or the resolutions of the general meeting. Where a single shareholder and parties acting in concert with him hold equity interests of 30% or more, the cumulative voting system shall be adopted. Where two or more independent directors are elected, the cumulative voting system shall be adopted.

The [cumulative voting system] as mentioned in the preceding paragraph means that each share has the voting right for the number of directors or supervisors to be elected, and the voting right owned by the shareholders may be cumulatively used when the directors or supervisors are elected at the general meeting. The Board shall simultaneously provide shareholders with the bibliographical details and basic information about the candidates for directors and supervisors.

When only one director or supervisor is elected at a general meeting, the cumulative voting system shall not be adopted.

Article 92 The approach and procedures for nomination of candidates for directors and supervisors are as follows:

(1) shareholder(s) severally or jointly holding 3% or more of the total outstanding issued voting shares of the Company may, by way of a written proposal, propose to the general meeting about the candidates for directors and supervisors (not being staff representatives). However, the number of candidates proposed shall comply with the provisions of the Articles of Association, and shall not be more than the number of candidates to be elected. The aforesaid proposal put forward by shareholders to the Company should be served to the Company at least 10 days before the convening of the general meeting.

(2) within the number of head count as specified by the Articles of Association and based on the proposed number of candidates to be elected, the Board and the Supervisory Committee may propose a list of candidates for directors and supervisors, which shall be submitted to the Board and the Supervisory Committee for examination. After the list of candidates for directors and supervisors is determined according to the examination and the adoption of resolutions by the Board and the Supervisory Committee, the list should be proposed at a general meeting by way of a written proposal.

(3) the nomination of independent directors should be made in accordance with the provisions of the Articles of Association and the Working Rules for Independent Directors.

(4) the Board shall provide shareholders with bibliographical details and basic information of the candidates for directors and supervisors.

(5) at the general meeting, voting for each candidate for a director and a supervisor shall be taken on a one-by-one basis.

(6) in the case of any need of adding or change in any director or supervisor, the Board or the Supervisory Committee shall be responsible for putting forward a proposal to the general meeting for the selection or change of a director or a supervisor.

Article 93 Save and except for the accumulative voting system, the general meeting shall vote on all motions item by item, and shall vote on the motions in the order of the time sequence when various proposals are put forward for a single matter. Unless the general meeting is suspended or no resolution can be passed due to force majeure or any other special reasons, the general meeting shall not set aside or cast no vote on the motions.

Article 94 The following matters shall not be implemented or applied for unless they are in compliance with the provisions of the laws, administrative regulations and the Articles of Association, and have been approved at a general meeting of all shareholders and passed by half or more of the public shareholders with voting rights attending the general meeting:

(1) any issue of new shares by the Company to the public (including issue of overseas listed foreign invested shares or shares of other natures), issue of convertible bonds, placing of shares to existing shareholders (except in such placing where the controlling shareholders have provided an undertaking to fully subscribe for the shares in cash before the general meeting is convened);

(2) major asset restructuring in which the assets will be acquired at a total price with a premium amounting to or exceeding 20% of the audited net book value of such assets;

(3) repayment of debts due to the Company by any shareholder with his shares in the Company;

(4) overseas listing of any significant subsidiary of the Company;

(5) such other relevant issues which may have a material impact on the interests of the public shareholders in the development of the Company.

Upon servicing notice convening of a general meeting by the Company, such general meeting notice should be published again within three days after the date of shareholding registration. Where the Company makes an announcement on the resolutions of the general meeting, the announcement shall set out the number of the public shareholders voting at the general meeting, the total number of shares they held and its percentage in the total number of shares held by the public shareholders of the Company, as well as disclose the voting result and the shareholdings of the top ten public shareholders taking part in the vote and the results of their votes.

Article 95 When a motion is put forward for discussion at the general meeting, no modification of the motion shall be made, or the relevant change shall be deemed as a new motion which shall not be voted on at the meeting in progress.

Article 96 The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In the case of repeated voting for the same shares, only the first vote is valid.

Article 97 The voting at the general meeting shall be conducted in the form of open ballot. Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected as vote counters and scrutinisers. Any shareholder who is interested in the matter to be considered and the proxies of such shareholder shall not participate in vote counting or scrutinising.

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

Shareholders or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the relevant voting system.

Article 98 The on-site general meeting shall not end earlier than the online means or other means. The chairman of the meeting shall announce the voting and results of each of the motions, and announce whether or not they are approved according to the results.

Before the results are officially announced, all parties involved, those on-site, online or other means, such as the companies, vote counters, vote scrutinisers, substantial shareholders and network service providers are obligated to keep the result confidential.

Article 99 Shareholders attending the general meeting should express their opinions on the motion put forward for voting in one of the following options: For, Against, or Abstain.

Votes not filled in, incorrectly filled in, illegible, or not cast shall be deemed to be a waiver of the voter's right to vote, and the voting result of the number of shares held by such voter shall be counted as "Abstain".

Article 100 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who attends in person or by proxy and objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.

Article 101 Results of the resolution shall be announced timely, and the announcement shall contain the number of shareholders and proxies attending the general meeting, the total number of voting rights and the percentage of the voting rights to the total of voting shares of the Company, means of voting, the voting result for each motion and the details of each of the resolutions so passed.

Article 102 If a motion is not passed, or if the resolutions of the previous general meeting have been changed by the present general meeting, a special highlight should be made in the announcement of the resolutions of the general meeting.

Article 103 If a proposal relating to the election of directors or supervisors is adopted at a general meeting, the term of office for the newly elected directors or supervisors shall commence at the time of the adoption of the proposal relating to the election at the general meeting.

Article 104 When the general meeting has passed motions regarding cash dividend, bonus issue or conversion of capital common reserve into capital, the specific proposals will be implemented within two months after the close of the general meeting.

Article 105 Provided that any shareholder shall, according to the [Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited], have to abstain from voting or be limited to vote in favor of or against any designated resolution, any votes made by such shareholder or by the proxy of such shareholder in contravention of the aforesaid regulation or limitation shall not be counted in the total number of voting shares.

CHAPTER V BOARD OF DIRECTORS

Section 1 Directors

Article 106 Directors shall be elected or changed at the shareholders meeting. The term of office shall be three years from the date of election. Directors may be re-appointed upon election. However, the first session of the Board shall be elected at the inaugural meeting and its term of office shall end at the close of the third annual general meeting. Directors shall retire by rotation.

The Company shall disclose the details of the candidate(s) for director(s) before the general meeting to facilitate the shareholders to have sufficient understanding of the candidate(s). Candidate(s) should make a written commitment before the announcement of the general meeting, agree to accept the nomination, promise that the publicly disclosed materials are true, accurate and complete, and guarantee to effectively perform the duties of directors after being elected.

The Chairman shall be elected and removed by more than one half of all the members of the Board. The term of their office shall be three years, and renewable upon re-election.

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

Any person appointed by the directors to fill a casual vacancy on or as an addition to the Board shall hold office only until the next annual general meeting of the Company and shall then be eligible for re-election.

The number of senior management members of the controlling shareholder (being the chairman and executive directors) holding concurrent office as the chairman and an executive director of the Company shall not be more than two.

A director is not required to hold shares of the Company.

Article 107 A director failing to attend in person and not assigning other directors as a delegate to attend two consecutive board meetings shall be deemed to be unable to perform his duties. The Board shall propose to the general meeting to remove such director.

Article 108 A director may resign before the expiration of his term. The resigning director shall submit to the Board a written notice of resignation. The Board shall disclose the relevant information within two days.

If the resignation of any director makes the number of directors constituting the Board fall below the quorum, before a new director is appointed, the resigning director shall perform his duties as a director according to the laws, administrative regulations and the relevant provisions of the Articles of Association.

