



凯盛新能源股份有限公司

Triumph New Energy Company Limited

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

(Stock Code (A Share): 600876)

(Stock Code (H Share): 1108)

ARTICLES OF ASSOCIATION

(Revised version in December 2024)

These Articles have both Chinese and English versions, the English version is for reference only. Should there be any discrepancy between the two versions, the Chinese version shall always prevail.

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Triumph New Energy Company Limited

ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 Triumph New Energy Company Limited (hereinafter referred to as the “Company”) is a joint stock company with limited liability established in accordance with the Company Law of the People’s Republic of China (“PRC”) (hereinafter referred to as the “Company Law”) and other relevant provisions.

The Company is exclusively established by China Luoyang Float Glass Group Company (with its name changed to China Luoyang Float Glass Group Company Limited on 25 December 1996) with the approval of State Commission for Economic System Reform (國家經濟體制改革委員會) Ti Gai Sheng (1994) Circular No. 56. The Company registered at the Luoyang City Administration for Industry and Commerce and duly acquired the business license on 6 April 1994.

With the approval of State Commission for Economic System Reform Ti Gai Sheng (1994) Circular No. 64, the Company was reformed into a company with public-offered shares to the general public on 19 April 1995 and registered in Luoyang Administration for Industry and Commerce. The business license number of the Company after change is 17111122.

The Company was changed and registered as “enterprise limited by shares with Hong Kong Investment” on 7 August 1996. The registration number of the business license is: Qi Gu Luo Zhong Fu Zi No. 000327.

The Company was changed and registered as “joint stock company with limited liability (listed joint venture in Taiwan, Hong Kong, Macau and the PRC)” on 22 January 2016, and its unified social credit code was 914103006148088992.

On 16 February 2023, the name of the Company was changed from “LUOYANG GLASS COMPANY LIMITED (洛陽玻璃股份有限公司)” to “Triumph New Energy Company Limited (凱盛新能源股份有限公司)”.

Article 2 Registered Name of the Company is:

Chinese: 凱盛新能源股份有限公司

English: Triumph New Energy Company Limited

Article 3 Domicile of the Company: No. 9 Middle Tanggong Road Xigong District, Luoyang, PRC

Postal Code: 471009

Telephone: 63908573

Fax: 63908680

Article 4 The Chairman of the board (“Board”) or the president is the legal representative of the Company.

If a director or president who serves as the legal representative resigns, he shall be deemed to have resigned from the position of the legal representative simultaneously. If the legal representative resigns, the Company shall determine a new legal representative within thirty (30) days from the date of the resignation of the legal representative.

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

Article 6 The Articles of Association will be effective from the date of approval by the shareholders’ meeting of the Company by a special resolution.

From the effective date of the Articles of Association, the Articles of Association of the Company constitute a legally binding document regulating the Company’s organization and activities, and the rights and obligations between the Company and each shareholder (“Shareholder”) and among the Shareholders interest.

Article 7 The Articles of Association of the Company are binding on the Company and its Shareholders, directors (“Directors”), supervisors, president and other senior management members, all of whom are entitled to claim rights regarding the Company’s affairs in accordance with the Articles of Association of the Company.

“Other senior management” referred to in these Articles means the vice president, secretary to the Board and chief financial officer of the Company.

The Articles of Association are actionable by a Shareholder against the Company and vice versa, by the Company against Shareholders, Directors, supervisors, president and other senior management members, by Shareholders against each other and by a Shareholder against the Directors, Supervisors, president and other senior management of the Company.

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

Article 8 The Company may invest in other limited liability companies and joint stock limited companies, to which the Company shall be liable to the extent of the amount of its capital contribution. Subject to the approval from the company’s approving department authorized by the State Council, the Company may operate such companies in accordance with the relevant provisions of the Company Law subject to its operational and management needs.

Where the law stipulates that the Company shall not be the investor who assumes joint liabilities of the invested enterprise, such provisions shall prevail.

Article 9 Subject to the regulations of the PRC's applicable laws, the Company has the right of financing or loans, including but not limited to the issue the company's bonds, mortgaging or pledging all or partial business and properties.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 10 The business objectives of the Company are to : develop the glass industry by making use of the domestic and foreign social resources and capital, pursue the scientific and technological progress, expand the domestic and international markets, regard the quality as the center, the market as the orientation and effectiveness as the purpose, carry out the advanced scientific management and apply the flexible strategy and create the world-class company so as to ensure the legal interests of the Company and all the Shareholders.

Article 11 The business scope of the Company is subject to the items approved by the Company registration authority.

The business scope of the Company includes general items: manufacturing of photovoltaic equipment and components; sales of photovoltaic equipment and components; glass manufacturing; manufacturing of non-metallic mineral products; sales of non-metallic mineral and its products; manufacturing of technical glass products; sales of technical glass products; solar energy generation technology services; research and development of new materials technology; research and development of new energy technology; manufacturing of equipment for production of construction materials; purchasing agent services; technical services, technology development, technical consultation, technology exchange, technology transfer, technology promotion.

Article 12 The Company may, in accordance with the domestic and international market development trend, domestic and international business demands and the Company's own development capacity and with the approval of relevant government authorities, adjust its business scope or investment direction and methods.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 13 The Company shall have ordinary shares at all times. The ordinary shares issued by the Company shall include domestic shares and foreign-invested shares. The Company may create other class of shares if necessary, upon the approvals of the approving authorities authorized by the State Council.

Article 14 The total assets of the Company are divided into equal shares. Shareholders assume responsibility for the Company to the extent of the shares they subscribe to, and the Company assumes responsibility for its debts with its total assets.

The stock of the Company shall take the form of shares. Shares issued by the Company shall be share with par value. The par value of each share shall be RMB1.

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

Article 15 The Company shall issue shares in accordance with the principle of openness, fairness and justice, and each of the shares in the same class shall carry the same rights.

Article 16 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors from foreign countries and from the regions of Hong Kong, Macau and Taiwan who subscribe for the shares issued by the Company. Domestic investors mean those investors residing the territory of the PRC (other than those investors from the aforesaid regions r) who subscribe for the shares issued by the Company.

Article 17 Shares issued by the Company to domestic investors and subscribed in RMB shall be referred to as domestic shares. Shares issued by the Company to offshore investors and subscribed in foreign currency shall be referred to as foreign-invested shares. Foreign invested shares which are listed outside the PRC shall be referred to as overseas-listed foreign-invested shares. Both the holders of domestic shares and overseas-listed foreign-invested shares are the holders of ordinary shares, and shall have the same rights and obligations.

The foreign currency referred to in the preceding paragraph is a legal currency (other than RMB) of other countries or regions which is recognized by the foreign exchange administration authority of the State and can be used for payment of value of the Company's shares.

Article 18 The foreign-invested shares issued by the Company and listed in Hong Kong is referred to as H-shares. H-shares are the shares approved for listing by The Stock Exchange of Hong Kong Limited (Hong Kong Stock Exchange), with the par value in RMB and subscribed and traded in Hong Kong dollars.

Article 19 With the approval of the company examination and approval authority as authorized by State Council, the current number of issued ordinary shares of the Company is 645,674,963.

At the time of establishment, the Company issued 400,000,000 shares to the promoter; upon the public issuance of H Shares and A Shares, the Company has issued 700,000,000 ordinary shares, in which the promoter held 57.14% of the total number of ordinary shares that can be issued by the Company.

After the Company has completed the reform of stock allocation and reduced the registered capital, the number of ordinary shares issued by the Company was 500,018,242, in which the promoter held 159,018,242 ordinary shares, accounting for 31.8% of the total number of ordinary shares of the Company.

Upon the completion of the significant asset swap and issuance of shares by the Company for asset acquisition in cash and raising of supporting funds proceeds, the total number of ordinary shares issued by the Company was 526,766,875 in February 2016, in which the promoter held 174,018,242 ordinary shares, accounting for approximately 33.04% of the total number of ordinary shares of the Company. The promoter transferred its 69,000,000 ordinary shares in the Company to Bengbu Glass Industry Design and Research Institute* (蚌埠玻璃工業設計研究院) (now renamed as (CNBM) Bengbu Design & Research

Institute for Glass Industry Co., Ltd* (中建材蚌埠玻璃工業設計研究院有限公司)) by agreement in October 2016, thereafter, the promoter held 105,018,242 ordinary shares, accounting for approximately 19.94% of the total number of ordinary shares of the Company.

After the Company completed the issuance of shares for asset acquisition in April 2018, the total number of issued ordinary shares of the Company was 559,797,391, in which the promoter held 115,115,830 ordinary shares, accounting for approximately 20.56% of the total number of ordinary shares of the Company.

Following the implementation and completion of the buy-backs and cancellation of the compensation shares for the 2018 performance guarantee in relation to significant asset restructuring by the Company in December 2019, the total number of issued ordinary shares of the Company was 552,396,509, in which the promoter held 112,614,918 ordinary shares, accounting for approximately 20.39% of the total number of ordinary shares of the Company.

Following the implementation and completion of the buy-backs and cancellation of the compensation shares for the 2019 performance guarantee in relation to significant asset restructuring by the Company in November 2020, the total number of issued ordinary shares of the Company was 548,540,432, in which the promoter held 111,195,912 ordinary shares, accounting for approximately 20.27% of the total number of ordinary shares of the Company.

Following the implementation and completion of the 2020 non-public issuance of A shares by the Company in August 2021, the total number of the issued ordinary shares of the Company was 645,674,963 shares, in which the promoter held 111,195,912 ordinary shares, accounting for approximately 17.22% of the total number of ordinary shares of the Company.

Article 20 The equity structure of the Company: the number of overseas-listed foreign-invested shares is 250,000,000, representing approximately 38.72% of the total issued ordinary shares of the Company; the number of domestic listed shares is 395,674,963, representing approximately 61.28% of the total issued ordinary shares of the Company.

Article 21 Upon approval by the China Securities Regulatory Commission of the State Council of any proposal for issue of overseas-listed foreign-invested shares and domestic shares, the Board of the Company may make arrangements of respective issue.

The Company's proposal for the respective issue of overseas-listed foreign-invested shares and domestic shares pursuant to the preceding paragraph may be executed within fifteen (15) months from the date of approval by the China Securities Regulatory Commission of the State Council.

Article 22 Where the Company issues overseas-listed foreign-invested shares and domestic shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued separately subject to the approval of the securities regulatory authority of the State Council.

Article 23 The Company's registered capital is RMB645,674,963.

Article 24 Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

CHAPTER 4 INCREASE, REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 25 The Company may, based on its operating and development needs and in accordance with laws and regulations, increase its registered capital in the following ways, subject to resolution adopted by the shareholders' meeting:

- (1) public offering of shares;
- (2) non-public offering of shares;
- (3) allotment of bonus shares to existing Shareholders;
- (4) conversion of provident funds into capital.
- (5) other methods as permitted by provisions of laws, administrative regulations, and the China Securities Regulatory Commission.

If the Company increases its registered capital, the Company shall, in accordance with the laws, apply for change in registration with the company registration authority.

The shareholders' meeting may authorize the Board of the Company to decide on the issuance of shares not exceeding 50% of the issued shares within three years. However, the capital contribution in the form of non-monetary property shall be resolved by the shareholders' meeting. If the Board decides to issue new shares, the resolution of the Board shall be passed by more than two-thirds of all the Directors.

If the decision of the Board of Directors to issue shares in accordance with the preceding paragraph results in a change in the registered capital of the Company or the number of issued shares, the amendment of the matters recorded in the Articles of Association shall not be subject to the vote of the shareholders' meeting.

Article 26 The Company may reduce its registered capital. In the event that the Company reduces its registered capital, the number of shares shall be reduced correspondingly according to the proportion of shares held by the Shareholders, unless otherwise provided by laws, administrative regulations, the listing rules of the stock exchange where the shares of the Company are listed, or the Articles of Association.

If the Company remains in a loss position after making up for its losses in accordance with the provisions of Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the Company shall not make any distribution to the Shareholders; nor shall the Shareholders be exempted from the obligation to make payment for the shares.

Where the registered capital is reduced in accordance with the preceding paragraph, an announcement shall be made in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days from the date of the resolution on reduction of registered capital being made at the shareholders' meeting.

After reducing its registered capital in accordance with the provisions of the preceding two paragraphs, the Company shall not distribute profits until the accumulated amount of the statutory reserve and discretionary reserve reaches 50% of the Company's registered capital.

Article 27 The Company shall prepare a balance sheet and an inventory of assets when it needs to reduce its registered capital.

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

The reduction of registered capital of the Company shall be registered with the corporate registration authority according to the law. The registered capital of the Company after the reduction shall not be less than the statutory minimum amount.

Article 28 The Company shall not buy back its shares, except in one of the following circumstances:

- (1) to reduce the registered capital of the Company;
- (2) to merge with another company that holds shares of the Company;
- (3) to utilize its shares for employee stock ownership plans or share option incentives;
- (4) to acquire shares held by Shareholders (upon their request) who vote against any resolution on the merger or division of the Company proposed in shareholders' meeting;
- (5) to utilize its shares for conversion into convertible corporate bonds issued by the Company;
- (6) to protect the Company's value and shareholders' interest as the Company deems necessary.

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

When the Company repurchases its own shares in the circumstances set out in the Items (3), (5) and (6) of paragraph 1 of Article 28 hereof, such repurchase shall be conducted through public centralized trading.

Article 30 After legally repurchasing the shares, the Company shall, within the time limit stipulated by the laws and administrative laws, cancel the shares and apply to the original company registration authority for changing registered capital. The total par value of the cancelled shares shall be deducted from the Company's registered capital.

Where the Company needs to repurchase its own shares pursuant to the circumstances as specified in Items (1) and (2) of Article 28 hereof, it shall be subject to a resolution of the shareholders' meeting; where the Company needs to repurchase its own shares pursuant to the circumstances as specified in Items (3), (5) and (6) of Article 28 hereof, it shall be subject to a resolution at the Board meeting with more than two-thirds of the Directors present, in accordance with the provisions of the Articles of Association or under the authorization of the shareholders' meeting. Under the circumstance as mentioned in Item (1), after the Company repurchases its own shares pursuant to the provisions of the Article 28 hereof, such shares shall be cancelled within 10 days after the day of repurchase; Under circumstance as mentioned in Item (2) or (4), the repurchased shares shall be transferred or cancelled within 6 months; Under the circumstances as mentioned in Item (3), (5) or (6), the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within 3 years.

CHAPTER 5 EQUITY TRANSFER

Article 31 The shares of the Company may be legally transferred.

Article 32 The Company shall not accept its own shares as the subject matter of the pledge.

Article 33 Shares already issued by the Company before a public offering shall not be transferred within one year from the date of the shares of the Company being listed on a stock exchange. Where laws, administrative regulations or the securities regulatory authorities of the State Council otherwise provide for the transfer of shares of the Company held by Shareholders or actual controllers of a listed company, such provisions shall apply.

The Directors, supervisors and senior managers of the Company shall report to the Company the numbers of the Company's shares (including preference shares) held by them and the changes thereof, and the number of the Company's shares transferred by each of them annually as determined upon appointment shall not exceed 25% of the total number

of the Company's shares held by them; the shares they hold in the Company shall not be transferred within one year from the date that the shares of the Company are listed. The persons mentioned above shall not transfer their shares in the Company within half a year after they leave office.

Where the shares are pledged within the period of restriction on transfer as prescribed by laws or administrative regulations, the pledgee may not exercise the pledge right during the period of restriction on transfer.

Article 34 Where the Directors, supervisors, senior managers and the Shareholders holding 5% or more of the shares of the Company sells the shares of the Company or other securities with an equity nature in his possession within six (6) months after they purchases them, or where they buy them back within six (6) months after they sell them, profits from such transaction shall belong to the Company and the Board shall collect the profits. However, a security company holding 5% or more of the shares as a result of underwriting the remaining shares after sale, and other circumstances stipulated by the China Securities Regulatory Commission are excluded.

The shares or other securities with an equity nature held by Directors, supervisors, senior management members and natural person Shareholders referred to in the preceding paragraph include the shares or other securities with an equity nature held by their spouses, parents, children, and any of the above which is held by using others' accounts.

Where the Board refuses to comply with the provisions of the first paragraph of this Article, the Shareholders have the right to ask the Board to enforce within thirty (30) days. Where the Board fails to enforce within the preceding time limit, the Shareholders have right to commence proceedings in the People's Court in its own name for the Company's interests. Where the Board refuses to comply with the first paragraph of this Article, the responsible Directors are liable for the damages in accordance with the law.

CHAPTER 6 FINANCIAL ASSISTANCE FOR THE ACQUISITION OF SHARES OF THE COMPANY

Article 35 The Company shall not provide gifts, loans, guarantees or other financial assistance to other persons for the acquisition of shares in the Company or its parent company, except for the implementation of the Company's employee stock ownership plans.

For the interests of the Company, upon a resolution of the shareholders' meeting, or a resolution of the Board in accordance with the Articles of Association or the authorization of the shareholders' meeting, the Company may provide financial assistance to other persons for the acquisition of shares in the Company or its parent company, provided that the cumulative total amount of the financial assistance shall not exceed 10% of the total issued share capital. Resolutions made by the Board shall be approved by more than two-thirds of all Directors.

In the event of any violation against the provisions of the preceding two paragraphs which causes losses to the Company, the responsible Directors, supervisors and senior management shall be liable for compensation.

Article 36 The financial assistance referred to in this Chapter includes, (but not limited to), the following:

- (i) Gift;
- (ii) Guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (iii) Provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;
- (iv) Any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would thereby be reduced to a material extent.

The expression "assumption of an obligation" referred to in this Chapter includes the assumption of obligations by way of contract or the making of an arrangement (irrespective whether such contract or arrangement is enforceable or not, or whether such obligation made on its own account or jointly with any other persons), or by any other means which results in a change of the obligor's financial position.

Article 37 In addition to the provisions of Article 35, the following activities shall not be prohibited for financial assistance:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of a master plan of the Company;
- (2) the lawful distribution of the Company's assets as dividend;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association of the Company;

- (5) The provision of loans by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);
- (6) The contribution by the Company to employees' share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 7 SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 38 Share certificates of the Company shall be in registered form.

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

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

Article 39 The Company shall have a common seal specifically for securities in Hong Kong for the purpose of authenticating the issue of H share certificates.

Article 40 The share certificates shall be signed by the legal representative and stamped by the Company. Where the stock exchange where the shares of the Company are listed requires the share certificates to be signed by other senior management members, the share certificates shall also be signed by such senior management members. The share certificates shall take effect after being affixed, or affixed by way of printing, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Company or other relevant senior management members on the share certificates may also be in printed form.

Article 41 The Company shall keep a register of members, which shall contain the following particulars:

- (1) the name, address (residence), occupation or nature of each Shareholder;
- (2) the class and number of shares held by each Shareholder;
- (3) the amount paid-up or payable in respect of shares held by each Shareholder;
- (4) the serial numbers of the shares held by each Shareholder;
- (5) the date on which a person registers as a Shareholder;

(6) the date on which a person ceases to be a Shareholder.

The register of Shareholders shall be the sufficient evidence for the Shareholders' shareholding in the Company, unless there is evidence to the contrary.

Article 42 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign-invested shares outside PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas-listed foreign invested shares listed in Hong Kong shall be maintained in Hong Kong and shall be open for inspection by Shareholders. However, the Company may exercise the provision equivalent to the power to close the register of members under section 632 of the Companies Ordinance of the Laws of Hong Kong to suspend the registration of Shareholders. The Company shall place a duplicate of the shareholder register for overseas listed foreign shares at the Company's domicile; the entrusted overseas agent(s) shall guarantee the original copy and the duplicate of the shareholder register of holders of overseas-listed foreign invested shares consistent with each other. If there is inconsistency between the original and the duplicate, the original copy shall prevail.

Article 43 The Company shall maintain a complete register of members.

The register of Shareholders shall include the following:

- (1) the register of Shareholders maintained at the domicile of the Company (other than those parts as described in items (2) and (3) of this Article);
- (2) the register of members in respect of the holders of overseas-listed foreign-invested shares of the Company maintained at the place where the overseas stock exchange where the shares are listed is located;
- (3) the register of Shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 44 Different parts of the register of Shareholders shall not overlap with one another. All transfer of the Company's shares shall be registered at the relevant part of the register. No transfer of shares registered in any part of the register shall, during the continuance of that registration, be registered in other part of the register. All fully paid-up overseas-listed foreign-invested shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association. However, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer fulfils the following conditions: A fee of HK\$2 or such higher fees as agreed by the Hong Kong Stock Exchange has been paid to the Company for registering the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares;

- (1) the instrument of transfer involves only the overseas-listed foreign-invested shares listed in Hong Kong;
- (2) the stamp duty payable on the instrument of transfer has been paid;
- (3) the relevant share certificates and any other evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;
- (4) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four (4);
- (5) the relevant shares are not attached with lien of the Company.

Alteration or rectification of each part of the register of members shall be made in accordance with the laws of the place where the different part of the register of members is maintained.

Article 45 Where the laws, administrative regulations, departmental rules, regulatory documents and the relevant stock exchanges or regulatory authorities of the place(s) where the shares of the Company are listed stipulate on the period of closure of the register prior to the holding of a shareholders' meeting or prior to the record date for the determination of dividend distribution by the Company, such provisions shall prevail.

Article 46 When the Company intends to convene a shareholders' meeting, distribute dividends, liquidate and engage in other activities that requires the determination of shareholdings, the Board or the convener of the shareholders' meeting shall determine the record date. Shareholders whose names appear in the register of members at the close of trading on the record date are entitled to the relevant rights of Shareholders.

Article 47 Any person who objects to the register of members and requests to have his name entered in or removed from the register of members may apply to a court of competent jurisdiction for rectification of the register.

Article 48 Any Shareholder who is registered in, or any person who requests to have his name entered in, the register of Shareholders may, if his share certificates (the "original certificates") are lost, apply to the Company for a replacement share certificate in respect of such shares (the "relevant shares"). If a holder of the domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the provisions of Article 164 of the Company Law. If a holder of overseas-listed foreign-invested shares loses his share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange and other relevant regulations of the place where the original register of holders of overseas-listed foreign-invested shares is maintained.

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

- (1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarized certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the Shareholder in respect of the relevant shares.
- (2) No declaration has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement certificate;
- (3) The Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; The announcement shall be made at least once every thirty (30) days in a period of ninety (90) days.
- (4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days. In case an application to issue a replacement certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered Shareholder a copy of the announcement to be published.

If, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application.

Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original certificate and enter the cancellation and issue in the register of Shareholders accordingly.

All expenses relating to the cancellation of an original certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 49 Where the Company issues a replacement certificate pursuant to the Articles of Association of the Company, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a Shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of members.

Article 50 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

CHAPTER 8 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 51 The Company shall establish the register of members according to the certificates provided by security registration institutions. The register of members is the sufficient evidence to prove the holding of the shares of the Company by the Shareholders.

A Shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class of shares he holds. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Article 52 The Shareholders of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to request, convene, preside, attend or appoint a proxy to attend shareholders' meetings and to exercise the corresponding voting right in accordance with the laws;
- (3) the right to supervise the business of the Company and to put forward proposals and raise inquiries;
- (4) the right to transfer, give or pledge their shares in accordance with laws, administrative regulations, and the Articles of Association, transfer of overseas listed foreign invested shares shall in accordance with the listing rules of the stock exchange where shares of the Company are listed.
- (5) the right to require the Company to buy back their shares in the event of their objection(s) to resolutions of the shareholders' meetings concerning merger or division of the Company;
- (6) the right to obtain relevant information in accordance with the provisions of the Articles of Association of the Company, including:
 - (I) the right to inspect and copy the Articles of Association, subject to payment of the cost of such copy;

- (II) the right to inspect and copy, subject to payment of a reasonable charge:
 - (I) all parts of the register of members;
 - (II) personal particulars of each of the Company's Directors, Supervisors, president and other senior management members including:
 - (a) present name and alias and any former name and alias;
 - (b) principal address (residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations;
 - (e) identification document and its number.
 - (III) report on the status of the Company's share capital;
 - (IV) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;
 - (V) minutes of shareholders' meetings;
 - (VI) counterfoils of corporate debentures;
 - (VII) resolution at the Board meeting;
 - (VIII) resolution at the supervisory committee meeting;
 - (IX) financial and accounting report. If a Shareholder who holds individually or collectively more than 3% of the shares of the Company for more than 180 consecutive days may request to review the accounting books and accounting vouchers of the Company.
- (7) Shareholders shall have the right to know about and the right to participate in major matters of the Company set forth in the laws, administrative regulations and Articles of Association.
- (8) The Shareholders have right to protect their interests and rights through civil litigation or other legal means in accordance with laws and administrative regulations.

In the event the resolutions of shareholders' meetings or the resolutions of the Board are in breach of laws and administrative regulations, the Shareholders shall have the right to request the court to hold such resolutions null and void. In case the convening and voting procedures of the shareholders' meetings or Board are in breach of laws, administrative regulations or this Articles of Association, or the content of the resolutions are in breach of the Articles of Association, the Shareholders shall have right to request the court to revoke such resolutions within sixty (60) days as of the date of resolutions made, unless there is only a slight defect in the procedure of convening or the method of voting at the shareholders' meetings or Board meetings, which has no substantive impact on the resolution.

The Directors and senior managers of the Company shall bear the liability of compensation in cases where they violate laws, administrative regulations or this Articles of Association and cause damages to the Company during the performance of their duties.

Shareholders who individually or jointly hold more than 1% shares of the Company for successive 180 days shall have the right to request the supervisory committee in writing to institute the legal proceedings in the People's Court. Where the supervisors are in breach of laws, administrative regulations or this Articles of Association and cause losses to the Company during the performance of their duties, the Shareholders shall have right to ask the Board in writing to institute the legal proceedings in the People's Court. Where the supervisory committee or Board, after receiving the written request of the Shareholders, refuse to institute the legal proceedings, or fail to institute the legal proceedings within 30 days after receiving the requisition, or the Company's rights and interests may be damaged beyond remedy in the case of emergency if no legal action is taken, the foregoing Shareholders shall, for the purpose of protecting the Company's rights and interests, institute the legal proceedings in the People's Court in their own name.

Where the others infringe the Company's legitimate rights and interests and cause losses to the Company, Shareholders who individually or jointly hold more than 1% shares of the Company for more than 180 days continuously shall institute the legal proceedings in the People's Court in accordance with the aforementioned provisions. In case the Directors and senior managers violate the laws, administrative regulations or the Articles of Association and cause damage to the interests of the Shareholders, the Shareholder may institute the legal proceedings in the People's Court.

If the Directors, supervisors or senior management of a wholly-owned subsidiary of the Company are involved in any of the circumstances set forth in the preceding paragraph, or if any other person infringes upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and causes losses, Shareholders who have held, individually or in the aggregate, more than 1% of the shares of the Company for more than 180 consecutive days may, in accordance with the provisions of the preceding paragraphs, request, in writing, that the supervisory committee or the Board of the wholly-owned subsidiary institute legal proceedings in the people's court, or directly institute legal proceedings in their own names in the people's court.

- (9) Whenever the Company terminates or liquidates, the Shareholder shall participate in the distribution of the rest properties of the Company in proportion to the shares they hold;
- (10) Other rights conferred by the laws, administrative regulations and the Articles of Association.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding paragraph shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the Shareholder's identity, the Company shall provide such information at the Shareholder's request. Shareholders requesting review the accounting books and accounting vouchers of the Company shall submit a written request to the Company stating the purpose thereof. If the Company has reasonable grounds to believe that the Shareholder's requests to review the accounting books and accounting vouchers has improper purposes and may impair the legitimate interests of the Company, it may reject

the request of the Shareholder to review the accounting books and accounting vouchers and shall, within 15 days from the Shareholder's written request, respond to the Shareholder in writing, which shall include an explanation. If the Company rejects the request of any Shareholder to review the accounting books and accounting vouchers, the Shareholder may initiate proceedings in the people's court.

The Shareholder may retain an accounting firm, a law firm, or other intermediaries to review the materials specified in the preceding paragraph.

The Shareholder and the accounting firm, the law firm, or other intermediaries retained by it shall comply with the provisions of the laws and administrative regulations relating to the protection of state secrets, commercial secrets, personal privacy and personal information, etc., when reviewing and duplicating the relevant material.

If a Shareholder requests to review or duplicate the relevant materials of the Company's wholly-owned subsidiaries, the above four provisions shall apply.

Article 53 The Shareholders of the Company shall be liable for the following responsibilities: abide by the laws, administrative regulations and Articles of Association;

- (1) abide by the laws, administrative regulations and Articles of Association;
- (2) contribute the capital according to the shares subscribed and type of capital contribution;
- (3) not to withdraw shares unless otherwise permitted under the circumstances stipulated in the laws and regulations;
- (4) not to abuse the rights of Shareholders to damage the rights and interests of the Company or other Shareholders. The Shareholders of the Company, whoever abuse the Shareholders' rights and causes losses to the Company or other Shareholders, shall be liable for compensation. Where the Shareholders abuse the independent status of the Company's legal person and the Shareholders' limited liabilities and evade the repayment of debts, severely damaging the creditors' rights and interests of the Company, he shall bear joint liabilities for the debts of the Company. If a Shareholder, through two or more companies under his control, commits an act under the preceding paragraph, each company shall be jointly liabilities for the debts of any one of the companies.
- (5) Other liabilities to be responsible for stipulated in the laws, administrative regulations and the Articles of Association.

Article 54 Where the Shareholders holding more than 5% of the voting shares pledge with the shares he holds, he shall, on the date of such fact happens, report to the Company in writing.

Article 55 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange where shares of the Company are listed, a controlling Shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the Shareholders of the Company:

- (1) to relieve a Director or supervisor of his duty to act honestly in the best interests of the Company;
- (2) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person), in any guise, of the Company's assets, including (without limitation) opportunities beneficial to the Company;
- (3) to approve the expropriation by a Director or supervisor (for his own benefit or for the benefit of another person) of the individual rights of other Shareholders, including (without limitation) rights to distributions and voting rights save for a company restructuring submitted to the shareholders' meeting for approval in accordance with the Articles of Association of the Company.

Article 56 The controlling Shareholder referred to Shareholder who holds more than 50% of the Company's total share capital or Shareholder whose share proportion is less than 50% of the Company's share capital but whose voting rights have significant influence on the resolution of the shareholders' meeting.