Save and except for the circumstances specified above, the resignation of a director shall become effective upon notice of resignation is served to the Board.

Article 109 Any director shall, upon effectiveness of his resignation or expiration of his term of office, complete all the transfer process with the Board. His commitment and duty of fiduciary towards the Company and the shareholders shall not be necessarily discharged upon conclusion of his term of office, but shall remain in force within a reasonable period stipulated in the Articles of Association.

Article 110 Without stipulation by the Articles of Association or lawful authorization by the Board, no director shall in his own name act for the Company or the Board. When a director acts in his own name and a third party reasonably believes that such director is acting for the Company or the Board, such director shall declare his position and status in advance.

Article 111 Where a director violates any laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the course of performing his duties and causes loss to the Company, such executive director shall be liable for compensation.

Article 112 The independent directors of the Company shall act in accordance with the laws, administrative regulations, the requirements of the CSRC and the stock exchanges, as well as the Articles of Association and the Working Rules for Independent Directors of the Company.

At least one third of the members of the Board shall be independent directors. The Company shall make up for the required number of independent directors in accordance with regulations if any independent director does not satisfy the requirements of independence or such director cannot perform his duties and functions as an independent director, resulting in insufficient number of independent directors as required by the Articles of Association. The Company shall have at least one independent director with a habitual residence in Hong Kong.

Section 2 Board of Directors

Article 113 The Company shall establish the Board, which shall be accountable to and report to the general meeting. The Board shall consist of nine directors, three of which are independent directors. The Board shall have one chairman. Independent directors shall include at least one accounting professional (an accounting professional is a person with a senior professional capacity or a certified public accountant qualification).

Article 114 The Board shall be responsible to the general meeting and shall exercise the following functions and powers:

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

- (2) to implement the resolutions of the general meeting;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's annual preliminary and financial budgets;
- (5) to formulate the Company's profit distribution plan and plan for making up losses;
- (6) to formulate proposals for increase or decrease in the registered capital and the issue of bonds of the Company;
- (7) to draw up plans for the material acquisitions, share repurchases, merger, division, dissolution or change the form of the Company;
- (8) to decide on matters relating to the Company's external investments, assets acquisitions and disposals, assets pledges, entrusted financial management and connected transactions within the authorisation of the general meeting;
- (9) to decide on the establishment of the Company's internal management structure;
- (10) to appoint or dismiss the Company's general manager, and pursuant to the general manager's nominations to appoint or dismiss the deputy general manager and other senior management of the Company and determine their remunerations;
- (11) to establish the Company's basic management system, including the work plan for the selection and appointment of the members of the management, assessment measures of the business performance of the members of the management, and the remuneration management measures for the members of the management; to formulate management measures for the total wages amount of employees; to formulate management systems for guarantees, liabilities, public donation and charity services, etc.;
- (12) to formulate proposals for amendments to the Articles of Association;
- (13) to determine the Company's wages and salaries, fringe benefits and incentive scheme subject to and conditional upon relevant national provisions;
- (14) to make decisions on other material businesses and administrative matters of the Company, which are not required by the Articles of Association to be determined by the general meeting;
- (15) to formulate proposals for material acquisitions or disposals;
- (16) to manage the information disclosure issues of the Company;
- (17) to propose to the general meeting for the engagement or change of public accounting firms for the audit work of the Company;
- (18) to receive the work report and to check the work of the general manager of the Company;
- (19) to promote the construction of the rule of law in the Company; to decide the compliance management objective of the Company to improve its compliance cultural construction and to urge the Company to address problems in the compliance management ;

(20) such other powers conferred by the laws, administrative regulations, departmental rules, shareholder's general meeting or the Articles of Association.

Matters beyond the scope of authorization by the general meeting should be submitted to the general meeting for consideration.

Article 115 The Board shall explain to the general meeting regarding the non-standard auditors' opinion given by the certified public accountants in relation to the financial report of the Company.

Article 116 The Board shall formulate the rules of procedures of board meetings to ensure the implementation by the Board of the resolutions of the general meeting, the enhancement of work efficiency, and the guarantee of scientific decision making. The procedural rules for business discussion of the Board provides for the convening and voting procedures for meetings of the Board, as an appendix of the Company's Articles of Association, which shall be prepared by the Board and shall be subject to approval of the general meeting.

Article 117 The Board shall have the authority to decide on transactions, other than those which shall be subject to approval by shareholders as required by Article 88 and Article 89, which include but are not limited to, external investments, assets acquisition and disposals, asset pledges, guarantee to third parties, entrusted financial management and connected transactions, etc. The Company should establish stringent examination and decision-making procedures, organize specialists and professional teams to assess and examine material investment projects, and such investment projects shall be submitted to the general meeting for approval.

Article 118 The Chairman of the Board shall exercise the following functions and powers:

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

(2) to supervise and check the implementation of board resolutions;

(3) to exercise other powers granted by the Board.

If the Chairman is unable or fails to perform his duties, a director elected by one half or more of the directors shall perform such duties.

Article 119 The Board shall establish the Strategic Development Committee, the Nomination and Remuneration Committee, the Audit Committee, the Financial Management Committee and other special committees. The special committees are accountable to the Board of Directors and perform their duties in accordance with the Articles of Association and the authorization by the Board of Directors; the proposals of the special committees should be submitted to the Board of Directors for consideration and determination.

The special committees are composed of directors. The members of the Audit Committee should be directors who do not concurrently serve as the senior management of the Company and the convener of the Audit Committee should be an independent director who has accounting expertise. Independent directors should be the majority of the composition and act as the convenors of the Audit Committee and the Nomination and Remuneration Committee.

The Board of Directors is responsible for developing working regulations for the special committees to standardize their operations.

Article 120 Board meetings shall be held at least four times every year and shall be convened by the Chairman of the Board by serving a notice on all the directors and supervisors no later than fourteen days prior to the convening date of the meeting.

An extraordinary board meeting shall be convened by the Board upon occurrence of any of the following circumstances:

- (1) it is proposed by shareholders representing one tenth or more of the voting rights;
- (2) it is proposed by one third or more of the directors;
- (3) it is proposed by the Supervisory Committee;
- (4) it is considered necessary by the Chairman of the Board;
- (5) it is proposed by more than half of the independent directors;
- (6) it is proposed by the general manager;
- (7) it is requested to be convened by the securities regulatory authorities;
- (8) such other situations prescribed by the Articles of Association.

The Chairman of the Board shall convene and preside over a board meeting within ten days after receiving such proposal. If the Chairman is unable or fails to perform his duties, a director elected by one half or more of the directors shall convene and preside over the meeting. The reasonable costs incurred by the directors for attending board meetings shall be borne by the Company. Such costs include traveling expenses incurred by the directors for traveling from his place to the meeting venue (if a director's place is different from the meeting venue), food and board expenses during the meeting period, rental for the meeting venue and transport expenses for traveling to the meeting venue.

Article 121 The time and place of a meeting of the Board may be prescribed in advance, and recorded in the minutes, which are distributed to all directors at least 10 days prior to the convening of the next board meeting. No further notice shall be required to be served to the directors in respect of the convening of the meeting.

In connection with the convening of a regular meeting and an extraordinary meeting of the Board, a notice shall be served 14 days and 5 days, respectively, prior to the holding of the meeting. Notice of a meeting may be submitted to all the directors and supervisors as well as the general manager and the board secretary by direct delivery, e-mail, telegram, telex, fax, express courier, registered mail or by other means.

Notice shall be in Chinese language, with an English version attached if necessary. Notice should include an agenda. Any director can renounce his right to be issued a notice of the board meeting or to receive a meeting notice within the above time limit. In an urgent situation when an extraordinary board meeting has to be convened with short notice as soon as practicable, the notice of the meeting may be served at any time by telephone or other verbal means, but the convener should provide reasons thereof in the meeting.