The actual controller referred to anyone who can actually control the actions of the Company through investment relationships, agreements or any other arrangements.

Article 57 Any controlling Shareholders, actual controllers, Directors, supervisors or senior managers of the Company shall not use connected relationship to impair the interests of the Company. In the event that violation of preceding paragraph results in damage to the Company, such person shall be liable for compensation. The controlling Shareholders and actual controllers of the Company owe a duty of good faith towards the Company and the Shareholders of the public shares. The controlling Shareholders shall strictly comply with laws and regulations while exercising their rights as investors, and shall be prevented from damaging the legal rights and interests of the Company's and Shareholders of the public shares, by means such as connected transactions, profits distribution, assets restructuring, investment abroad, collateral loan, or from taking advantage of their controlling position to damage the rights and interests of the Company and the Shareholders of the public shares.

The controlling Shareholders and de facto controllers of the Company shall not intervene in the normal decision-making procedures of the Company in violation of laws, regulations, departmental rules, business rules and the Articles of Association, to the detriment of the legitimate rights and interests of the Company and other Shareholders, shall not set up approval procedures for the results of the Shareholders' meeting on the election of personnel and the resolution of the Board on the appointment of personnel, shall not intervene in the normal procedures for the election and appointment of senior management personnel, and shall not directly appoint or remove senior management personnel over and above the Shareholders' meeting and the Board.

A controlling Shareholder or de facto controller of a company who instructs director or senior management personnel to engage in acts detrimental to the interests of the Company or its Shareholders shall be jointly and severally liable with such director or senior management personnel.

CHAPTER 9 SHAREHOLDERS' MEETING

Article 58 The shareholders' meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 59 The shareholders' meeting may exercise the following functions and powers:

- (1) to elect and remove Directors who are not employee representatives, dismiss Directors and to decide on matter relating to the remuneration of the relevant Directors;
- (2) to elect, remove and dismiss supervisors who are not employee representatives, and to decide on matter relating to the remuneration of the relevant supervisors;
- (3) to consider and approve the reports of the Board;
- (4) to consider and approve the reports of the Supervisory Committee;
- (5) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (6) to adopt resolutions on any increase or reduction of registered capital of the Company;
- (7) to adopt resolutions on merger, division, dissolution, and liquidation, or change in corporate form of the Company;
- (8) to adopt resolutions on the issue of debentures of the Company;
- (9) to adopt resolutions on the appointments or dismissals of accounting firms;
- (10) to amend the Articles of Association of the Company;
- (11) to consider the temporary proposals submitted by Shareholders who individually or collectively hold more than 1% (including 1%) of the Company's voting shares;
- (12) to consider and approve the guarantees provided in Article 60;
- (13) to consider the acquisition or disposal of any major assets within one year, the amount of which exceeds 30% of the total assets of the Company;
- (14) to consider the change of use of proceeds from capitals raised;

- (15) to consider the adoption of share incentive scheme and employee stock ownership plans;
- (16) to consider such other things required by laws, administrative regulations, departmental rules or the Articles of Association to be resolved by shareholders' meeting;
- (17) to authorize or delegate to the Board to attend to deal with the authorized or entrusted matters other than the above.

The Board may be authorized by the shareholders' meeting to adopt resolutions on the issuance of corporate bonds.

Article 60 Any of the Company's following guarantee activities shall be approved by the shareholders' meeting:

- (1) Any of the external guarantee provided after the total guaranteed amount of the Company and its controlling subsidiaries to the any other party exceed 50% of the Company's latest audited net assets;
- (2) Any of the external guarantee provided after the total guaranteed amount of the Company and its controlling subsidiaries exceed 30% of the Company's latest audited net assets;
- (3) In accordance with the principle of cumulative calculation of the guarantee amount within 12 consecutive months, the guarantees exceeding 30% of the Company's latest audited total assets;
- (4) Providing the guarantee for the guaranteed object, whose the ratio of liabilities to assets exceeding 70%;
- (5) The amount of single guarantee exceeds 10% of the latest audited net assets;
- (6) Providing the guarantee for the Shareholders, actual controllers and it connected parties.
- (7) Other guarantee circumstances stipulated by laws, regulations, regulatory documents or the Articles of Association of the Company.

The aforesaid external guarantees which shall be approved by the Shareholders' meeting must be considered and approved by the Board before they are submitted to the Shareholders' meeting for approval. When the Shareholders' meeting deliberates on the guarantees referred to in item (II) of this Article, it must be approved by more than two-thirds of the voting rights held by the Shareholders present at the meeting.

The Board shall have the right to consider and approve external guarantees other than those mentioned above that require the approval of the Shareholders' meeting.

Where the Company provides guarantees for Shareholders, de facto controllers and their related parties, the controlling Shareholders, de facto controllers and their related parties shall provide counter-guarantees.

Article 61 Unless the Company is in a crisis or under any other exceptional circumstance, and the approval by a special resolution is obtained at a shareholders' meeting, the Company shall not enter into any contract with any party other than the Directors, president and other senior management members pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 62 Shareholders' meetings shall be annual shareholders' meetings and extraordinary shareholders' meetings. A shareholders' meeting shall be convened by the Board. The annual shareholders' meeting shall be held once every accounting year within six (6) months after the end of the previous accounting year.

The Company shall convene an extraordinary shareholders' meeting within two (2) months upon the date of the occurrence of one of the following circumstances:

- (1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;
- (2) the uncovered losses account for one third of the Company's total share capital;
- (3) Shareholders individually or jointly holding more than 10% (including 10%) shares of the Company request;
- (4) the Board considers it necessary or the Supervisory Committee proposes to convene such a meeting;
- (5) other circumstances as required by laws, administrative regulations, departmental rules or this Articles of Association.

Article 63 When the Company convenes an annual shareholders' meeting, a notice shall be given twenty (20) business days prior to the date of the meeting, and when the Company convenes an extraordinary shareholders' meeting, a notice shall be given ten (10) business days or fifteen (15) days (whichever is longer) prior to the date of the meeting.

The shareholders' meeting shall have a venue and be held on-site. The Company shall also provide voting by way of internet voting to facilitate the participation of Shareholders in the shareholders' meeting. The convening and voting of the shareholders' meeting of the Company may be conducted by electronic communication, provided that the Company shall specify the detailed participation manners for electronic communication in the notice. A Shareholder who participated in a shareholders' meeting in the aforesaid manners shall be deemed to have been present at the meeting. The same voting right can only be exercised by electing to vote at the scene or via internet or other ways of voting. In the event that the same voting right has been exercised twice, the result of the first voting shall prevail.

At any shareholders' meeting, voting shall be conducted by open ballot.

The Board and other conveners shall take necessary measures to ensure the normal order of the shareholders' meeting. It/they will take measures to halt acts that disrupt the shareholders' meeting, seek to cause trouble or infringe upon the lawful rights and interests of Shareholders and promptly report the same to the relevant authorities to investigate and deal with the matters.

Article 64 The Company shall employ the lawyers to issue legal opinions and make the announcements while holding the shareholders' meeting:

- (1) Whether the meeting convening and holding procedure conform to the laws, administrative regulations and the Articles of Association;
- (2) Whether the qualifications of the persons attending the meeting and convener are valid and effective;
- (3) Whether the voting procedure and voting result of the meeting are valid and effective;
- (4) The legal opinions on other issues as required by the Company.

Article 65 While convening the shareholders' meeting, the Board, supervisory committee and Shareholders alone or in aggregate holding more than 1% of the shares of the Company have right to make a proposal.

The Shareholders alone or in aggregate holding more than 1% (including 1%) of the shares of the Company can make a temporary proposal and submit in writing to the Board ten (10) days prior to the date of the shareholders' meeting. Provisional proposals shall have clear agenda and specific resolutions. The Board shall issue a supplementary notice of the shareholders' meeting within two (2) days upon the receipt of the proposal and make a public announcement of the contents of such temporary proposal, and submit the same to the shareholders' meeting for consideration, unless the provisional proposal violates the laws, administrative regulations or provisions of the Articles of Association, or does not fall within the scope of the functions and powers of the shareholders' meeting. The Company shall not increase the shareholding of Shareholders who submit the provisional proposal.

Unless in the circumstance herein above, the convener may not, after publishing the notice of the shareholders' meeting, make any change to the motions set forth in such notice or add any new motions.

Contents of the temporary proposal shall fall within the scope of authority of the shareholders' meeting, and set out specific subject and matters to be resolved.

Article 66 The motion in the shareholders' meeting shall meet the following conditions:

- (1) Its content shall not contravene the laws, administrative regulations and the Articles of Association and be in the business scope of the Company and duty scope of the shareholders' meeting;
- (2) There is definite topics and specific resolved items;
- (3) The proposal is submitted or delivered to the Board in writing.

While examining the motion, the shareholders' meeting shall not amend the motion; otherwise, the relevant amendment shall be deemed as a new motion and shall not be voted in this shareholders' meeting.

Article 67 Where the Board decides not to include the motion of the shareholders' meeting in the meeting agenda, the Board shall make the explanation and statement in the shareholders' meeting and make the announcement of the proposed content, statement of the Board and resolutions of shareholders' meeting after the shareholders' meeting is finished.

Article 68 In case the Shareholders proposing the motion disagrees with the decision that the motion is not included in the shareholders' meeting, he may require convening the extraordinary shareholders' meeting according to the provisions of the Articles of Association.

Article 69 The independent Directors have right to propose to the Board to convene the extraordinary shareholders' meeting. Whenever the independent Director requires convening the extraordinary shareholders' meeting, the Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give the written feedback on whether agreeing to convene the extraordinary shareholders' meeting or not within ten (10) days after receiving such proposal.

Where the Board agrees to convene the extraordinary shareholders' meeting, the Board shall send out the notice of the shareholders' meeting within five (5) days after making the resolutions; where the Board disagrees to convene the extraordinary shareholders' meeting, the Board shall make the explanation and announcement.

Article 70 The supervisory committee have right to propose to the Board to convene the extraordinary shareholders' meeting and shall propose in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, give the written feedback on whether agreeing to convene the extraordinary shareholders' meeting or not within ten (10) days after receiving such proposal.

Where the Board agrees to convene the extraordinary shareholders' meeting, the Board shall send out the notice of the shareholders' meeting within five (5) days after making the resolutions and any change of the original proposal in the notice shall be approved by the supervisory committee.

Where the Board disagreeing to convene the extraordinary shareholders' meeting, or failure to give feedback within ten (10) days after receiving the proposal shall be deemed as unable to or failure to convene the shareholders' meeting and the supervisory committee is entitled to convene and preside over a shareholders' meeting independently.

Article 71 The Shareholders individually or jointly holding more than 10% shares of the Company, have right to request the Board to convene the extraordinary shareholders' meeting and shall make the proposal to the Board in writing. The Board shall, in accordance with the laws, administrative regulations and the Articles of Association, make a decision on whether agreeing to convene the extraordinary shareholders' meeting or not within ten (10) days after receiving such proposal and shall give a written reply to the Shareholders.

Where the Board agrees to convene the extraordinary shareholders' meeting, the Board shall send out the notice of the shareholders' meeting within five (5) days after making the resolutions and any change of the original request in the notice shall be approved by the relevant Shareholders.

Where the Board disagrees to convene the extraordinary shareholders' meeting, or fails to give feedback within ten (10) days after receiving the proposal, Shareholders individually or jointly holding more than 10% shares of the Company have right to propose to the supervisory committee to convene the extraordinary shareholders' meeting and shall make such proposal in writing. The supervisory committee shall make a decision on whether to convene an extraordinary shareholders' meeting within ten (10) days from the date of receipt of the request, and shall give a written reply to the Shareholders.

Where the supervisory committee agrees to convene the extraordinary shareholders' meeting, the supervisory committee shall send out the notice of the shareholders' meeting within five (5) days after receiving the proposal and any change of the original request in the notice shall be approved by the relevant Shareholders.

Where the supervisory committee failure to send out such notice within the prescribed term shall be deemed as unable to or failure to convene the shareholders' meeting, the Shareholders individually or jointly holding more than 10% shares of the Company for more than ninety (90) consecutive days are entitled to independently convene and preside over a shareholders' meeting.

Article 72 Whenever deciding to convene the shareholders' meeting, the supervisory committee or Shareholders shall notify the Board and apply to the stock exchange for filing.

Prior to making the announcement of resolutions of shareholders' meeting, the Shareholders who convene the meeting shall hold no less than 10% shares of the Company. While sending out the notice of shareholders' meeting and making the announcement of resolutions of shareholders' meeting, the supervisory committee or Shareholders who convene the meeting shall apply to the stock exchange for filing.

Article 73 The Board and secretary to the Board shall provide full cooperation for the shareholders' meeting convened by the supervisory committee or Shareholders and the Board shall provide the register of members as of the record date.

Article 74 Where the supervisory committee or Shareholders convenes the shareholders' meeting, all the expenses for the meeting shall be borne by the Company.

Article 75 Proposals which are not listed in the notice of the shareholders' meeting or are inconsistent with the requirements of Article 66 hereof shall not be voted on and passed as resolutions by the shareholders' meeting.

Article 76 A notice of the shareholders' meeting shall meet the following requirements:

- (1) in written form;
- (2) specifying the place, date and time of the meeting;
- (3) stating the matters and proposals to be discussed at the meeting;
- (4) providing Shareholders with such information and explanation as are necessary for them to make an informed decision in respect to the matters to be discussed. This principle shall include (but not limited to) where the Company proposes to merge, repurchase its shares, restructure share capital or undergo other reorganization. The specific conditions and contracts (if any) of the proposed transactions must be provided and the reasons and effects of the same must be properly explained;
- (5) if any Director, supervisor, president and other senior management members have material interests in the matters subject to discussion, the nature and extent of such material interests shall be disclosed, and if the effect of the proposed matters on such Director, supervisor, president and other senior management members in their capacity as Shareholders is different from that of other Shareholders of the same class, the differences shall also be specified;
- (6) containing full text of any special resolution to be proposed at the meeting for consideration and approval;
- (7) containing a clear statement that all holders of ordinary shares (including holders of preference shares with voting rights restored) have right to attend the shareholders' meeting, a Shareholder who has the right to attend and vote at the meeting shall have the right to appoint one or more proxies in writing to attend and vote at the meeting on his behalf and that such proxies need not be a Shareholders;
- (8) stating the date and place for the service of the proxy forms for the meeting;
- (9) stating the equity registration date for determining the entitlement to attend the shareholders' meetings;
- (10) stating the name and contact number of the standing contact person for the affairs of the meeting;

- (11) stating the time and procedure for voting online or through other means;
- (12) where the shareholders' meeting proposes to consider the election of a Director or supervisor, the notice of the meeting shall fully disclose the details of Director or supervisor candidate(s), which shall at minimum include the following:
 - (1) personal information, such as their education background, working experiences and concurrent positions, etc.;
 - (2) whether they have a related party relationship with the Company or its controlling shareholder or de facto controller;
 - (3) disclose the number of the Company's shares they held;
 - (4) whether they have been punished by the China Securities Regulatory Commission or other related administrative departments or been reprimanded by any stock exchange.

Except the election of Directors and supervisors by means of cumulative voting, election of each Director and supervisor candidate shall be conducted by a separate proposal.

Article 77 A notice of the shareholders' meeting shall be dispatched to Shareholders (regardless of their voting rights at the shareholders' meeting) by way of announcement and/or personal delivery or by pre-paid mail. The addresses of the recipients shall be such addresses as shown in the register of members.