Directors who have attended the meeting will be deemed to have been issued a notice of board meeting if he did not raise any issues of not having received such notice before or during the board meeting.

A regular or extraordinary board meeting may be convened by means of telephone conference or other similar communications equipment through which directors participating in the meeting can communicate with each other simultaneously and instantaneously and such participation shall constitute attendance at a meeting in person.

Article 122 Notice of a board meeting shall contain at least the following information:

(1) the date and venue of the meeting;

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

(3) the matters to be discussed (the agenda);

(4) the convener and the chairman of the meeting, the person who proposes the special board meeting and his written proposal;

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

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

(7) the issue date of the notice.

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

Article 123 Except for the situations stipulated by Article 126 hereof, the board meetings shall be held only if more than half of the directors are present.

A show of hands is adopted for voting at any Board meetings, where each Director shall have one vote. Save for the exceptional circumstances set out in Article 126, a simple majority of the votes of all Directors is required for passing of a Board resolution.

Where the number of votes cast for and against a resolution is equal, the Chairman of the Board shall have a casting vote.

In the case of any contradiction in terms of contents and meanings amongst different resolutions, the resolution made at the latest time shall prevail.

Article 124 Directors shall attend any board meeting in person. Where a director is unable to attend for some reasons, he may authorise in writing another director to attend the board meeting in his stead. The instrument of proxy shall specify the scope of authorization.

The director attending the meeting for another director shall exercise the rights of the latter director within the scope of authorisation. Any director who is unable to attend a particular board meeting and has not authorised a proxy to attend in his stead shall be deemed as a waiver of the right to vote at that meeting.

Article 125 A director shall vote for, against or abstain from a voting. Attending directors shall choose one among the above intentions. Shall a director make no choice, or two or more of the intentions, the chairman of the meeting shall require such director to choose again. Shall a director refuse to choose, he shall be deemed abstained. If a director leaves the meeting venue without returning and making a choice, he shall be deemed abstained.

Article 126 Under any of the following circumstances, directors shall abstain from voting on the related resolutions:

(1) as required by the listing rules of the stock exchange on which the Company's shares are listed;

(2) as considered necessary by the director himself;

(3) such other circumstances as required by the Articles of Association of the Company, where connected relationships exist between the directors and the enterprises involved in the proposals of the meeting.

Where directors have abstained from voting, the related board meetings shall be attended by more than half of the unaffiliated directors, and the related resolutions shall be adopted by more than half of the unaffiliated directors. If the unaffiliated directors attending the meeting is less than three in number, such matter shall be submitted for review to a general meeting. The Board should, when making resolutions on connected transactions or continuing connected transactions, seek opinions of the independent directors.

Article 127 If half or more of the directors attending the meeting or two or more independent directors consider a proposal to be indefinite and unspecific, or where an informed judgement cannot be made due to other reasons such as inadequate meeting materials, these directors may jointly propose to postpone the board meeting or the discussion on part of matters at the meeting, and the Board shall accept their opinions.

Directors who propose the postponement of voting shall make clear requirements for re-consideration of the subject proposal.

Article 128 The Board shall keep minutes of its decisions on the matters considered. Directors attending the meeting and the person taking the minutes shall sign the minutes of the meeting. Directors shall be responsible for the resolutions of the board meetings. Where a resolution of the board meetings violates the laws, administrative regulations or the Articles of Association or resolutions of the general meeting and causes serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company. However, if a director can prove that he had expressed his opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability.

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

Article 129 The minutes shall contain the following information:

(1) the session of the meeting, time, venue and form of the meeting;

(2) the particulars of issuing the notice of the meeting;

(3) the names of the convener and the chairman of the meeting;

(4) the directors attending in person or by proxy;

(5) the proposals reviewed in the meeting, the main points of speeches and major opinions by each director;

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

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

Article 130 The Board may adopt resolution in writing to substitute for holding the board meeting, but the draft of such resolution must be sent by one of the means of by hand, mail, fax or email to each of the directors. If the relevant written resolution has been distributed to all directors, and the number of directors having signed on the draft or several copies of the draft with identical contents indicating their consent amounted to the necessary quorum for the relevant decision and the same being returned to the board secretary in any of the aforesaid manners, such resolution shall become the resolution of the Board and no board meeting is further required to be held.

Article 131 The board meeting documents, including meeting notices and meeting materials, the power of attorney of appointing directors, recording data of the meeting, meeting minutes signed and confirmed by attending directors, meeting summaries (if any), resolution records (if any), resolutions, among others, shall be filed by the secretary to the Board.

The board meeting documents shall be filed for record for a period of ten years.

CHAPTER VI SECRETARY TO THE BOARD OF THE COMPANY

Article 132 The Company shall have a secretary to the Board, who is a senior management member of the Company.

A management member of the controlling shareholder may not hold the office of the secretary to the Board concurrently.

Article 133 The secretary to the Board of the Company shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board. The primary duties of the secretary to the Board are:

(1) to be responsible for the communication and liaison between the Company and the related parties and the stock exchange and other securities regulatory authorities, and to ensure that the Company prepares and submits the required reports and documents to the competent authorities in accordance with the law;

(2) to be responsible for dealing with the disclosure of corporate information affairs, supervise the Company in formulating and implementing the management systems of information disclosure and the internal reporting system of material information in order to encourage and help the Company and the related parties to fulfill their information disclosure obligations according to the laws, and handle disclosure of the periodic reports and the interim reports to the stock exchange in accordance with the relevant provisions;

(3) to coordinate the relationship between the Company and its investors, to play host to investors' visits, to answer investors' enquiries, and to provide investors with the information disclosed by the Company;

(4) to prepare a general meeting and a board meeting in accordance with the legal procedures, and to prepare and submit the documents and information for the relevant meetings;

(5) to participate in board meetings and produce minutes of meeting and sign;

(6) to be responsible for the confidentiality of the corporate information disclosure, to draw up confidentiality measures, to procure the directors, supervisors, general manager, deputy general manager and other senior management members and the informed associated personnel to keep information in confidentiality prior to its disclosure, and to take timely remedial measures upon divulging of insider information and report accordingly to the stock exchange;

(7) to be responsible for keeping the Company's register of members, roster of directors, as well as the information about the holding of shares of Company by the major shareholders, directors, supervisors, general manager, deputy general manager and other senior management members, and the documents and minutes of general meetings and board meetings and so on, to assure the Company of a complete organization of documents and records for ensuring that the relevant records and documents of the Company shall be obtained in a timely manner by those with the right of access to such relevant records and documents;

(8) to assist the directors, supervisors, general manager, deputy general manager and other senior management members to understand the contents relating to their legal responsibilities in information disclosure related laws, regulations, rules, listing rules and other regulations of stock exchange, the Articles of Association, as well as listing agreement;

(9) to procure the Board to exercise their powers in pursuance of the laws; to remind the attending directors in case of any violation of the laws, rules, regulations, the Listing Rules of the stock exchange and other provisions or the Articles of Association by a board resolution intended to be made at a meeting of the Board, and seek expression of views from the attending supervisors in this respect; if the aforesaid resolution is insisted by the Board, the secretary to the Board should record the views of supervisors and individuals in the minutes, and report to the stock exchange at the same time;

(10) to discharge such other duties as provided by the applicable laws, administrative regulations, departmental rules, the listing rules of the stock exchange on which the Company's shares are listed, other provisions and the Articles of Association.

Article 134 Each director or other senior management members of the Company may concurrently hold the office of the secretary to the Board of the Company. The accountant(s) of the accountant firm(s) engaged by the Company shall not act as the secretary to the Board of the Company.

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

CHAPTER VII GENERAL MANAGER, DEPUTY GENERAL MANAGER AND OTHER SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 135 The Company has one general manager and a certain number of deputy general managers. They all shall be appointed or dismissed by the Board. The deputy general manager shall assist the general manager in his work, and shall be accountable to the general manager. When the general manager is away from office or unable to perform his duties, such duties shall be performed by the deputy general manager(s). The Board may decide upon whether a member of the Board shall concurrently act as the general manager.

A board member may assume the concurrent office of a general manager, deputy general manager and other senior management members as determined by the Board of the Company, but the number of directors holding the concurrent office of a general manager, deputy general manager and other senior management members shall not exceed one half of the total number of directors of the Company.

The senior management members of the Company comprise the general manager, deputy general managers, chief financial officer, chief safety officer, secretary to the Board of Directors, joint company secretaries, general legal counsel, and chief compliance officer.

Each general manager, deputy general manager and other senior management members shall have each term of office of three years which shall be renewable upon re-election.

Article 136 A personnel holding administrative positions other than directors and supervisors in the controlling shareholder of the Company shall not hold the office of a senior management member of the Company.

The salaries of the senior management members of the Company are paid by the Company instead of the controlling shareholders.

Article 137 The general manager shall be accountable to the Board and exercise the following functions and powers:

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

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

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

(4) to draft plans for the Company's basic management system;

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

(6) to propose the appointment or dismissal of the Company's deputy general manager(s), chief financial officer, chief safety officer, general legal counsel and chief compliance officer;

(7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board;

(8) to be responsible for the construction of legal and compliance management system of the Company;

(9) such other powers conferred by the Articles of Association and the Board.

Article 138 The general manager may be present at a meeting of the Board. The general manager has no voting rights at the board meetings unless he is also a director.

Where matters considered by the Board of Directors involve legal issues, the general legal counsel should attend the meeting and put forward legal opinions.

Article 139 The general manager shall prepare the rules of working procedures of the general manager for approval by the Board before implementation.

Article 140 The rules of working procedures of the general manager contain the following information:

(1) requirements for the convening of, the procedures for, and the persons attending the general manager meeting;

(2) respective duties and responsibilities and division of work of general manager and other senior management members;

(3) scope of power of using the funds and assets of the Company and entering into material contracts, and the system of reporting to the Board and the Supervisory Committee;

(4) such other matters deemed necessary by the Board.

Article 141 Each general manager and deputy general manager shall not, in exercising his functions and powers, change the resolutions of a general meeting and board meeting or act beyond the scope of his authorities.

Article 142 Each general manager, deputy general manager and other senior management members may tender his resignation before expiration of their terms of his office. The specific procedures and measures of resignation of the general manager, deputy general manager and other senior management members shall be subject to related labour contract between the general manager, deputy general manager and other senior management members and the Company.

Article 143 The senior management members of the Company, in exercising their functions and powers, shall act honestly and diligently and safeguard the best interests of the Company and all shareholders in accordance with the laws, administrative regulations and the Articles of Association. In the event that the senior management members of the Company have violated any provision of the laws, administrative regulations, departmental rules or the Articles of Association in exercising their functions and powers and thereby causing losses to the Company, they shall be liable for compensation.

CHAPTER VIII SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 144 Each director, general manager, deputy general manager and other senior management member of the Company may not hold the office of a supervisor concurrently.

Article 145 Where no re-election is made in time upon expiry of the term of a supervisor, or any supervisor's resignation results in the number of members of the Supervisory Committee below the statutory number, the original supervisor shall, prior to a new supervisor assuming office, continue to perform his duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association.

Article 146 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 147 Supervisors may be present at a Board meeting and shall have the right to inquire or put forward suggestions on resolutions of Board of Directors.

Article 148 Supervisors shall not exploit their connected relationship with the Company to prejudice the interests of the Company. Where they have violated such provision and thereby causing damages to the Company, they shall be liable for compensation.

Article 149 Where a supervisor violates any laws, administrative regulations, departmental rules or the provisions of the Articles of Association in the course of performing his duties and causes loss to the Company, such supervisor shall be liable for compensation.

Section 2 Supervisory Committee

Article 150 The Company shall have a Supervisory Committee. The Supervisory Committee is a standing supervisory agency of the Company which is responsible of the supervision of Board of Directors and its members and senior management members such as the general manager and deputy general manager so as to prevent them from the misuse of authority and infringing upon lawful rights of the shareholders, the Company and the Company's employees.

Article 151 The Supervisory Committee shall consist of five supervisors, one of which shall be the chairman of the Supervisory Committee. The term of office of each supervisor shall be a period of three years and shall be eligible for re-election.

The chairman of the Supervisory Committee is subject to election or removal with the consent of more than half of the members of the Supervisory Committee.

The supervisors of the first Supervisory Committee shall be elected at the inaugural meeting by the Company and shall have a term of office until the close of the third annual general meeting.

Article 152 The Supervisory Committee shall consist of two shareholder representatives, two representatives of the staff and workers of the Company and one independent supervisor of the Company. The shareholder representatives and the independent supervisor shall be subject to election and removal at a general meeting. Supervisors representing the staff and workers shall be elected and removed by the staff and workers of the Company through democratic process.

Supervisors co-opted or by-elected by the general meeting of shareholders or the employees of the Company shall have a term of office commencing on the effective date of their election and ending on the date on which the term of office of the Supervisory Committee for that session expires.

Article 153 A meeting of the Supervisory Committee shall be convened at least twice a year, and shall be held at least once every six months in each year.

Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee. An extraordinary meeting should be convened within 10 days by the Supervisory Committee upon occurrence of any of the following circumstances:

(1) it is proposed by any supervisors;

(2) a resolution is in violation of any of the laws, regulations, rules, the provisions and requirements of the supervisory department, these Articles of Association, the resolutions of general meeting and other relevant resolutions as required at a general meeting or board meeting;

(3) any inappropriate behavior of any of the directors and the senior management members has caused possible material damages to the Company or adverse impacts to the market;

(4) any of the Company, the directors, the supervisors or the senior management is sued by shareholders;

(5) any of the Company, the directors, the supervisors or the senior management members is subject to any penalisation by the securities regulatory authorities or public reprimand by the stock exchange on which the Company's shares are listed;

(6) a request is made by the securities regulatory authorities;

(7) such other circumstances prescribed by the Articles of Association.

A meeting of the Supervisory Committee shall be convened and presided over by the chairman of the Supervisory Committee. When the chairman of Supervisory Committee is unable or fails to perform such duties, a supervisor elected by half or more of the supervisors shall convene and preside over a meeting of the Supervisory Committee. A resolution of the Supervisory Committee shall be passed by half or more of the supervisors.

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

(1) to review and express its view in writing on securities issuance documents and regular reports prepared by the Board;

(2) to check the finances of the Company;

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

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

(5) to inspect the financial reports, operation reports and profit appropriation proposals prepared by the Board to be submitted to general meeting. In the case of any doubts, the committee may appoint a registered accountant or a practicing auditor to help in the review in the name of the Company;

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

(7) to propose motions to general meeting;

(8) to represent the Company to negotiate with any of the directors and senior management members, or institute proceedings against any of them;

(9) such other functions prescribed by the Articles of Association.

The supervisors present at a meeting of the Board shall raise questions and put forward recommendations on the issues on the agenda of the meetings of the Board.

Article 155 The Supervisory Committee shall formulate the procedural rules of the Supervisory Committee and shall specify the rules for business discussion and voting procedures to ensure the efficiency and scientific decision-making of the Supervisory Committee. The procedural rules for business discussion of the Supervisory Committee provides for the convening and voting procedures of the Supervisory Committee, as an appendix of the Articles of Association of the Company, which is prepared by the Supervisory Committee and is subject to approval of a general meeting.