The announcement referred to in the preceding paragraph shall be published in accordance with the notice period as stipulated in this Articles of Association at the websites of the Company and/or stock exchanges of the listing places, and in one or more newspapers and journals designated by competent securities authorities of the State Council or by other means as permitted by the competent securities authorities of the State Council from time to time. Once announced, published or issued, all the Shareholders shall be deemed to have received the relevant notice of the shareholders' meeting.

Article 78 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed thereat.

Article 79 Any Shareholder entitled to attend and vote at the shareholders' meeting (i.e. a Shareholder holding or representing shares with voting rights) may exercise the following right:

- (i) the right to speak at the meeting;
- (ii) the right to vote at the meeting;
- (iii) have authority to demand or, jointly with others, in demanding a poll;

Unless individual Shareholders are required by Article 105 to abstain from voting on any particular resolutions.

Hong Kong Securities Clearing Company Limited shall be entitled to appoint proxies or corporate representatives to attend the Company's shareholders' meetings, and those proxies or corporate representatives shall enjoy the statutory rights equivalent to the rights of other Shareholders, including the right to speak and vote, as well as the same rights as other creditors of the same class in the event of dissolution and liquidation of the Company.

Any Shareholder entitled to attend and vote at the shareholders' meeting shall also have the right to appoint one or several persons (who may not be Shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy/proxies so appointed by the Shareholder shall exercise the following rights:

- (1) have the same right as the Shareholder to speak at the meeting;
- (2) have authority to demand or, jointly with others, in demanding a poll.

The proxy/proxies have the right to vote by hands or on a poll. Where more than one proxy is appointed, the proxies may only exercise the voting right on a poll.

Article 80 The Shareholders shall appoint a proxy in writing and the proxy form shall be signed by the principal or by the representative authorized in writing. Where the principal is the legal person, the proxy form shall be affixed with the common seal or its Director or the duly authorized officer. Such proxy form shall state clearly the number of shares he represents for the principal.

Article 81 An individual Shareholder who attends a meeting in person shall produce his own identity card or other valid documents or proof evidencing his or her identity and his or her stock account card. A proxy who has been appointed to attend the meeting on another's behalf shall produce his own identity card, the instrument of authorization from the Shareholder.

A legal person Shareholder shall be represented at a meeting by its legal representative or a proxy entrusted by such legal representative. If the legal representative or the proxy entrusted by such legal representative attends the meeting, the legal person Shareholder shall be treated as being present at any meeting in person. Where the legal representative attends the meeting, he shall produce his own identity card, valid proof of his legal representative status. When a proxy is entrusted by such legal representative to attend the meeting, such proxy shall produce his own identity card, a lawful written power of attorney issued by the legal representative of the legal person Shareholder.

Article 82 The proxy form by which a Shareholder appoints another person to attend a shareholders' meeting shall specify the following particulars:

- (1) Name of the representative;
- (2) Whether the representative has right to vote;

- (3) Instructions on whether to vote in favour of or against or abstain on each motion included in the agenda of the shareholders' meeting;
- (4) Signature date and valid term of the power of attorney;
- (5) The signature (or seal) of the principal; if the principal is a legal person Shareholder, the power of attorney shall bear the seal of the legal person.

The power of attorney shall specify whether the representative may vote at his own discretion in the absence of specific instructions from the Shareholder.

Article 83 If the power of attorney is signed by a person under a power of attorney on behalf of the appointer, the power of attorney or other authorization documents authorized to be signed shall be notarized. A notarized power of attorney or other authorization documents, together with the proxy form, are all required to be deposited at the legal residence of the Company or other places specified in the notice of meeting. Where the appointer is a legal person, its legal representative or other persons authorized by the resolutions of the Board or other decision-making organ to act as its representatives may attend the shareholders' meeting of the Company as a representative of the appointer.

Article 84 The Company is responsible for compiling the meeting attendance register of the personnel attending the meeting. The meeting attendance register states clearly names of personnel (or unit names) attending the meeting, ID card numbers, addresses, numbers of shares held and represented and names of the appointers (or unit names).

The convener and the lawyer retained by the Company shall jointly verify the legal qualification of Shareholders according to the register of members provided by the securities registration and clearing institution(s), and register the names of the Shareholders and the numbers of voting shares held by them. The registration process shall end before the chairman of the meeting announces on site the number of Shareholders and proxies that attend the meeting, and the number of their voting shares.

Article 85 Any form issued to a Shareholder by the Board for use by him for appointing a proxy shall allow the Shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting. Such letter of authorization shall contain a statement that in the absence of instructions by the Shareholder, his proxy may vote as he thinks fit.

Article 86 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid provided that no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 87 After sending out the notice on convening the shareholders' meeting, other than the reasons of force majeure or other accidents, the Board shall not change the time of shareholders' meeting; In the event of changing the time of shareholders' meeting due to force majeure, the record date shall not be changed thereby. Once the notice of the shareholders' meeting is issued, such meeting shall not be postponed or cancelled, nor

any proposal listed on the notice be canceled without a legitimate reason. In the case of a postpone or cancellation, the convener shall, at least two (2) trading days prior to the originally scheduled date for the meeting, publish an announcement and explain the reason.

Article 88 If the representative attends the shareholders' meeting on the behalf of the Shareholder, he shall produce his own identity card, and the power of attorney signed by the principal or the legal representative of the principal. The power of attorney shall specify the issuing date clearly. Where the legal person Shareholder appoints its legal representative to attend the meeting, the legal representative shall produce his own identity card and the certified true copy of the resolution of the Board and other similar authority of the legal person on appointment of the legal representative.

All Directors, supervisors and secretary to the Board shall attend shareholders' meetings, and the president and other senior management members shall be present at the shareholders' meetings.

Article 89 Shareholders' meetings may either be ordinary resolutions or special resolutions.

Ordinary resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the Shareholders (including proxies) attending. Special resolutions of the shareholders' meeting shall be adopted by more than two-thirds of the voting rights held by the Shareholders (including proxies) attending. The Shareholders (including proxies) attending shall clearly indicate to support or oppose to each item to be voted. Abstention and abstain from voting shall not be treated as the votes while the Company calculating the voting result on such item.

Article 90 A Shareholder (including proxy) when voting at a shareholders' meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote. When material issues affecting the interests of minority investors are considered at the shareholders' meeting, the votes of minority investors shall be counted separately. The result of separate vote counting shall be disclosed publicly in a timely manner. The Company shall have no voting rights for the shares that it holds, which are not counted in the total number of shares with voting rights attending the shareholders' meeting.

If a Shareholder purchases voting shares of the Company in violation of the provisions of Article 63(1) and (2) of the Securities Law, such shares in excess of the prescribed proportion shall not be entitled to exercise voting rights for a period of thirty-six (36) months after the purchase, and shall not be counted in the total number of voting shares represented by Shareholders attending the shareholders' meeting.

The Board, independent Directors and Shareholders holding more than one percent of the shares with voting rights or investor protection institutions established according to laws, administrative regulations or provisions of the securities regulatory authority under the State Council may openly solicit from Shareholders the rights to vote. When collecting from other

Shareholders the rights to vote, adequate information such as specific voting intention shall be provided to persons whose voting rights are being solicited.

It is prohibited to publicly collect voting rights from Shareholders by paying consideration or de facto consideration. Except for statutory conditions, the Company shall not impose any minimum shareholding limitation for soliciting voting rights.

Article 91 Voting at a shareholders' meeting shall be decided by a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:

- (1) the chairman of the meeting;
- (2) At least two (2) Shareholders entitled to vote in person or proxies with voting rights;
- (3) one or more Shareholders (including proxy) individually or jointly holding more than 10% (including 10%) of all shares carrying right to vote at the meeting. Unless a poll is demanded, a declaration by the chairman that a resolution has been passed by a show of hands and the record of such in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution. The demand for a poll may be withdrawn by the person who makes such demand.

Article 92 A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

Article 93 If a poll is taken at a meeting, a Shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

In addition to the cumulative voting system, the shareholders' meeting shall resolve on all the proposals separately; in the event of several proposals for the same issue, such proposals shall be voted on and resolved in the order of time at which they are submitted. Unless the shareholders' meeting is adjourned or no resolution can be made for special reasons such as force majeure, voting of such proposals shall neither be put aside nor denied at the shareholders' meeting.

Article 94 The following matters shall be resolved by an ordinary resolution at a shareholders' meeting:

- (1) work reports of the Board and the Supervisory Committee;
- (2) plans formulated by the Board for distribution of profits and for making up losses;
- (3) the appointment and removal of members of the Board and the Supervisory Committee and their remuneration and payment methods;
- (4) the Company's annual report;
- (5) matters other than these required by this laws and administrative regulations or by this Articles of Association to be adopted by special resolutions.

Article 95 The following matters shall be resolved by a special resolution at a shareholders' meeting:

- (1) increase or reduction of the registered capital and issue of shares of any class, stock warrants or other similar securities;
- (2) issuance of corporate debentures;
- (3) the division, merger, spin-off, change of the Company's form, dissolution, liquidation and voluntary winding up of the Company;
- (4) amendments to the Articles of Association;
- (5) The major assets sold or acquired within one (1) year or the guaranteed amount provided to others exceeds 30% of the Company's total assets;
- (6) Share incentive scheme.
- (7) other matters stipulated by laws, administrative regulations or the Articles of Association and approved at the shareholders' meeting, by an ordinary resolution, which may have a material impact on the Company and therefore require to be adopted by a special resolution.

Article 96 If it falls into the circumstances set forth above, after sending out the notice of shareholders' meeting, the Company shall give the notice of shareholders' meeting again within three (3) days after the record date.

Article 97 The following items shall be resolved in the shareholders' meeting and more than half of the public Shareholders attending with the voting rights, before they shall be implemented or applied for:

- (1) Unless otherwise stipulated in the laws and regulations, the Company issues additional new shares to the public (including the issue of overseas-listed foreign-invested shares listed abroad or other warrants), issues convertible bonds and places shares to the existing Shareholders (except the Shareholders with actual controlling right promise to subscribe in cash before the meeting);
- (2) Major assets restructuring of the Company. The total purchase price of the acquired assets is or exceeds 20% of the audited net book value of the purchased assets;
- (3) The Shareholder of the Company repays the debts he owes to the Company with the Company's equity held by him;
- (4) The subsidiary that has significant impact on the Company is listed overseas;
- (5) The relevant items that have significant impact on the interest of the public Shareholders during the development of the Company.

Article 98 The Company shall, subject to the valid and effective shareholders' meeting, enlarge the proportion of public Shareholders attending the shareholders' meeting by various forms and means and the modern information technology methods such as the network voting platform etc.

Article 99 Shall the Shareholders propose the convening of an extraordinary shareholders' meeting or a class meeting, the following procedures shall be followed:

On the basis of one share for one vote, Shareholders holding in individual or aggregate more than 10% (including 10%) of the voting shares at a proposed meeting may request the Board to convene such extraordinary shareholders' meeting or class meeting by signing and submitting one or several written requisitions with the same format and contents in which the matters for consideration at the meeting shall be set out clearly; the Shareholder(s) shall be able to add resolutions to a meeting agenda. An extraordinary shareholders' meeting or a class meeting shall be convened by the Board as soon as practicable after receipt of the aforesaid written requisitions. The number of relevant voting shares aforesaid shall be calculated as on the date of deposit of such written requisition. If the Board fails to issue a notice of such meeting within thirty (30) days after receipt of the aforesaid written request, the Shareholders submitting such request may convene such meeting by themselves within four (4) months after the Board's receipt of such request in which case, the convening procedures shall, as far as practicable, follow the procedure for convening a shareholders' meeting by the Board. Reasonable expenses incurred by Shareholders in convening and holding such meeting due to the Board's failure to convene such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the defaulting Director(s).

Article 100 The shareholders' meeting shall be hosted by the Chairman (who serves as the chairman of the meeting). Where the Chairman is unable to or refuses to perform his or her duties, the shareholders' meeting shall be hosted by the vice chairman (in case of two or more vice chairmen in the Company, the vice chairman elected by more than half of Directors shall host the meeting). Where the vice chairman is unable to or refuses to perform his or her duties, more than half of Directors shall jointly elect one Director to host. Where the supervisory committee convenes the shareholders' meeting, such shareholders' meeting shall be presided over by the chairman of the supervisory committee. Where the Chairman is unable to or refuses to perform his or her duties to convene a shareholders' meeting, the shareholders' meeting shall be convened and presided over by the vice chairman. Where the vice chairman is unable to or refuses to perform his or her duties to convene a shareholders' meeting, more of half of supervisors shall jointly elect one representative to preside over. Where the shareholders' meeting is convened by the Shareholders, the conveners shall recommend the representative to preside over the meeting.

Where the chairman of the meeting violates the rules of procedure and results in the shareholders' meeting cannot continue, the shareholders' meeting may, with the approval of more than half of the Shareholders attending the shareholders' meeting, elect one person to preside over and continue the meeting.

Article 101 Unless it is related to the Company's trade secrets that could not be disclosed in the shareholders' meeting, the Directors, supervisors, senior management members shall respond to or explain on the Shareholders' inquiry or recommendation.

Article 102 The shareholders' meeting shall keep the minutes. The secretary to the Board shall therefore be responsible.

The meeting minutes shall record the following contents:

- (1) Number of Shareholders and proxies attending the shareholders' meeting, total number of shares with voting rights of domestic Shareholders (including proxies) and holders of listed foreign invested shares (including proxies) while attending the shareholders' meeting and proportion in the Company's total shares;
- (2) Meeting time and place, agenda, and the name of the convener;
- (3) Names of the meeting host and Directors, supervisors, president and other senior management members in attendance or present in a non-voting capacity;
- (4) the deliberations and main points on each proposal ;
- (5) Resolution result of each motion (Voting of domestic Shareholders and holders of listed foreign invested shares on each of the resolutions);
- (6) Shareholders' questioning opinions, suggestions and corresponding reply or elaboration;
- (7) the names of the lawyer(s), vote counters and counting supervisors;
- (8) Other content to be recorded in the meeting minutes deemed as necessary by the shareholders' meeting and stipulated in the Articles of Association.

Article 103 The closing time of shareholders' meeting held on-site shall not be earlier than that of online or other access to the meeting. The meeting host shall announce the outcome and results of the vote on each proposal, and whether or not such proposal has been passed according to such voting results.

Prior to the formal announcement of voting results, the relevant parties from the Company, the persons responsible for counting votes and scrutinizing the conduct of the relevant poll, the major Shareholders, the person in charge of the relevant internet service provider involved in relation to voting at the shareholders' meeting held onsite, online or by other means, shall be obliged to keep the status of voting confidential.

A shareholder attending a shareholders' meeting shall express one of the following opinions on any proposal to be voted on: for, against or abstention. Save for the circumstance under which the securities registration and settlement institution acting as the nominal holder of Shares under the Mainland-Hong Kong stock connect that declares the votes based on the intention of the de facto holders of relevant shares.

Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions".

Article 104 In the event that the meeting host has any doubt as to the result of a resolution put forward to the vote, he may organize vote counting. In the event that the chairman of the meeting fails to have the votes counted, any Shareholder present in person or by proxy objects to the result announced by the meeting host may demand that the votes be counted immediately after the declaration of the voting result, the meeting host shall organize vote counting immediately.