Article 156 The notice convening a regular meeting or an extraordinary general meeting of the Supervisory Committee shall be subject to a notice period of 10 days and 5 days respectively, and shall be served to all supervisors by means of direct delivery, fax, e-mail or other means.

In an urgent situation when an extraordinary general meeting of the Supervisory Committee has to be convened as soon as practicable, notice of the meeting may at any time be served by telephone or other verbal means, but the convener shall provide reasons thereof in the meeting.

The written meeting notice shall include at least the following information:

(1) the time and place of the meeting;

(2) the mode of convening the meeting;

(3) the issues to be considered (the agenda);

(4) the person who convenes or presides over the meeting as well as the proposer of the extraordinary general meeting and his/her written proposal;

(5) the request concerning whether a supervisor should attend in person or another supervisor should be delegated to represent the former to attend;

(6) contact person and contact method;

(7) the date of issue of the notice.

Verbal notice of meetings should at least include those contents mentioned in sub-clauses (1) and (2) above, and an explanation for the urgency of the situation requiring an extraordinary general meeting of the Supervisory Committee to be convened as soon as practicable.

Article 157 A meeting of the Supervisory Committee shall only be convened with the attendance of two thirds or more of the supervisors.

The vote at a meeting of the Supervisory Committee shall be taken by poll, and each supervisor shall have one vote.

A resolution of the Supervisory Committee shall be passed by half or more of the members of the Supervisory Committee.

A meeting of the Supervisory Committee shall be attended by the supervisors in person. Where any supervisor cannot attend the meeting for any reason, he may authorize in writing another supervisor as his proxy to attend the meeting. The instrument of proxy shall specify the scope of authorization.

Article 158 The minutes of the Supervisory Committee shall include the following information:

(1) the meeting session and the time, venue, and form of the meeting convened;

(2) dispatch of the notice of the meeting;

(3) the convener and presider of the meeting;

(4) the attendance of the meeting;

(5) the motions considered by the meeting, major comments and opinions of directors on the relevant issues;

(6) the voting result for each motion (the voting result shall set out the respective numbers of affirmative, opposing and abstention votes); and

(7) such other issues that should be recorded in the opinion of the attending supervisors.

Article 159 The decisions made by the Supervisory Committee on the considered matters should be included in the meeting minutes and the supervisors attending the meeting shall sign on the minutes. The supervisors are entitled to request that their statements at the meeting be elaborated as record in the minutes. When necessary, a prompt report should be made to the regulatory authorities and a public statement may also be issued.

Provided where supervisors have neither signed for their confirmation according to the preceding paragraph, nor made any written record for their different opinions or made a report to the regulatory authorities or issued a public statement, they shall be considered to have fully agreed to the contents of the records of the meeting.

Minutes of a meeting of the Supervisory Committee shall be kept by the board secretary as a file of the Company. Minutes shall be kept for a period of 10 years.

Article 160 All reasonable fees incurred in respect of the engagement of professionals such as lawyers, certified public accountants or practicing auditors by the Supervisory Committee in exercising its functions and powers shall be borne by the Company.

Article 161 The supervisors shall faithfully discharge their supervisory responsibilities in accordance with the laws, administrative regulations and the Articles of Association, not abuse their official powers to accept bribes or other unlawful income, and not expropriate the Company's property.

CHAPTER IX QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Article 162 A person shall be disqualified for being a director, a supervisor, a general manager, a deputy general manager or other senior management members of the Company in any of the following circumstances:

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

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

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

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

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

(6) the person is currently being prohibited from participating in the securities market by the CSRC and such ban period has not elapsed;

(7) the person has been publicly disqualified by a stock exchange from acting as a director, supervisor, or senior management member of a listed company and the ban has not expired;

(8) such other stipulations of the laws, administrative regulations rules, departmental rules or the provisions as prescribed by the securities regulatory authorities and the stock exchange on which the shares of the Company are listed.

For any election and appointment of a director in contravention of the provisions prescribed by this Article, such election, appointment or employment shall be void and null. Provided where any of these circumstances occur during his term of office, the director shall be dismissed of his duties.

Article 163 The validity of an act of a director, general manager, deputy general manager and other senior management members on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in relation to his office, election or qualification.

Article 164 In addition to the obligations imposed by the laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, each director, supervisor, general manager, deputy general manager and other senior management members of the Company shall, in the exercise of the functions and powers of the Company entrusted to him, be obligated to bear the following duties towards each shareholder:

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

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

(3) not to expropriate in any guise the Company's property, including but not limited to usurpation of opportunities advantageous to the Company;

(4) not to deprive shareholders of their personal rights and interests, including but not limited to rights to distribution and voting rights, save pursuant to a restructuring of the Company approved by a general meeting of shareholders in accordance with the Articles of Association.

Article 165 Each director, supervisor, general manager, deputy general manager, and other senior management members of the Company shall, in the exercise of his powers and discharge of his obligations, be obligated to exercise the care, diligence and capability that a prudent person would reasonably exercise in comparable circumstances. Each of the Company's directors, supervisors, general manager, deputy general manager, and other senior management members shall perform their due diligence obligations towards the Company to comply with the laws, administrative regulations and the Articles of Association as follows:

(1) to exercise the rights granted by the Company in a cautious, conscientious and diligent manner so as to ensure the commercial behaviors of the Company shall be in compliance with the requirements of the State the laws, administrative regulations and the national economic policies in the PRC, and the commercial activities shall not exceed the scope of business stipulated in the business license;

(2) to treat all shareholders fairly;

(3) to keep informed of the operation and financial position of the Company on a timely basis;

(4) the directors, senior management members and supervisors shall sign on the Company's securities issuance documents and regular reports for written confirmation in order to ensure the timely and fair disclosure of information and the truthfulness, accuracy and completeness of the information disclosed by the Company; if it is impossible to ensure the truthfulness, accuracy, and completeness of the contents of the securities issuance documents and regular reports or if there is dissenting opinion, the opinions and the reasons thereof shall be stated in the written confirmation and the Company shall disclose this. If the Company does not disclose this, the directors, supervisors and senior management members may disclose it directly;

(5) to provide true information and data to the Supervisory Committee, and not to interfere with the Supervisory Committee or supervisors in the exercise of their functions and powers;

(6) to perform other due diligence obligations imposed by the laws, administrative regulations, departmental rules and the Articles of Association.

CHAPTER X FINANCIAL AND ACCOUNTING SYSTEMS, PROFIT DISTRIBUTION AND AUDIT

Section 1 Financial and Accounting Systems

Article 166 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations and the PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 167 At the end of each fiscal year, the Company shall prepare a financial report, which shall be audited by an accounting firm as provided by the laws.

The Company's fiscal year shall be based on the Gregorian calendar, being that each of our fiscal years shall commence on 1 January and end upon 31 December each year. The recording currency of the Company's accounts is dominated in RMB.

Within four months from the date of the expiration of each fiscal year, an annual report shall be submitted and disclosed to the CSRC and the stock exchange respectively. Within two months after the first six months of each fiscal year, an interim report shall be submitted and disclosed to the agency of the CSRC and the stock exchange respectively. Within one month after the first three and nine months of each fiscal year, a quarterly report shall be submitted to the agency of the CSRC and the stock exchange respectively.

The aforesaid annual reports, interim reports and quarterly reports shall be prepared in accordance with the provisions of the relevant laws, administrative regulations and provisions of the CSRC and the stock exchange.

Article 168 The Board shall, at each annual general meeting, submit to shareholders the financial reports prepared by the Company in accordance with the provisions for normative documents which are promulgated by the relevant laws, administrative regulations and local governments and departmental authorities.

Article 169 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 170 Any results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 171 The Company shall publish two financial reports in each fiscal year, meaning that the interim financial report shall be published within sixty days after the first six months of the fiscal year and the annual financial report shall be published within 120 days after the ending of the fiscal year.