Article 105 While (i) taking a vote on the related party transactions in the shareholders' meeting, the Shareholders involved in the related party transactions and (ii) Shareholders who are required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited to abstain from voting on any particular resolution shall abstain from voting and the voting rights held by the aforesaid Shareholders shall not be included in the total number of voting shares attending the meeting. The announcement of the resolutions of the shareholders' meeting shall fully disclose the voting of unrelated Shareholders.

That, where any Shareholder is, under these Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Shareholder in contravention of such requirement or restriction shall not be counted.

Article 106 Before voting on the motion, the shareholders' meeting shall recommend two Shareholder representatives to participate in counting and scrutinizing balloting. Where the Shareholders are related to the motions to be resolved, the relevant Shareholders and representatives shall not participate in counting and scrutinizing balloting.

While taking a vote on the connected transactions in the shareholders' meeting, the lawyers, Shareholder representatives and supervisor representatives shall be jointly responsible for counting and scrutinizing balloting and announcing the result on site. The voting result shall be recorded in the meeting minutes.

The Shareholders or its proxies voting via the internet shall have right to check its voting result through relevant voting system.

The convener shall ensure that the shareholders' meeting continues until a final resolution is reached. Where the shareholders' meeting is interrupted or fails to reach a resolution due to force majeure or any other exceptional reason, the convener shall take necessary actions to restore the meeting as soon as practicable, or terminate the meeting immediately with a timely publication, in which circumstance, the convener shall report it to the local agency of China Securities Regulatory Commission where the Company is located and the stock exchange.

Article 107 In case of votes to be counted at the shareholders' meeting, the result shall be recorded in the meeting minutes.

The secretary shall take notes in the shareholders' meeting. Any meeting minutes signed by the Directors attending the meeting shall be deemed valid. The resolutions adopted in the shareholders' meeting shall be made into meeting note. Both the meeting minutes and meeting note shall be written in Chinese. The meeting minute and the signature book of the Shareholders attending in person and the proxy forms for proxies together with valid information on votes cast online or by other means shall be kept for ten (10) years.

The convener shall ensure that the minutes of a meeting are true, accurate and complete. The minutes shall be signed by attending Directors, supervisors, the secretary to the Board, the convener or his or her representative, and the meeting host.

Article 108 The resolution of the shareholders' meeting shall be promptly announced. The announcement shall state the number of attending shareholders and proxies, their number of voting shares and their percentages to the total number of the voting shares in the Company, the voting method or methods, the voting result for each proposal, and the details of each resolution passed in the meeting.

Article 109 Where a proposal has not been passed or the resolutions of the preceding shareholders' meeting have been changed at the current shareholders' meeting, special mention shall be made in the announcement of the resolutions of the shareholders' meeting.

Article 110 Where a resolution on the election of Directors or supervisors is passed at the shareholders' meeting, the term of office of the newly-elected Director or supervisor shall commence immediately after the relevant resolution is passed at the shareholders' meeting.

Article 111 Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a shareholders' meeting, the Company shall implement the specific plans within two (2) months after the conclusion of the shareholders' meeting.

Article 112 The number of attendance in the shareholders' meeting, number of shares held by the Shareholders attending, power of attorney, voting result of each resolution, meeting minutes and validity of the meeting procedure could be notarized.

Article 113 Copies of the minutes of the meeting shall be available for Shareholders' inspection during business hours of the Company by any Shareholder without charge. If a Shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.

CHAPTER 10 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 114 Shareholders holding different classes of shares shall be class Shareholders.

Class Shareholders shall be entitled to the rights and assume obligations pursuant to the provisions of laws, administrative regulations and the Articles of Association.

Article 115 Any variation or abrogation of the rights of any class of Shareholders proposed by the Company may only come into effect upon the adoption of a special resolution at a shareholders' meeting and approval by the affected Shareholders of that class at a separate meeting held in accordance with Articles 117 to 120.

Article 116 The following circumstances shall be deemed to be a variation or abrogation of the rights of Shareholders of a certain class:

- (1) to increase or decrease the number of shares of a particular class, or increase or decrease the number of shares of another class having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (2) to effect an exchange of all or part of shares of such class into shares of other classes, or to effect an exchange or grant a right of exchange of all or part of the shares of other classes into shares of such class;
- (3) to remove or reduce rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) to reduce or remove the rights to a dividend preference or a liquidation preference to distribution of property attached to shares of such class;
- (5) to add, remove or reduce the rights to conversion, options, voting, transfer, preemptive rights to placement and acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of such class;
- (7) to create a new class of shares having rights on voting, distribution or other privileges equal or superior to those of the shares of such class;
- (8) to restrict the transfer or ownership of the shares of such class or increase such restrictions;
- (9) to issue subscription rights or share conversion rights for shares of such class or other classes;
- (10) to increase the rights and privileges of shares of other classes;
- (11) to restructure the Company where the proposed restructuring scheme will result in different classes of Shareholders bearing a disproportionate burden of obligations of such restructuring;
- (12) to vary or abrogate the terms provided in this chapter.

Article 117 Shareholders of the affected class, whether or not having the right to vote at the shareholders' meeting, shall nevertheless have the right to vote at class meetings on matters referred to in items (2) to (8) and (11) to (12) of Article 116, but interested Shareholders shall not be entitled to vote at class meetings.

The interested Shareholders mentioned in the preceding paragraph shall have the following meanings:

- (1) In the case of a repurchase of its own shares by the Company by making offers to all Shareholders on a same pro rata basis or through public dealing on a stock exchange in accordance with Article 29 of the Articles of Association, "interested Shareholder" shall refer to the controlling Shareholders as defined in Article 56 of the Articles of Association;
- (2) In the case of a repurchase of its own shares by the Company through an off-market agreement in accordance with the provisions of Article 29 of the Articles of Association, "interested Shareholders" shall refer to the Shareholders to which the proposed agreement relates;

- (3) In the case of a restructuring of the Company, “interested Shareholder” shall refer to a Shareholder within a class who bears liabilities less than the proportional burden imposed on other Shareholders of that class or who has interests different from those held by Shareholders of the same class.

Article 118 A resolution of the class meeting shall be passed in accordance with Article 117 by Shareholders present in the meeting representing more than two-thirds of voting rights.

Article 119 Notice of a class meeting convened by the Company shall be dispatched, by reference to Article 63 of this Articles of Association in respect of the requirements of the notice period for convening a shareholders’ meeting, to all Shareholders of such class whose names appear on the register of members, specifying the matters to be considered and the date and place of the meeting.

Article 120 Notices of the class meeting only need to be served on Shareholders entitled to vote thereat.

The procedures for holding the class meeting shall be similar to those for holding the shareholders’ meeting as far as possible, and the provisions in the Articles of Association of the Company relating to the procedures for a shareholders’ meeting shall apply to the class meeting.

CHAPTER 11 THE BOARD

Article 121 The Company shall have the Board which is composed of five (5) to nineteen (19) Directors. The specific number of Directors is subject to the Directors actually elected in the shareholders’ meeting. While involving the number of Directors in the Board meeting, it shall, within the range of number of Directors in the preceding paragraph, be subject to the number of Directors elected in the latest shareholders’ meeting, among which, the external Directors are more than half of the total number of Directors and the independent Directors (refer to the Directors who hold no other post other than the Director in the Company and has no relationship with the Company and the major Shareholders that would possibly prevent from his/ her independent and objective judgment) are over one third of total number of Directors. At least one independent Director from the audit committee shall be an accounting professional (refers to the professional with senior academic title or certified public accountant qualification).

The Board has one Chairman and may have one or two vice chairmen.

The Board shall appoint one or more Directors to be the executive Directors who shall be responsible for dealing with the matters authorized by the Board.

Article 122 Directors shall be elected at the shareholders’ meeting and serve terms of three years. At the expiration of their terms, Directors may continue to serve as such if reelected, but independent Directors may not serve for more than six consecutive years,

and the number of domestic listed companies in which they act as independent Directors does not exceed three. The election of independent Directors shall refer to Chapter 12 hereof and the other Directors may be nominated by Board, supervisory committee, and the Shareholders jointly or individually holding more than 1% (including 1%) of the issued shares of the Company. The intention relating to nominating the Director candidates and the written notice about the candidates' to nomination shall be sent to the Company seven (7) days prior to convening the shareholders' meeting.

The shareholders' meeting, subject to the relative laws and administrative regulations, may remove the Director whose term of office has not expired (the claims proposed in accordance with the contract shall not be affected thereby) by ordinary resolution; however, Directors shall not be removed from office without cause by the shareholders' meeting prior to the expiration of their term of office.

The Chairman and vice chairman may be elected and removed by a majority of the Directors and with a term of three 3 years. At the expiration of their terms, the Chairman and vice chairman may continue to serve as such if reelected,

The Directors do not have to hold the shares of the Company and a cumulative voting system shall be implemented for the election of Directors.

The Directors shall be elected by a majority of the voting rights held by Shareholders attending. Where the number of Directors elected through voting is more than the maximum number of Directors, the elected Directors shall be confirmed whoever has more votes.

While electing the Directors, shares held by the Shareholder multiplying the number of Directors who he has right to vote is the votes of each Shareholder and each Shareholder may vote to one Director with his all votes or split to vote to any one or two or more Director candidates, or arbitrarily vote to all the Director candidates. First past the post.

Article 123 The Board shall report to the shareholders' meeting and exercises the following powers:

- (1) to convene shareholders' meetings and report its work to the shareholders' meeting;
- (2) to implement the resolutions of the shareholders' meetings;
- (3) to decide on the Company's business plans and investment plans;
- (4) to formulate the Company's plans on annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans and loss recovery plans;
- (6) to formulate the proposal for increase or decrease of the registered capital of the Company and issue of debentures or other securities and listing of the Company;
- (7) to formulate proposals for material acquisitions, acquisition of shares of the Company or merger, division and dissolution and change of company type of the Company;
- (8) to determine the establishment of the Company's internal management structure;
- (9) to determine, within the scope of authority as conferred by the shareholders' meeting, on matters such as external investment, acquisition and disposal of assets, pledge of assets, external guarantee, trust management, related party transactions and external donations of the Company;

- (10) to decide on matters concerning the appointment or dismissal of the president, secretary to the Board or other senior management members and to determine their remunerations, reward and reprimand matters; and based on the nomination by the president, to decide on matters concerning the appointment or dismissal of vice president, the chief financial controller and other senior management members of the Company and to determine their remunerations, reward and reprimand matters;
- (11) to formulate the basic management system of the Company;
- (12) to formulate proposals for amendment to the Articles of Association of the Company;
- (13) to manage the disclosure of information of the Company;
- (14) to propose to the shareholders' meeting the appointment or replacement of the accounting firms which conduct auditing for the Company;
- (15) to listen to the work report of the president of the Company and to inspect the tasks managed by the president;
- (16) Other terms of reference conferred by laws, administrative regulations, departmental rules or the Articles of Association or the shareholders' meeting.

Except for the Board resolutions in respect of the matters specified in items (6), (7) and (12) of this Article which shall be passed by more than two-thirds of the Directors, the Board resolutions in respect of all other matters shall be passed by a majority of the Directors.

The Board of the Company shall explain to the shareholders' meeting regarding the non-standard opinion in the auditor's report issued by the certified public accountants in respect of the financial reports of the Company.

Article 124 (1) In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with value of fixed assets disposed within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest audited balance sheet considered by the shareholders' meetings, the Board shall not dispose or consent to dispose such fixed assets without prior approval by the shareholders' meeting.

The validity of transaction of the disposal of the fixed assets by the Company shall not be affected if the clause (1) of this Articles is not complied with.

The term "fixed assets disposal" referred to in this Article represents (among other things) transferring certain rights in assets, but exclude the provision of guarantees by fixed assets.

(2) The Board shall strictly control the risks of listed companies in providing guarantee to external party. Any guarantee for external party provided by the Company shall be subject to consideration of the Board or the shareholders' meeting.

The guarantee within the authority of the Board requires not only the approval of the majority of all the Directors, but also the approval of more than two-thirds of the Directors attending the Board meeting.

Any provision of guarantee by the Company to its related person, regardless of its amount, is subject to consideration of the shareholders' meeting after being considered and passed by the Board.

The Company shall, strictly abide by the relevant provisions in the listing rules of the stock exchange where the Company's shares are listed and the Articles of Association, conscientiously perform information disclosure obligations in relation to the details of guarantee provided to external parties and faithfully provide all the details of all external guarantees provided by the Company to a certified public accountant according to regulations.

All Directors of the Company shall cautiously treat and strictly control the debt risks arisen from the provision of guarantee to any other party and shall bear several and joint liabilities in accordance with the law for the losses caused by irregular or inappropriate provision of guarantee to any other party.

Without lawful authority conferred under the Articles of Association or by the Board, any Director may not act in his/her own name on behalf of the Company or the Board. In the event that any third party will reasonably believe that a Director is acting on behalf of the Company or the Board when such Director indeed acts in his/her own name, such Director shall declare his/ her position and identity in advance.

Article 125 The chairman shall have the following powers and duties:

- (1) to preside over the shareholders' meeting and to convene and preside over the meeting of the Board;
- (2) to supervise and examine the execution of the resolutions of the Board and supervise the daily operation of the president and the management;
- (3) to sign the securities certificates issued by the Company;
- (4) other powers conferred by the Board.

The vice chairman shall assist the Chairman in performing his/her duties. Should the Chairman fail to or refuse to perform his/her duties, he/she may designate vice chairman to perform the duties on his/her behalf. Should the vice chairman fail to or refuse to perform his/her duties, a Director shall be elected by more than half of the Directors to perform such duties.

Article 126 At least four (4) regular meetings of the Board shall be held every year, which shall be convened by the Chairman. Notice of the meeting shall be served on all of the Directors and supervisors ten (10) days before the date of the meeting.

The chairman shall convene and host an extraordinary Board meeting within three (3) working days upon the occurrence of any of the following circumstances:

- (1) Whenever necessary as deemed by the chairman;
- (2) Whenever more than one third of the Directors jointly propose or more than half of the independent non- executive Directors propose;
- (3) Whenever the supervisory committee proposes;
- (4) Whenever the president proposes;
- (5) Whenever the Shareholders holding more than 10% of the voting rights propose;

The Board meeting, in principle, shall be held in the place where the Company is; however, with the resolution of the Board, the Board meeting may be held in other places in the territory of PRC. The Board meeting shall be convened in Chinese and if necessary, the translators are allowed to present for providing the simultaneous interpretation.

Article 127 The Board meeting shall be notified in the following means:

- (1) No further notice is necessary if the time and place of regular meeting is fixed by the Board in advance.
- (2) Where Board has not fix in advance the time and place of the meeting, the chairman shall, at least ten (10) days in advance, send the notice to the Directors on the meeting time and place by the means of express courier service, fax, email or personal delivery. The notice shall be written in Chinese and English version may be attached if necessary, include the meeting agenda.
- (3) Where there is any urgent matter that calls for the convening of a provisional Board meeting, the chairman shall authorize the secretary to the Board (Company secretary) to give the notice of meeting through phone, email or verbal means three (3) working days before the convening of the provisional meeting, provided that the chairman shall make explanations at the meeting.
- (4) For emergency or special cases that require the Board to make decisions immediately, convening the extraordinary Board meeting shall not be subject to the requirements for the form of notice and notification period set out in the preceding paragraph and the Board meeting may be notified and convened immediately for the sake of the Company's interests.