Article 172 The Company shall not keep books of accounts other than those provided for by the laws. Assets of the Company shall not be deposited in any account under the name of an individual.

Article 173 The Company shall allocate 10% of the profits after tax to its statutory surplus reserve in the distribution of profits. The Company is not required to make appropriation to its statutory surplus reserve when such reserve amounts to 50% or more of the registered capital of the Company.

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

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

The remaining profits after tax after offsetting its losses and allocating to its reserves may be distributed to its shareholders pro rata to their respective shareholdings, except in the circumstances that non-pro rata distribution is provided in the Articles of Association.

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

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

Article 174 A shareholder shall be entitled to interest on any amount paid up on a share in advance of calls, but shall not be entitled to a dividend subsequently declared in respect of any amount paid up on a share in advance of calls.

Article 175 The Company's reserve may be used to cover the Company's losses, expand the Company's production and operation or enlarge the Company's capital. However, capital reserve shall not be used for covering the Company's loss.

Where any statutory surplus reserve funds are converted into part of the capital, the balance of the statutory surplus reserve shall not be less than 25% of the registered capital of the Company before such conversion to increase capital.

Article 176 According to the provisions of the Articles of Association of the Company, the Board may, after fully considering the actual conditions together with the requests of shareholders (especially minority shareholders), and the opinions of independent directors and supervisors, put forward an annual or interim profit distribution proposal for the Board's consideration and approval.

The profit distribution proposal shall be approved by a majority vote of all directors of the Board at the board meeting. The profit distribution proposal shall be approved by half or more of the voting rights held by shareholders attending the general meeting. Where a resolution regarding the issue of new shares by way of conversion of reserve is considered at the general meeting, it shall be approved by two-thirds or more of the voting rights held by shareholders attending the general meeting. Unless otherwise resolved by shareholders, the Board may be authorised to distribute an interim dividend at a general meeting.

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

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

In the above profit distribution method, the Company should first consider to pay the dividend in cash. The Company may distribute an interim cash dividend.

Upon passing a profit distribution resolution at a general meeting, the Board of the Company shall complete the dividend (or shares) distribution within 2 months after the general meeting is convened.

The Company shall make a cash dividend distribution for at least once for every 3 consecutive years, and the specific allocation ratio shall be determined by the Board according to the Company's operational conditions and the relevant provisions of the CSRC, and shall be reviewed and decided at a general meeting. If no cash profit distribution has been made by the Company in the recent three years, no public issuance of new shares, issuance of convertible bonds or placement of shares to the existing shareholders shall be carried out.

The Company's profit allocation is aimed at rewarding investors with a reasonable investment return. The Company's profit distribution policy shall be maintained at a certain degree of continuity and stability. Provided that the Company's profit and cash flows are sufficient to meet its normal operations and long-term development, the profit distribution for each financial year shall not be less than 40% of the Company's distributable profit of the year, and the profit distribution in form of cash accumulated over the recent three years shall not be less than 30% of the average annual distributable profit achieved over the recent three years.

Where there are major changes in the external environment or the Company's own operating conditions, which require the adjustment of the profit distribution policy, the Company should fully consider and protect the interests of the minority shareholders. The amended profit distribution policy must not violate the relevant laws and regulations and the relevant provisions of regulatory documents. The resolution regarding the amendment to the profit distribution policy shall be submitted to the Board and the general meetings for consideration and approval. The resolution regarding the amendment to the profit distribution policy shall be approved by half or more of all the directors of the Board at the board meeting, and independent directors should provide independent opinions. The resolution regarding the amendment to the profit distribution policy shall be approved by two-thirds or more of the voting rights held by shareholders attending the general meeting.

The Board should fully consider the opinions of shareholders (especially minority shareholders), independent directors and supervisors when considering and approving the amendment of profit distribution policy especially the distribution of cash dividends.

Article 178 Dividends or other payments to be payable by the Company to holders of Domestic Shares shall be declared and calculated in RMB, and paid in RMB; and those payable to holders of overseas listed foreign shares shall be declared and calculated in RMB, and paid in the local currency at the place where such overseas listed foreign shares are listed (if there is more than one place of listing, then paid in the currency at the primary place of listing as determined by the Board).

Article 179 Payments of dividends and other sums by the Company to holders of foreign shares shall be made in accordance with the relevant foreign exchange control regulations.

Article 180 The Company shall, in accordance with the PRC tax laws, withhold and make payments on behalf of shareholders in respect of their tax payable on their dividend income.

Article 181 The Company shall appoint on behalf of the holders of the overseas listed foreign shares receiving agents to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws of the place and relevant regulations of the stock exchange on which the Company's shares are listed.

The receiving agents appointed on behalf of holders of H Shares shall be a Company registered as a trust Company under the Trustee Ordinance of Hong Kong.

Article 182 Subject to the relevant laws and regulations of the PRC, the Company may exercise its right of forfeiture over unclaimed dividends, provided that such right cannot be exercised prior to the expiration of the applicable statute of limitation.

The Company has the right to terminate the dispatch of dividend warrants to holders of overseas listed foreign shares by mail, provided that such right shall not be exercised until the dividend warrants have not been cashed for two consecutive times. However, where the dividend warrant fails to be served to the addressee and is returned, the Company may also exercise such right.

In the case of exercising general mandate to issue warrants to holders, no new warrants shall be issued to replace the lost ones unless the Company confirms the destruction of the original warrants.

Article 183 The Company has the right to sell, in such manner as the Board thinks fit, any shares of an overseas listed foreign shareholder who is untraceable, subject to and conditional upon:

(1) the Company has distributed dividends for at least 3 times for such shares within 12 years, but none of such dividends was claimed during this period; and

(2) the Company, after the expiration of 12 years, made the public notice on the newspaper(s) at the jurisdiction where the Company is listed, stating its intention to sell such shares, and notified the stock exchange on which such shares are listed.

The foregoing actions of penalisation are subject to the condition that they do not violate the mandatory provisions of the relevant laws and administrative regulations.

Section 2 Internal Audit

Article 184 The Company shall implement an internal audit system with full-time auditors to conduct internal audit supervision of the Company's income and expenditure and economic activities.

Article 185 The internal audit system and the duties of the auditors should be approved by the Board and then implemented. The auditor-in-charge is accountable and reports to the Board.

Section 3 Appointment of Accountant Firm

Article 186 The Company shall appoint an independent accountant firm which is qualified under the relevant regulations of the State to audit the Company's annual report and review the Company's other financial reports.

The first accountant firm of the Company may be appointed by the inaugural meeting of the Company before the first annual general meeting. The firm so appointed shall hold office until the close of the first annual general meeting.

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

Article 187 The accountant firm appointed by the Company shall hold office from the close of the annual general meeting until the conclusion of the next annual general meeting.

Article 188 The Company shall ensure that true and complete accounting evidences, books, financial and accounting reports and other accounting data be provided to the accountant firm it engages. No refusal, concealment or misrepresentation is permitted.

Article 189 The appointment of a certified public accountant firm by the Company shall be decided at a general meeting. The Board shall not appoint an accountant firm before a decision is made by the general meeting of shareholders.

Article 190 The remuneration of an accountant firm shall be determined by shareholders at a general meeting.

Article 191 Prior to the removal or the non-renewal of the appointment of the accountant firm, a notice of such removal or non-renewal shall be given in advance to the accountant firm and such firm shall be entitled to make representation at the general meeting. Where the accountant firm resigns its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

CHAPTER XI INSURANCE

Article 192 All kinds of insurance for the Company shall be taken out with insurance companies that are registered in the PRC and are permitted by the PRC laws to provide insurance business to Chinese companies.

Article 193 The type of insurance, the insured amount, the insurance period and other insurance terms are determined after discussion by the Board of the Company in accordance with the practice of companies in similar industries in other countries and the customary practices and legal requirements in the PRC.

CHAPTER XII LABOUR MANAGEMENT SYSTEM

Article 194 The Company formulates its regulations regarding labor management, personnel affairs, wage and welfare and social insurance in accordance with the laws, administrative rules and regulations, and relevant regulations the PRC.

Article 195 The Company implements the system of appointment for all levels of management personnel and a contract system for other employees. The Company may decide by itself on personnel deployment, and is entitled to recruit by itself management personnel as well as workers and staff and dismiss them according to the laws and regulations in the contract.

Article 196 The Company is entitled to decide by itself the wage income and welfare benefits of all levels of management personnel and other employees, depending on its own economic efficiency and within the scope specified by relevant administrative regulations.

Article 197 The Company arranges for its management personnel and other employees to participate in social insurance in accordance with relevant administrative regulations of the Chinese government and local governments, as well as implements the laws, stipulations and relevant regulations regarding the labor insurance for retirees and workers awaiting job assignments.

CHAPTER XIII PARTY COMMITTEE

Article 198 In accordance with the [Constitution of the Communist Party of China], the Company shall establish the organization of the Communist Party of China and carry out Party activities. The Party organizations shall play the core leadership and core political role of providing direction, managing the overall situation and ensuring implementation. The Company shall also establish the working organs of the Party, which shall be equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organizations, and provide necessary conditions for conducting the activities of the Party organizations.

Article 199 The Company shall establish a Party Committee consisting of a secretary and several other committee members. Eligible members of the Party Committee are entitled to be admitted to the Board, the Supervisory Committee, and the management according to legal provisions and procedures and eligible Party members from the Board, the Supervisory Committee, and the management are entitled to be admitted to the Party Committee according to legal provisions and procedures. At the same time, the Commission for Discipline Inspection shall be established in accordance with the regulations, with a secretary and several members.

Article 200 The establishment of the Party organization and the staff arrangement shall be incorporated into the administrative organs and organization of the Company. A Party Committee work department shall be established, which shall be equipped with full-time party affairs staff at a proportion of not less than 1.5% of the total number of employees in service. The work funds of the Party organization shall be included in the enterprise management expenses, shall be drawn in proportion according to the relevant requirements, and shall be uniformly managed and used by the Party Committee.

Article 201 The research and discussion of the Party Committee is the pre-procedure for the Board and management to study and decide on major issues such as 「major decision, major personnel appointment and removal, major project arrangements and significant funds utilization」.

Article 202 The Party Committee shall discharge the following duties in accordance with the 「Constitution of the Communist Party of China」 as well as other Party laws and regulations:

(1) to ensure and supervise the implementation of policies and guidelines of the Party and the State in the Company, implement material strategic decisions of the Party Central Committee and the State Council and make arrangements for the relevant material works of the superior units and the Party organization.

(2) to insist on the combination of the principles of management of cadres by the Party and the selection of operation managers by the Board according to laws and the execution of the right of employment by the operation managers. The Party Committee shall consider and propose opinions and suggestions on the candidates as nominated by the Board or general manager, or nominate candidates to the Board or general manager; conduct investigation on the candidates to be appointed and collective research to raise opinions and suggestions; manage and supervise the standards and procedures for the selection and employment of personnel; be responsible for the construction of the reserve cadre team of the Company.

(3) to study and discuss the reform, development and stability of the Company, its material operation and management issues and other material issues involving staff's immediate interests of the Company, and put forward guiding opinions and suggestions thereon.

(4) to shoulder the main responsibility for the overall strict governance of the Party, lead the Company in terms of ideological and political work, united front work, spiritual civilization construction, enterprise cultural construction and the work of labor union, the Communist Youth League and others, and take lead in promoting honest and clean Party governance and support the Commission for Discipline Inspection to effectively fulfil its supervisory responsibility.

Article 203 Members of the Party Committee who join the Board and management should fully express their opinions and suggestions on the research decisions of the Party Committee when making decisions, so that the research decisions can be reflected and implemented in decisions-making in accordance with the law.

Article 204 The work and construction of the Party organizations shall be carried out in accordance with the 「Constitution of the Communist Party of China」 as well as other relevant provisions.

CHAPTER XIV TRADE UNION

Article 205 The Company's employees are entitled to organise a trade union and carry out its activities in accordance with the Trade Union Law of the People's Republic of China. The Company provides the necessary funds and venues for normal trade union activities.

CHAPTER XV MERGER, DIVISION, DISSOLUTION AND LIQUIDATION OF THE COMPANY

Section 1 Merger and Division

Article 206 The Company's merger may either be effected in the form of consolidation or new establishment.

For the Company's merger, the parties thereto shall sign an agreement on the merger and prepare a balance sheet and lists of properties. The Company shall inform the creditors in 10 days after the date of making the resolution for such merger, and publish newspaper notices in 30 days as provided by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company's shares are listed.

Creditors may require the Company to pay off the debt or provide guarantees for the debt within 30 days from the date of the receipt of the notice or within 45 days from the date of the announcement if the notice has not been received.

After the Company's merger, the claims and debts of all the parties thereto shall be assumed by the surviving company after such merger or by the newly established company.

Article 207 Upon division of the Company, its property shall be split correspondingly.

For the division of the Company, a balance sheet and lists of properties should be prepared. The Company shall inform the creditors in 10 days after the date of making the resolution for such division, and make newspaper announcements in 30 days as provided for by the applicable laws, administrative regulations or the regulatory provisions of the place where the Company's shares are listed.

The companies after the division shall assume the joint liability for the debts incurred by the Company before its division unless otherwise agreed in a written agreement with creditors on the settlement of debts prior to the division of the Company.

Article 208 Where registered items are changed on account of the Company's merger or division, registration for such changes shall be completed with the company registration authorities. In the event of the Company's dissolution, the registration procedure for cancellation of the Company should be completed according to law. Where a new company is established, the registration procedures for company establishment should be completed according to law.

Section 2 Dissolution and Liquidation

Article 209 In one of the following cases, the Company shall be dissolved, and undergo liquidation according to law:

(1) the business operating period stipulated by the Articles of Association has expired or other events causing dissolution, as stipulated by the Articles of Association, have materialized;

(2) the general meeting makes a resolution on dissolution;

(3) the Company has to be dissolved on account of its merger or division;

(4) the business license of the Company has been cancelled, or the Company has been ordered to close down or deregistered according to law;

(5) if the Company encounters serious difficulties in operations and management and its continued existence may incur material losses to the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding 10% or more of the total voting rights of the Company may request the People's Court to dissolve the Company.

The Company may amend the Articles of Association to continue as a going concern if circumstance (1) above takes place.

The amendments made to the Articles of Association in accordance with the preceding paragraph shall be approved by two-thirds or more of the voting rights held by the shareholders attending the general meeting.

Article 210 Where the Company is to be dissolved on account of the regulations in sub-clause (1), (2), (4) and (5) of the preceding Articles, a liquidation team should be established within 15 days from the date when the event causing dissolution occurs to commence the liquidation process. The liquidation team shall be composed of directors or persons determined by the general meeting. If the liquidation team is not established within the specified period for liquidation, the creditors may apply to the People's Court for appointing the relevant personnel to form a liquidation team for liquidation.

Article 211 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make newspaper announcements within 60 days after its establishment. Creditors should, within 30 days from the date of receipt of notice or, in case of creditors who have not received such notice, within 45 days from the date of the announcements, file their claims of creditors' rights with the liquidation committee. Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation committee should register such claims. During the period for creditors' declaration of creditors' rights, the liquidation committee shall not pay off the debts to them.