Article 128 The notice of a Board meeting shall specify:

- (1) the date and venue of the meeting;
- (2) the duration of the meeting;
- (3) the reasons for holding the meeting and the matters to be discussed;
- (4) the date on which the notice is sent.

Where the Directors attend the meeting and have not object against not receiving the notice of meeting before or during the meeting, the notice shall be deemed as being delivered.

The Board meeting may be held in the form of conference call or similar communication equipment. So long as the Directors attending could hear clearly the speeches of the other Directors and communicate with the other Directors, all the Directors attending shall be deemed as attending the meeting in person.

Article 129 The Board meeting shall be convened only with a majority of the Directors attending (including the Director representatives authorized according to Article 130 hereof). The resolutions made in the Board meeting shall be passed by more than half of the Directors.

If a Director has related party relationship with any enterprise or individual concerned in any matter for resolution in a Board meeting, the Director shall promptly report in writing to the Board. Directors with related party relationships shall neither vote on the said matter nor act as a proxy for other Directors to exercise their voting rights. Such Board meetings shall be convened by a majority of the Directors present thereat who are non-related, and the resolution of the Board meeting shall be passed by more than half of the non-related Directors. If the number of the non-related Directors attending the meeting of the Board is less than three (3), such matter for resolution shall be submitted to the shareholders' meeting for consideration.

Article 130 The Board meeting shall be attended by the Directors in person. In case the Director could not attend the meeting in person with cause, he or she may entrust some other Directors in writing to attend. The power of attorney shall specify the scope of authorization.

The Directors attending the meeting on behalf of other Directors shall exercise the rights within the scope of authorization. If the Director fails to attend the Board meeting and fails to entrust some other Directors to attend on his behalf, he shall be deemed as waiving his voting right at such meeting.

If a Director fails to attend the Board meeting in person, nor entrusting the other Directors to attend on his behalf for two consecutive times, he shall be deemed as unable to perform his duties and the Board shall suggest to the shareholders' meeting to remove him.

Article 131 In case the Board has sent the proposal to all the Directors and the number of Directors having signed to approve has reached the quorum as required in Article 123, the resolution shall be passed and it is not necessary to convene a Board meeting.

Article 132 The Board meeting shall have the minutes on the matters discussed in the meeting and the Directors attending and clerk shall sign on the minutes. The meeting minutes shall, as the file of the Company, be kept by the secretary to the Board in the place of business of the Company in PRC for ten years. The Directors shall be responsible for the resolutions in the meeting. Where the resolutions of the Board violate the laws, administrative regulations or this Articles of Association, and causes severe loss to the Company, the Directors participating in such resolution shall be liable for compensation to the Company; however, if there is evidence to show that the Director has objected to such resolution recorded in the meeting minutes, such Director shall be exempted for such compensation.

Article 133 The minutes of the Board meeting shall include the following content:

- (1) Date, place and convener of the meeting;
- (2) Names of the Directors attending the meeting and the Directors (agents) entrusted to attend the Board meeting;
- (3) Meeting agenda;
- (4) Key points of the Directors' speeches;
- (5) the way of voting and result on each resolution (the voting result shall explicitly state the number of votes for, against and abstained).

Article 134 The Board shall set up five (5) special committees, namely the audit committee, the strategic committee, the nomination committee, the remuneration and review committee and the compliance committee. These special committees shall be accountable to the Board and perform their duties in accordance with the Articles of Association and the authorization of the Board, and their proposals shall be submitted to the Board for consideration. All members of these special committees shall be Directors. Independent Directors shall be the majority in the audit committee, the nomination committee, and the remuneration and review committee, and shall act as the conveners. The convener of the audit committee shall be an accounting professional. The Board is responsible for formulating the rules of these special committees to regulate their operation.

Article 135 The Audit Committee shall consist of three or more members, and a majority of the members shall not hold any position in the Company other than that of director, and shall not have any relationship with the Company that may affect their independent and objective judgement. Employee representatives of the Company's Board of Directors may be members of the Audit Committee.

Resolutions made by the Audit Committee shall be passed by a majority of the members of the Audit Committee.

Voting on resolutions of the Audit Committee shall be by one person, one vote.

The Audit Committee is responsible for reviewing the Company's financial position, implementation and effects of internal control system, and risk management and control as well as the communication, supervision and inspection in respect of internal and external audit of the Company. The Audit Committee's primary duties are:

- (1) to request for data, information from the Company's management, subordinated departments and employees within the scope of its duties and functions, thereby performing the Committee's duties and functions;

- (2) to propose appointment, re-appointment and removal of external auditors to the Board of Directors, approve the remuneration and terms of appointment for the external auditors and deal with any matters in relation to the resignation or dismissal of such auditors;
- (3) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards; to discuss with the auditors the nature, scope of the audit and the reporting obligations before the commencement of the audit;
- (4) to be responsible for communication function in respect of internal audit and external audit;
- (5) to develop and implement policies on engaging an external auditor to supply non-audit services. The Audit Committee should report to the Board of Directors, identifying and making recommendations on any matters where action or improvement is needed;
- (6) to monitor integrity of the financial statements and annual reports and accounts, half-year report and quarterly report, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board of Directors, the Audit Committee should focus particularly on:
 - (i) any change in the accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with the accounting standards; and
 - (vi) compliance with the listing rules of the stock exchange where the Company's shares are listed and other legal requirements in relation to financial reporting.
- (7) in respect of the paragraph (6) above, to (1) members of the Audit Committee should liaise with the Board of Directors and senior management and the Committee must meet, at least twice a year, with the Company's auditors; (2) the Audit Committee should consider any significant or unusual matters that are, or may need to be reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company's accounting and financial staff, internal audit personnel or auditors;
- (8) to review the Company's financial controls, risk management and internal control systems and audit the Company's major connected transactions;
- (9) to discuss the risk management and internal control systems with management to ensure that the management has performed its duty to have effective internal control systems. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting functions;
- (10) to consider major investigation findings on risk management and internal control matters as delegated by the Board of Directors or on its own initiative and management's response to these findings;
- (11) where an internal audit function exists, to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;
- (12) to review the Company's financial and accounting policies and practices;

- (13) to review the External Auditor's Management Letter, any material enquiries raised by the auditors to management about accounting records, financial accounts or systems of control and management's response;
- (14) to ensure that the Board of Directors will provide a timely response to the issues raised in the External Auditor's Management Letter;
- (15) the Audit Committee should establish a whistleblowing policy and system for employees and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;
- (16) to discuss other issues assigned by the Board of Directors;
- (17) to review the arrangements that employees can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up actions;
- (18) to act as the Company's key representative body for overseeing the Company's relation with the external auditors; and
- (19) to report matters contained in this Implementation Rules to the Board of Directors and handle other matters assigned by the Board of Directors.

Article 136 The Strategic Committee is mainly responsible for studying and making recommendations on the Company's sustainable development strategic and major investment decisions. The Strategic Committee's primary duties are:

- (1) to study and make recommendations on the long-term development strategic planning of the Company;
- (2) to study and make recommendations on major investment and financing schemes which require the approval of the Board of Directors as required by the Articles of Association;
- (3) to study and make recommendations on major capital operations and asset management projects which require the approval of the Board of Directors as required by the Articles of Association;
- (4) to study and make recommendations on the Company's ESG strategic objectives and review reports on ESG issues;
- (5) to study and make recommendations on other major issues that may affect the development of the Company;
- (6) to check the implementation of the above matters;
- (7) to deal with other matters authorized by the Board of Directors.

Article 137 The Nomination Committee is responsible for studying and recommending on the candidates for the Company's Directors and management, formulating the criteria and procedures for selecting such candidates. The Nomination Committee's primary duties are:

- (1) to make proposals to the Board of Directors in respect to the size and composition of the Board of Directors based on the Company's operation, assets scale and equity structure;
- (2) to study the criteria and procedures to select Directors and management personnel and make recommendations to the Board of Directors;
- (3) to review the structure, number and composition (including skills, knowledge and experience) of the Board of Directors on a yearly basis, and to make recommendations on any proposed change to the Board of Directors to complement the Company's development strategies or tactics;
- (4) to identify individuals with suitable qualification to become Directors and management and select or make recommendations to the board on the selection of individuals nominated for Directors and management;
- (5) to examine the qualifications of senior management candidates who shall be appointed by the Board of Directors and make recommendations in respect to such candidates;
- (6) to assess the independence of independent non-executive Directors;
- (7) to make recommendations to the Board of Directors in respect to the appointment or reappointment of Directors and the succession planning for Directors (in particular, the chairman and the general manager); and
- (8) to deal with other matters as authorized by the Board of Directors.

Article 138 The Remuneration and Review Committee is responsible for perfecting the remuneration and appraisal management for the Directors and senior management of the Company. The Remuneration and Review Committee's primary duties are:

- (1) to request data or information from the Company's management, subordinated units or employees within the scope of its duties, in order to perform the Committee's duties;
- (2) to make recommendations to the Board of Directors on the Company's remuneration policy and structure for all Directors and senior management and on establishment of a formal and transparent procedure for developing remuneration policy;
- (3) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

- (4) to determine the remuneration packages of individual executive Directors and senior management with authorization granted by the Board of Directors; or to make recommendation to the Board of Directors on remuneration packages of individual executive Directors and senior management. This should include benefits in kind, pension rights and compensation payment (including compensation payable for loss or termination of their office or appointment);
- (5) to consult the chairman of the Board of Directors or the president in respect to remuneration proposed for other executive Directors, and seek independent professional opinions if necessary;
- (6) to make recommendations to the Board of Directors on the remuneration of nonexecutive Directors;
- (7) to consider salaries paid by comparable companies, time commitment and responsibilities, and the employment conditions elsewhere in the Company;
- (8) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms, and is otherwise fair and not excessive;
- (9) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with relevant contractual terms and otherwise reasonable and appropriate;
- (10) to ensure no Director or any of his associates is involved in deciding his/her own remuneration;
- (11) where the service contract of a Director or proposed Director of the Company or its subsidiaries is required to be approved by the shareholders of the Company pursuant to Rule 13.68 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Remuneration and Review Committee (or an independent board committee) shall form a view in respect of such service contract and advise shareholders (other than shareholders who are Directors with a material interest in such service contract and their associates) as to whether the terms are fair and reasonable, advise whether such service contract is in the interests of the Company and its shareholders as a whole and advise shareholders on how to vote;
- (12) to review and/or approve the matters relating to share schemes under Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
- (13) other matters authorized by the Board of Directors.

Article 139 The Compliance Committee is mainly responsible for ensuring the compliance of company behavior. The Compliance Committee's primary duties are:

- (1) to consider important and material transactions to be entered into by the Company and its subsidiaries;
- (2) to make recommendations to the Board of Directors on compliance;
- (3) to monitor the implementation of important and material transactions and continuing connected transactions to ensure that they are fulfilled or carried out in accordance with the requirements;
- (4) to make applicable recommendations to the Board of Directors corresponding to the updates and changes of the requirements under the laws, regulations and normative documents, etc., in Hong Kong and the Mainland China;
- (5) to urge, review and monitor the Directors, senior management and employees at all levels of the Company to participate in continuous compliance training and continuous professional development;
- (6) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board of Directors;
- (7) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (8) to develop, review and monitor the Company's code of conduct and compliance manual (if any) applicable to employees and Directors of the Company;
- (9) to review the Company's compliance with the Corporate Governance Code as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the disclosure in the Corporate Governance Report;
- (10) Other matters authorised by the Board of Directors.

Article 140 The Board shall set up the special fund which shall withdraw 1% of annual sales revenue and be used for remuneration and allowance of the independent non-executive Directors, administration and communication and training of the Board as well as other items as approved by the chairman.

CHAPTER 12 INDEPENDENT NON-EXECUTIVE DIRECTORS

Article 141 The Company shall set up independent non-executive Director system. The independent non-executive Directors refer to:

- (1) the Directors who hold no other post other than the Director in the Company and have no direct or indirect interest in the Company and its major Shareholders, de facto controllers, or in other ways that would possibly affect their independent and objective judgment;
- (2) the Directors who comply with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all relevant laws, rules, regulations and standards applicable in Hong Kong.

Article 142 There shall be over one third of independent Directors in total number of Directors and at least one independent Director shall be an accounting professional. The independent non-executive Directors shall perform the duties with good faith and protect the rights and interests of the Company, in particularly protect the legal rights and interests of the public Shareholders from damage.

The independent non-executive Directors shall perform the duties independently, without any influence of entities or individuals like the Company and the Company's major Shareholders, de facto controllers.

Article 143 The Company's Board, supervisory committee and Shareholders jointly or individually holding more than 1% of the issued shares could nominate the independent non-executive Director candidates who shall be elected in the shareholders' meeting.

Investor protection institutions established according to laws may publicly request Shareholders to entrust them to exercise the rights to nominate independent non-executive Directors on their behalf.

Nominators specified in the first paragraph shall not nominate any person who has an interest with him/her or any other closely related person who may affect the independent performance of his/her duties as the independent non-executive Director candidate.

Article 144 The independent non-executive Directors serve the same term as other Directors. At the expiration of their terms, Directors may be reelected or re-appointed, for not more than six consecutive years. The independent non-executive Directors, before the expiration of their terms, may be removed by the Company from their office in accordance with statutory procedures. In case of pre-mature removal of the independent non-executive Directors, the Company shall promptly disclose the specific reasons and basis. In case the independent non-executive Directors disagree, the Company shall disclose in a timely manner.

Article 145 The independent non-executive Directors shall have the duties of good faith and due diligence toward the Company and all the Shareholders.

The independent non-executive Directors shall attend the Board meeting in person. If any Director cannot attend the meeting in person for any reason, he/she shall review the meeting documents, form clear opinions, and authorize in writing another independent non-executive Director to attend the meeting on his/her behalf in advance.

Where the independent non-executive Directors fail to attend the Board meeting in person for two (2) consecutive times, nor do they entrust other independent non-executive Directors to attend on their behalf, the Board shall propose to convene the shareholders' meeting to remove such independent non-executive Directors from their positions within thirty (30) days from the date of occurrence of such fact.

Article 146 The independent non-executive Directors shall attend the Board meeting as scheduled, understand the Company's production and operation, and actively investigate and obtain the conditions and information necessary for decision-making. The independent non-executive Directors shall submit the annual work report to the Company's annual shareholders' meeting to state the performance of their duties.

The annual work report shall include the following contents:

- (1) the number of Board meetings attended, the method of attendance and voting, and the number of shareholders' meetings attended;
- (2) participation in the work of special committees under the Board and special meetings of independent Directors;
- (3) consideration of the matters set out in Articles 23, 26, 27 and 28 of the Measures for the Administration of Independent Directors of Listed Companies and the exercise of the special powers of independent non-executive Directors as set out in Article 18(1) of the Measures for the Administration of Independent Directors of Listed Companies;
- (4) information on significant matters, methods, and results of communication with the internal audit department and the accounting firm responsible for auditing of the Company regarding the Company's financial and business status;
- (5) communication with minority Shareholders;
- (6) the duration and content of on-site work at the Company;
- (7) other circumstances in performing the duties.

The annual work report of the independent Directors shall be disclosed no later than the publication of notice of the annual shareholders' meeting of the Company.

Article 147 The secretary to the Board shall actively provide assistance to the independent non-executive Directors for performance of their duties. The Company shall ensure that the independent non-executive Directors have the same right of access to information as that of the other Directors, timely provide the relevant materials and information to the independent non-executive Directors, regularly report the Company's operation and organize on-site inspection for the independent non-executive Directors if necessary.

Before the Board considers major and complicated matters, the Company may organize independent non-executive Directors to participate in research and demonstration, fully listen to the opinions of independent non-executive Directors, and provide feedback to the independent non-executive Directors on the implementation of the opinions in a timely manner.

Article 148 The following matters shall be submitted to the Board for consideration after the approval of a majority of the independent non-executive Directors:

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

Independent non-executive Directors have the right to publicly collect shareholders' rights from the Shareholders in accordance with laws.

The independent non-executive Directors proposing to convene the extraordinary shareholders' meeting to the Board and proposing to convene the Board meeting shall be approved by a majority of the independent non-executive Directors. With the approval of more than half all the independent non-executive Directors, the independent non-executive Directors may independently appoint an intermediary to audit and provide consultancy or verification on the specific matters of the Company. The relevant expenses shall be borne by the Company. Where an independent non-executive Director exercises the above powers, the Company shall disclose it in a timely manner. If the above powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons.

Article 149 The Directors may resign before the expiration of their terms. The independent non-executive Directors shall submit the written resignation letter to the Board and state any matters which is relevant to its resignation or the matters that he considers that it would be necessary to draw the attention of the Shareholders and creditors of the Company.

The Company shall disclose the reasons and matters concerning the resignation of independent non-executive Directors.

Where the resignation of the independent non-executive Directors results in the proportion of independent Directors, Directors of the Board or independent non-executive Directors of special committees fall below the quorum or the minimum as stipulated in the statute and the Articles of Association, or there is a lack of accounting professionals among the independent non-executive Directors, the independent non-executive Directors shall continue to perform duties in accordance with the laws, administrative regulations and the Articles of Association before the next independent non-executive director takes his/her office. The Company shall complete the by-election within sixty (60) days from the date of resignation of the independent Director.

CHAPTER 13 SECRETARY TO THE BOARD OF THE COMPANY

Article 150 The Company shall have the secretary to the Board, who is responsible for preparing shareholders' meetings and Board meetings of the Company, keeping documents, managing the Shareholders' information of the Company, handling of information disclosure and other matters.

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

Article 151 The secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His/her primary responsibilities are:

- (1) to ensure that the Company has complete organizational documents and records;
- (2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the laws;
- (3) to ensure that the Company's registers of Shareholders are properly maintained, and that persons entitled to access to the relevant records and documents are furnished with such records and documents without delay.

The secretary of the Board of Directors shall have the right to participate in shareholders' meetings, meetings of the Board of Directors, meetings of the Board of Supervisors and relevant meetings of senior management, and shall have the right to understand the financial and operational situation of the Company and to inspect all documents relating to information disclosure matters. The Company shall provide facilities for the secretary

of the board of directors to perform his duties, and the chief financial officer shall cooperate with the person in charge of information disclosure affairs in respect of the disclosure of financial information.

Article 152 Directors or other senior management (except the supervisor(s)) may also act as the secretary to the Board. The accountant(s) of the certified public accountants' firm appointed by the Company shall not act as the secretary to the Board. Provided that where the office of the secretary to the Board is held concurrently by a Director, and an act is required to be made by a Director and the secretary to the Board separately, the person who concurrently holds the offices of Director and secretary to the Board shall not perform the act in dual capacity.

Article 153 The secretary to the Board shall remind and assist the Company in complying with relevant laws of the PRC and rules of the stock exchanges where the Company's shares are listed.

CHAPTER 14 PRESIDENT OF THE COMPANY

Article 154 The Company shall have one (1) president, who shall be appointed and dismissed by the Board. The president may be re-elected or re-appointed, with the term of office being three (3) years. Upon authorization by the Board, the president shall have the full right to manage the business of the Company and deal with the internal and external matters of the Company.

Article 155 The president of the Company shall be accountable to the Board and exercise the following powers:

- (1) to be charge of the Company's production, operation and management, organize resources to carry out the Board's resolutions and report his/her work to the Board;
- (2) to organize the implementation of the Company's annual business plan and investment plan;
- (3) to formulate plans for the establishment of the Company's internal management structure;
- (4) to establish the Company's basic management system;
- (5) to formulate the basic rules and regulations of Company;
- (6) to propose the appointment or dismissal of the Company's vice president(s) and chief financial officer to the Board;
- (7) to decide on the appointment or dismissal of the management personnel other than those required to be appointed or dismissed by the Board;
- (8) to determine the reward and punishment, promotion and demotion, pay raise and pay cut, appointment, employment, dismissal and removal of employees of the Company;
- (9) to exercise other powers conferred by the Articles of Association of the Company and the Board.

Article 156 The president shall formulate the working rules of the president, which shall be implemented after being approved by the Board. The working rules of the president include the following:

- (1) conditions, procedures and participants of meetings of the president office;
- (2) the specific responsibilities and division of labor of the president and other senior management members;
- (3) authority on the utilization of capital and assets of the Company and execution of major contracts, and the reporting system to the Board and the supervisory committee;
- (4) other matters deemed as necessary by the Board.

Article 157 The president of the Company shall have the right to attend Board meetings. The president who is not a Director does not have any voting rights at Board meetings.

Article 158 The president shall discharge their duties honestly and diligently in accordance with the laws, administrative regulations and the Articles of Association of the Company.

CHAPTER 15 SUPERVISORY COMMITTEE

Article 159 The Company shall establish a Supervisory Committee.

Article 160 The supervisory committee shall have six (6) supervisors, among which at least one third of supervisors are representatives of the staff and there shall be more than two independent Directors. The supervisors shall serve terms of three years. At the expiration of their terms, supervisors may be reelected or re-appointed. The supervisory committee has one chairman whose appointment and dismissal shall be approved by more than two thirds of the supervisors.

Article 161 The supervisory committee is composed of four (4) Shareholder representatives and two (2) staff representatives. The former is elected and dismissed by the shareholders' meeting and the latter is democratically elected and dismissed by the staff.

The supervisor candidates who are the Shareholders' representatives may be nominated by Board, supervisory committee, and the Shareholders jointly or individually holding more than 1% (including 1%) of the outstanding shares. The intention relating to nominating the supervisor candidates and the written notice in which the candidates are expressly willing to accept nomination shall be sent to the Company seven (7) days prior to convening the shareholders' meeting.

The shareholders' meeting, subject to the relative laws and administrative regulations, may remove the supervisor whose term of office has not expired (the claims proposed in

accordance with the contract shall not be affected thereby) through ordinary resolution; however, supervisors may not be removed from office without cause by the shareholders' meeting prior to the expiration of their term of office.

Cumulative voting system is adopted for the election of the supervisors of the Company.

The supervisors shall be elected by a majority of the Shareholders attending with voting rights. Where the number of supervisors elected through voting is more than the maximum number of supervisors, the elected supervisors shall be confirmed whoever has more votes.

While electing the supervisors, the votes that each Shareholder has is the number of shares held by the Shareholder multiplying the number of supervisor candidates. Each Shareholder may vote for one supervisor candidate with his all votes or split his/her vote to any two or more supervisor candidates, or arbitrarily divide all his/her votes for all the supervisor candidates. The supervisor candidates with more votes shall be elected.

Article 162 The Directors, president of the Company and other senior management members shall not assume the position of supervisors.

Article 163 Meeting of the supervisory committee shall be held at least four (4) times each year and one (1) time every six (6) months, which shall be convened by the chairman of the supervisory committee.

The notice of a meeting of the supervisory committee shall specify:

- (1) the date, venue and duration of the meeting;
- (2) the reasons for holding the meeting and the matters to be discussed;
- (3) the date on which the notice is sent.

Article 164 The supervisory committee shall be accountable to the shareholders' meeting and exercise the following powers in accordance with the laws:

- (1) to review the Company's regular reports prepared by the Board and submit its written opinions thereon;
- (2) to examine the Company's financial affairs;
- (3) to supervise Directors, the president and other senior management members in performing their duties to the Company, and to propose the dismissal of Directors or the senior management members who are in breach of laws, administrative regulations or the Articles of Association;
- (4) to demand rectification from a Director, the president and any other senior management members when the acts of such persons are harmful to the Company's interest;

- (5) to examine the financial information such as the financial report, business report and profit distribution plans to be submitted by the Board to the shareholders' meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practicing auditors to conduct a re-examination; to conduct an investigation and, if necessary, to engage professional organizations, such as accounting firms and law firms at the cost of the Company, to assist if irregularities in the operation of the Company is found;
- (6) to propose the convening of an extraordinary shareholders' meeting, and in the event that the Board fails to convene and host a shareholders' meeting in accordance with the Company Law, to convene and host such a meeting;
- (7) to propose motions to the shareholders' meetings;
- (8) to deal with Directors on behalf of the Company; and to take legal actions against Directors and the senior management members in accordance with the requirements under Article 189 of the Company Law;
- (9) to exercise other powers specified in the Articles of Association of the Company.

Supervisors shall sit in the Board meeting.

Article 165 Each supervisor shall have one vote for each resolution at the meeting of the supervisory committee. Votes may be cast by way of poll or on a show of hands. Resolutions of the supervisory committee shall be passed by not less than two-thirds of its members.

Article 166 The supervisory committee formulates rules of procedure for the supervisory committee to clarify the deliberation methods and voting procedures of the supervisory committee, so as to ensure the work efficiency and scientific decision-making of the supervisory committee. The rules of procedure of the supervisory committee, as the appendix to the Articles of Association, was approved by the shareholders meeting.

Article 167 There shall be the specific minutes book and clerk for the meeting. The supervisors and clerk attending shall sign on the meeting minutes. The supervisors attending the meeting shall have right to request to record the minute's explanatory notes to their statements in the meeting and the minutes of the meeting shall be kept by the secretary to Board as the Company's files. The meeting minutes shall be kept no less than ten (10) years.

Article 168 All reasonable expenses incurred in respect of the employment of professionals such as lawyers, certified public accountants or practicing auditors as are required by the Supervisory Committee in discharging its duties shall be borne by the Company.

Article 169 A supervisor shall ensure the information disclosed by the Company is true, accurate and complete and sign written confirmations with respect to the regular reports. A supervisor shall carry out his/her duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association of the Company.

**CHAPTER 16 QUALIFICATIONS AND DUTIES OF THE DIRECTORS,
SUPERVISORS, PRESIDENT AND OTHER SENIOR MANAGEMENT
MEMBERS OF THE COMPANY**

Article 170 A person may not serve as a Director, supervisor, president or any other senior management member of the Company if any of the following circumstances applies:

- (1) a person without capacity of civil conduct or with limited capacity of civil conduct;
- (2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and received punishment because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation; those who have been granted probation have not exceeded two years from the date of expiration of the probation period;
- (3) a person who is a former director, factory manager or manager of a company or enterprise which has entered into liquidation because of mismanagement and he is personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to a violation of the law and who incurred personal liability, where less than three (3) years has elapsed since the date of the revocation of the business license and order of closure;
- (5) a person who has been listed as dishonest persons subject to enforcement by the people's court due to a relatively large amount of debts due and outstanding;
- (6) a person who is under criminal investigation by a judicial authority for violation of the criminal law where said investigation is not yet concluded;
- (7) a person who is not eligible for enterprise leadership according to laws and administrative regulations;
- (8) a non-natural person;
- (9) a person convicted of violation of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years has elapsed since the date of the conviction;
- (10) a person who is currently being prohibited from participating in the securities market by the China Securities Regulatory Commission and such barring period has not elapsed.

Article 171 The Shareholders in shareholders' meeting shall have the power by ordinary resolution to remove any Director (including a president or other executive Director, but without prejudice to any claim for damages under any contract) before the expiration of his /her term of office.

If a Director fails to attend the meeting in person for two (2) consecutive times, and fails to authorize any other Director(s) to attend on his/her behalf, he/she shall be deemed as unable to perform his/her duties and the Board shall propose to the shareholders' meeting to remove him/her by ordinary resolutions. The independent non-executive Directors shall be subject to the regulations in relation to the independent non-executive Directors hereof.

Any supervisor fails to attend the meeting personally for two (2) consecutive times shall be deemed as unable to perform his/her duties and the shareholders' meeting and staff representative meeting may remove him/her.

Article 172 The Directors and supervisors may resign before the expiration of their terms and they may submit the written resignation report to the Board and supervisory committee respectively.

Article 173 Where the resignation of the Directors and supervisors results in the number of Directors or supervisors fall below the quorum or the minimum number as stipulated in the Articles of Association, the resignation of the Directors and supervisors shall become effective only after the next Directors and supervisors takes office.

The Board shall convene the extraordinary shareholders' meeting as soon as practicable to elect the new Directors and supervisors to fill up the vacancy. Before the shareholders' meeting passing the resolution on the election of the Directors and supervisors, the rights and powers of the Directors and supervisors resigning and existing Board and supervisory committee shall be limited in the reasonable manner.

Article 174 When the Directors and supervisors propose to resign or their terms expire, the duties of Directors and supervisors shall not be relieved when the resignation has not become effective or within the reasonable period after its effectiveness and after the expiration of term. Its liability for confidentiality of the Company's trade secrets remains valid after the expiration of term, until such secret becomes public. The duration of other liabilities shall be determined based on the principle of fairness and subject to the time from the event occurrence to resignation and the circumstances and conditions under which their relationship with the Company terminates.

Article 175 When the Company's Director, president or any other senior management member acts on behalf of the Company, the validity of such acts vis-a-vis a bona fide third party shall not be affected by any irregularity or defects in his office, election or his qualification.

Article 176 In addition to obligations imposed by laws, administrative regulations or required by the stock exchanges where the Company's shares are listed, each of the Company's Directors, supervisors, president and other senior management members owes the following duty to each Shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (1) not to operate the Company beyond the scope of the business stipulated in its business license;

- (2) to act honestly in the best interest of the Company;
- (3) not to expropriate the Company's property by any means, including (but not limited to) usurpation of opportunities advantageous to the Company;
- (4) not to expropriate the individual rights of Shareholders, including (but not limited to) rights to distribution and voting rights, save pursuant to a restructuring of the Company submitted to shareholders' meeting for approval in accordance with the Articles of Association of the Company.

Article 177 Each of the Company's Directors, supervisors, president and other senior management members owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, while the functions should be carried out with the reasonable care normally expected of a manager in the best interests of the Company.