Article 212 During the period of liquidation, the liquidation committee shall perform the following functions and powers:

- (1) clear up the Company's properties and prepare a balance sheet and lists of properties;
- (2) send notifications to or publish announcements for the creditors;
- (3) dispose of and liquidate pending business of the Company;
- (4) pay due taxes and taxes accrued during the course of liquidation;
- (5) clear claims and debts;
- (6) dispose of the Company's remaining properties after the repayment of all debts;
- (7) participate in civil proceedings on behalf of the Company.

Article 213 After clearing up the Company's properties and preparing the balance sheet and lists of properties, the liquidation committee shall formulate the liquidation scheme and submit the same to the general meeting or the relevant competent authorities for confirmation.

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

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

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

During the period of liquidation, the Company continues to exist, but it shall not carry out any business activities which are irrelevant to the liquidation. The Company's properties shall not be allocated to the shareholders before repayment has been made according to the preceding paragraph.

Article 214 In the event of Company's liquidation owing to dissolution, if the liquidation committee, after liquidating the Company's properties and preparing a balance sheet and property list, finds that the Company's properties are insufficient to settle its debts, it shall immediately apply for a declaration of bankruptcy with the People's Court.

After the Company is declared bankrupt through a verdict made by the People's Court, the liquidation committee shall hand over the liquidation matters to the People's Court.

Article 215 Upon completion of the Company's liquidation, the liquidation committee shall prepare a liquidation report and submit it to the shareholders' general meeting or the People's Court for confirmation. The liquidation committee shall then deliver the liquidation report to the company registration authority, apply for the deregistration of the Company and announce the termination of the Company.

Article 216 Members of the liquidation committee shall perform their duty honestly and discharge the obligation of liquidation in accordance with the laws.

Members of the liquidation committee shall not take personal advantage of their posts to take bribes, receive other illegal incomes, or misappropriate properties of the Company.

Members of the liquidation committee shall be liable for damages caused to the Company or the creditors due to their intent or gross negligence.

CHAPTER XVI AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 217 The Company shall amend the Articles of Association on the occurrence of any of the following events.

(1) the provisions of the Articles of Association are in conflict with the amended Company Law or the relevant laws or administrative regulations;

(2) there is a change in the Company's circumstances which are inconsistent with the matters recorded in the Articles of Association;

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

Article 218 Any amendments to the Articles of Association by the Company shall be made in the following manner:

(1) the Board shall pass a resolution to propose amendments to the Articles of Association and draw up a proposal for such amendments;

(2) the shareholders shall be informed of the foregoing proposal and a general meeting shall be convened for voting;

(3) subject to the relevant provisions of the Articles of Association, the amendments submitted to the general meeting for approval shall be approved by a special resolution.

Article 219 For the amendment to the Company's Articles of Association relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with law.

Article 220 The Board amends the Articles of Association of the Company in accordance with the resolution on amendments to the Articles of Association of the Company passed at the general meeting and the approval comments from the relevant authorities.

Article 221 Any amendments to the Articles of Association of the Company shall be subject to disclosure as required by the laws and regulations.

CHAPTER XVII NOTICES AND ANNOUNCEMENTS

Article 222 A notice of the Company may be sent by:

- (1) hand;
- (2) mail;
- (3) public announcement;
- (4) such other methods provided for by the Articles of Association.

Article 223 Unless otherwise provided for in the Articles of Association, any notices, information or written statements distributed to holders of H Shares by the Company shall be given by electronic means or such other means permitted by the Listing Rules of the SEHK (including a public announcement or a notice to be published at the website of the SEHK and the website of the Company, respectively).

All notices, information or written statements from the Company to holders of the Domestic Shares shall be served at the registered address of each holder of the Domestic Shares or by other contact methods as notified in writing to the Company by such holders of the Domestic Shares from time to time by means of e-mail, fax, mail, hand, and public announcement.

Once the Company has sent any notices, information or written statements by any of the aforesaid means, all shareholders shall be deemed to have received such notices, information or written statements.

Article 224 Any notices, documents, information or written statements served by shareholders or directors to the Company shall be personally delivered or sent by registered mail to the legal address of the Company.

Article 225 In order to prove that such notices, documents, information or written statements have been already sent, evidence should be provided to prove that the notices, documents, information or written statements have been served within the prescribed time in the way prescribed by Article 223 hereof. Where a notice is served by hand, a confirmation of due receipt should be provided to the Company. Where a notice is served by registered mail, evidence should be provided to prove that such notice should be sent by prepaid postage at the correct address of the Company.

Article 226 Where a notice is served by the Company by way of public notice, after the publication of such public notice, all related parties shall be deemed to have received the relevant notice.

In relation to the term 「public announcement」 as referred to in the Articles of Association, unless the context otherwise requires, in respect of a notice issued to the holders of Domestic Shares or a notice required to be served within the PRC according to the relevant regulations and the Articles of Association, it shall mean the announcement and information disclosure through the websites of stock exchanges and media that meet the requirements prescribed by the CSRC and other regulatory authorities; in respect of an announcement issued to the holders of foreign investor shares or an announcement required to be made in Hong Kong according to the relevant regulations and the Articles of Association, it shall mean an announcement to be published at the related websites as requested by the relevant Listing Rules.

The Company shall not disclose information through public media before such information is disclosed through designated websites and other designated media, and shall not disclose information by way of press release or interview with reporters in lieu of an announcement.

The Board may change the websites and other media for information disclosure, but shall ensure that the designated websites and other media for information disclosure comply with the qualifications and conditions stipulated by CSRC, overseas regulatory authorities, domestic stock exchanges and other regulatory authorities.

Except as otherwise provided in the Articles of Association, where a notice from the Company to holders of overseas listed foreign shares is served by way of a public announcement, the public announcement should be issued at the website of the SEHK and the website of the Company respectively on the same day in accordance with the requirements of the local listing rules.

Article 227 Except as otherwise provided in the Articles of Association, the various forms of serving a notice prescribed by the provisions of the preceding paragraph shall be applicable to the notices issued for the purpose of convening a general meeting, board meeting and supervisory meeting of the Company.

Article 228 Where a notice of the Company is served by hand, the addressee shall be required to sign his name (or affix his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service. Where a notice of the Company is sent by mail, the notice shall be deemed to be served after 24 hours from the date of delivery of the same to the post. Where a notice is served by way of public announcement, the date on which the public notice is first published shall be deemed as the date of service.

Article 229 In the event that a notice of meeting is accidentally omitted to be sent to a person who is entitled to receive the notice or where such person has not received the notice of meeting, the meeting and any resolutions made therein shall not become void accordingly.

CHAPTER XVIII SUPPLEMENTARY PROVISIONS

Article 230 The Board shall be responsible for the interpretation of the Articles of Association. Matters not covered by the Articles of Association shall be proposed by the Board of Directors and submitted to the general meeting of shareholders for adoption by resolution.

Article 231 Except for any resolutions of the Board and any resolutions of general meetings passed pursuant to Article 230 hereof, the resolutions of the Company's general meetings and the Board, as well as the rules and regulations of the Company established therein that are inconsistent with the Articles of Association shall be null and void.

Article 232 The Articles of Association are written in Chinese. In case of any ambiguity between any other languages or different versions of the Articles of Association and the Chinese version of the same, the Chinese version which has been approved and registered at the company registration authority at the latest time shall prevail.

Article 233 References to 「above」, 「within」 and 「below」 in the Articles of Association are inclusive of the item itself whereas 「over」, 「less than」 and 「more than」 are exclusive of the item itself.

Article 234 Reference to the term 「Accountant Firm」 shall have the same meaning as ascribed to the term 「Auditors」 according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Article 235 Annex to the Articles of Association shall include the procedural rules for business discussion at a general meeting, the procedural rules for business discussion at a board meeting, the procedural rules for business discussion at a supervisory meeting and the system of the independent directors.