Article 178 Each of the Company's Directors, supervisors, president and other senior management members shall exercise his powers or carry on his duties in accordance with the principle of fiduciary and fidelity obligations and shall take measures to avoid conflicts of interest between their own interests and those of the Company and shall not take advantage of their positions to seek improper benefits. This principle and obligations includes (without limitation) discharging the following obligations:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of authority and not to exceed such scope;
- (3) to exercise the discretionary power vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of Shareholders given in a shareholders' meeting, not to delegate his discretionary power to any other person;
- (4) to treat Shareholders of the same class equally and to treat Shareholders of different classes fairly;
- (5) except in accordance with the Articles of Association of the Company or with the informed consent of Shareholders given in shareholders' meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) without the informed consent of Shareholders given in shareholders' meeting, not to utilize the Company's property for his own benefit by any means;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property or funds by any means, including (without limitation) opportunities advantageous to the Company;
- (8) without the informed consent of Shareholders given in shareholders' meeting, not to accept and embezzle commissions from transactions between other persons and the Company;
- (9) to abide by the Articles of Association of the Company, faithfully execute his duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;
- (10) not to compete with the Company in any form unless with the informed consent of Shareholders given in shareholders' meeting;

- (11) not to misappropriate the Company's funds or lend Company's fund to others; not to open accounts in his own name or other names for the deposit of the Company's funds and not to provide a guarantee for debts of the Shareholder(s) of the Company or other individual(s) with the Company's assets;
- (12) unless otherwise permitted by informed Shareholders in shareholders' meeting, to keep in confidence confidential information relating to the Company acquired by him in the course of and during his tenure and not to use such information in purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other governmental authorities is permitted if:
 - (i) disclosure is made under compulsion of law;
 - (ii) the interests of the public require disclosure;
 - (iii) the interests of the relevant Director, supervisor, president and other senior management member require disclosure.
- (13) Directors, supervisors and senior management who directly or indirectly enter into contracts or transactions with the Company shall report to the Board or the Shareholders 'meeting on matters relating to the entering into of such contracts or transactions and have such matters resolved by the Board or the Shareholders' meeting.

The provisions of the preceding paragraph shall apply to the conclusion of contracts or transactions with the Company by close relatives of the Directors, enterprises directly or indirectly controlled by the Directors or their close relatives, and associates with whom the Directors have other relationships.
- (14) Directors, supervisors, presidents, and senior management shall not take advantage of their duties to obtain business opportunities belonging to the Company for themselves or others. However, one of the following circumstances is excluded:
 1. reporting to the Board or the Shareholders' meeting and approved by the Board or the Shareholders' meeting;
 2. the business opportunity cannot be exploited by the Company under the provisions of laws, administrative regulations or the Articles of Association, and approved by a resolution of the Board or the Shareholders' meeting in accordance with the deliberation procedures set forth in paragraph (13) of this Article.
- (15) A Director, supervisor, president, or senior management may not engage in self-employment or operate for others a business similar to that of the Company in which he or she works without reporting to the Board or Shareholders 'meeting and obtaining a resolution from the Board or Shareholders' meeting to that effect.

A Director who operates on his own or for others a business similar to that of the Company in which he is employed shall, in accordance with the deliberation procedures set forth in paragraph (8) of this Article, obtain a resolution from the Board or the Shareholders' meeting.

- (16) shall not engage in any other behavior that violates the duty of loyalty to the Company.

When the Board resolves on items (13) to (15) stipulated in Article 178 of these Articles of Incorporation, the Affiliated Directors shall not take part in the voting, and their voting rights shall not be counted in the total number of voting rights. If the number of unaffiliated directors present at a Board meeting is less than three, the matter shall be submitted to the shareholders' meeting for deliberation.

Article 179 Director, supervisor, president or other senior management member of the Company shall not cause the following persons or institutions ("associates") to do what he is prohibited from doing:

- (1) the spouse or minor child of that Director, supervisor, president and other senior management member;
- (2) a person acting in the capacity of trustee of that Director, supervisor, president or other senior management member or any person referred to in paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that Director, supervisor, president or other senior management member or any person referred to in paragraphs (1) and (2) of this Article;
- (4) a company in which that Director, supervisor, president or other senior management member, individually or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors, supervisors, president and other senior management members of the Company have a de facto controlling interest;
- (5) the Directors, supervisors, president and other senior management members of the controlled company referred to in paragraph (4) of this Article.

Article 180 The fiduciary duties of the Directors, supervisors, president and other senior management members of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 181 Except for circumstances prescribed in Article 55 of the Articles of Association, a Director, supervisor, president and other senior management member of the Company may be relieved of liability for specific breaches of his/her duty by the informed consent of Shareholders given at a shareholders' meeting.

Article 182 Where a Director, supervisor, president and other senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company, (other than his service contract with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal there for is otherwise subject to the approval of the Board. Unless the interested Director, supervisor, president and other senior management member discloses his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, supervisor, president or other senior management member is not counted in the quorum and refrains from voting, a contract, transaction or arrangement in which that Director, Supervisor, president or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide Party thereto acting without notice of the breach of duty by the interested Director, president or other senior management member.

A Director, supervisor, president or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which a connected person (as defined in the Listing Rules) of him is interested.

Article 183 Where a Director, supervisor, president or other senior management member of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 184 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a Director, supervisor, president or other senior management member of the Company or of the Company's parent company or any of their respective associates.

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

- (1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;
- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, supervisors, president or other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved in shareholders' meeting;

- (3) The Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant Directors, Supervisors, president or other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

Article 185 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

Article 186 A loan guarantee provided by the Company in breach of the first provision of Article 184 shall be unenforceable against the Company, except the followings:

- (1) a loan was advanced to an associate of any of the Directors, supervisors, presidents and other senior management members of the Company or of the Company's parent company where the lender has no knowledge of the relevant circumstances; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 187 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 188 In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, supervisor, president and other senior management members of the Company is in breach of his duties to the Company, the Company has a right to:

- (1) claim damages from the relevant Director, supervisor, president and other senior management members in compensation for losses suffered by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the relevant Director, supervisor, president and other senior management members or with a third party (where such third party has or should have the knowledge that there is such a breach of duties by such Director, supervisor, president and other senior management members);
- (3) demand the relevant Director, supervisor, president and other senior management members to surrender the profits made by him in breach of his duties;
- (4) recover any monies received by the relevant Director, supervisor, president and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and
- (5) demand payment of the interest earned or which may have been earned by the relevant Director, supervisor, president and other senior management members on the monies that should have been paid to the Company.

Article 189 The Company shall, with the prior approval of Shareholders in shareholders' meeting, enter into a contract in writing with a Director or supervisor wherein his emoluments are stipulated, including;

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

Except under a contract entered into in accordance with the foregoing, no proceedings may be brought by a Director or supervisor against the Company for any benefits in respect of the matters mentioned in this Article.

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

Article 190 The contract for emoluments entered into between the Company and its Directors or supervisors should provide that in the event of a takeover of the Company, the Company's Directors and supervisors shall, subject to the prior approval of the Shareholders in shareholders' meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all Shareholders; or
- (2) an offer made by any person with a view to the offer or becoming a "Controlling Shareholder's shall have the same meanings of "Controlling Shareholder" as stipulated in Article 56.

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

CHAPTER 17 FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDITING

Article 191 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 193 The Board shall place before the Shareholders at every annual general meeting such financial reports as are required by relevant laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.

Article 194 The Company's financial reports shall be made available for Shareholders' inspection at the Company twenty (20) days before the date of annual shareholders' meeting. Each Shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

The Company shall at least deliver or send to each of holder of foreign-invested shares by prepaid mail the abovementioned reports not later than twenty-one (21) days before the convening of annual shareholders' meeting, the service address shall be the address in the register of members.

Article 195 The financial statements of the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 196 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations.

Article 197 The Company shall publish its quarterly financial reports within thirty (30) days from the end of the first three (3) months and nine (9) months respectively of each fiscal year; submit its interim financial reports to the local branch of the China Securities Regulatory Commission and the stock exchange and disclose the same within sixty (60) days from the end of the first six (6) months of each fiscal year; and submit its annual financial reports to the China Securities Regulatory Commission and the stock exchange and disclose them within one hundred and twenty (120) days from the end of each fiscal year. The aforesaid annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations and provisions of the China Securities Regulatory Commission and the stock exchange.

Article 198 The Company shall not keep accounts other than those provided by law. Assets of the Company shall not be deposited in an account maintained in the name of any individual.

Article 199 The after-tax profits of the Company shall be applied in the following order:

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

The Company shall appropriate 10% of profit after tax to its statutory surplus reserve. In case the Company's accumulated statutory surplus reserve is more than 50% of its registered capital, such reserve can be not further appropriated.

Article 200 Capital reserve fund includes the following items:

- (1) premium received when shares are issued at a premium to their par value;
- (2) other income required to be included in the capital reserve fund by the governing finance department of the State Council.

Article 201 The Company shall not proceed with profit distributions before offsetting the Company's losses and withdrawing the statutory reserve fund.

If the Company distributes profits to shareholders in violation of the regulations, the Shareholders shall return the profits distributed in violation of the regulations to the Company; if losses are caused to the Company, the Shareholders and the Directors, supervisors and senior management who are responsible for the losses shall be liable for compensation.

Article 202 The Company's policy, decision-making process and mechanism of profit distribution, and adjustments to the profit distribution policy.

(I) The profit distribution policy of the Company is:

1. Principles of profit distribution: The Company adopts consistent and stable profit distribution policies, aiming at bringing reasonable returns to investors while ensuring the Company's sustainable development as well as integrating the profitability and actual needs of the future development strategy of the Company, so as to establish a consistent and stable return mechanism to investors. The Board, the Supervisory Committee and the shareholders' meeting shall, in the decision-making and discussion process in respect of profit policies, fully consider the opinions of independent Directors, supervisors and public investors.

The Company's profit distribution shall not exceed the range of the accumulated distributable profits nor harm the ability of sustainable operation of the Company.

2. Forms of profit distribution: The Company may distribute the profit in the form of cash, shares, a combination of cash and shares and other forms as permitted under laws and regulations. The Company shall adopt cash distribution as the mean to distribute profit provided that the conditions for cash distribution are satisfied. In distributing profit by way of scrip dividend, true and reasonable factors such as the growth of the Company and the dilution to net assets per share shall be taken into account.

The Company's cash dividends shall satisfy the following conditions:

(i) The auditing firm has issued a standard unqualified audit report on the Company's financial report for that year (half-yearly profit distribution shall be made in accordance with the relevant regulations);

(ii) The Company's distributable profit for the year or half-year is positive (i.e. the Company's profit after tax after making up losses and withdrawing provident fund) and the cash flow is sufficient, and the implementation of the cash dividend will not affect the Company's sustainable operation in the future;

(iii) The Company's cumulative profit available for distribution is positive;

(iv) The Company does not have any significant investment plans or major capital expenditure (except for fund-raising projects).

(v) Other conditions prescribed by laws, regulations and regulatory documents.

3. Conditions of profit distribution and proportion: If the Company is profitable in the current year, the accumulated undistributed profit is positive, and the Company's cash flow can meet the normal operation and sustainable development of the Company, and there are no major investment plans or major cash expenditures, the Company shall prioritize cash distribution of profits and the annual cash distribution of profits shall not be less than 10% of the distributable profits realized in the current year. If conditions permit, the Company may distribute interim cash dividends. Major investment plans or significant cash expenditures (excluding fundraising projects) refer to any of the following situations:

(1) when the Company's cumulative expenditures for making external investments, acquiring assets, or purchasing equipment within the next twelve months reach or exceed 20% of the Company's latest audited net assets and exceed RMB30 million;

- (2) when the Company's cumulative expenditures for making external investments, acquiring assets, or purchasing equipment within the next twelve months reach or exceed 10% of the Company's latest audited total assets;
- (3) other circumstances stipulated by the China Securities Regulatory Commission or stock exchanges.

The Board shall take into account its industry characteristics, development stages, business model and profitability as well as whether it has any substantial capital expenditure arrangement, and shall propose a differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association to cater the following circumstances:

- (1) when the Company is in the mature stage of development and has no significant capital expenditure arrangements, the minimum proportion of cash dividends in this profit distribution shall reach 80%;
 - (2) when the Company is in the mature stage of development and has significant capital expenditure arrangements, the minimum proportion of cash dividends in this profit distribution shall reach 40%;
 - (3) when the Company is in the growth stage and has significant capital expenditure arrangements, or when the Company is in the development stage that is difficult to distinguish and has significant capital expenditure arrangements, the minimum proportion of cash dividends in this profit distribution shall reach 20%.
4. If the Board considers that the distribution of stock dividend will not cause an unreasonable share capital scale or shareholding structure, it could propose and implement the stock dividend distribution proposal in addition to satisfaction of the aforesaid cash distribution.
 5. In the event of misappropriation of the Company's funds by Shareholder, the Company can deduct the funds misappropriated from the cash dividends to be allocated to that Shareholder as repayment of the misappropriated fund.

(II) Procedures and Mechanism for decision making on profit distribution

1. The annual profit distribution plan of the Company shall be proposed and drafted by the Board after considering the requirements of the Articles of Association, profitability and the capital need, and shall be submitted to the shareholders' meeting for approval after it is considered and approved by the Board.

2. When the Company is drafting a specific cash dividend proposal, the Board shall carefully study and demonstrate matters such as the timing, conditions and minimum ratio, conditions for adjustment and requirements for decision-making process.

Independent Directors have the right to express independent opinions if they believe that the specific plan for cash dividends may harm the rights and interests of the Company or minority shareholders. If the Board fails to adopt or fully adopt the opinions of independent Directors, the opinions of independent Directors and the specific reasons for non-adoption shall be recorded in the Board resolution, and disclosed.

3. Before considering a profit distribution proposal at the shareholders' meeting, active communication and exchanges with shareholders, especially the minority shareholders, through various channels shall be encouraged by the Company in order to fully hear the views and demands of minority shareholders and address the concerns of minority shareholders promptly.

The Board, the independent Directors and Shareholders who meet certain conditions may collect voting rights from the Company's shareholders which may be cast by them at the shareholders' meeting.

4. The Supervisory Committee shall supervise the implementation of the Company's profit distribution policy by and the decision-making procedures of the Board and the management, and express its specific explanation and opinion when no profit distribution plan is proposed for a profitable year.
5. The shareholders' meeting shall vote on the profit distribution plan proposed by the Board in accordance with the law, regulations and the relevant provisions in the Articles of Association.
6. If the Company is profitable in the current year but has not proposed a cash profit distribution plan, the Board shall explain in the regular report of the current year the reasons for not distributing cash dividends and the purpose of retaining funds that have not been used for cash dividends.

(III) Adjustment of profit distribution policy

The Company may adjust its profit distribution policy according to the production and operation needs. The adjusted profit distribution policy shall not violate the requirements of relevant laws, administrative regulations, regulatory documents and the Articles of Association. The relevant resolution in relation to adjustment of profit distribution policy shall be first brought to the independent Directors and the Supervisory Committee for advice, fully listen to the opinions and demands of minority Shareholders, and submit to, after consideration and approval by the Board, the shareholders' meeting for approval by more than two-thirds of the voting rights represented by the Shareholders present at the shareholders' meeting. The Company shall provide various means to facilitate the public Shareholders to attend and vote at the shareholders' meeting.

Article 203 After the profit distribution plan is approved at the shareholders' meeting of the Company, or after a specific plan is formulated by the Board of the Company in accordance with the condition and caps of interim dividends for the next year considered and approved at the annual shareholders' meeting, the dividend (or share) distribution shall be completed within two (2) months. The Company shall pay the dividend once at least a year and the current dividend shall be distributed within the second quarter in the following year. While distributing the dividend, the Company shall notify the Shareholders.

While Company pays the dividend to the holder of overseas-listed foreign-invested shares, it shall be priced in RMB and announced to be paid in foreign currency. The foreign share dividends listed in Hong Kong shall be paid Hong Kong dollars.

Article 204 Unless otherwise stipulated in the relevant laws and administrative regulations, where the dividend is paid in foreign currency, the exchange rate shall adopt the average price of the benchmark currency for RMB against each foreign currency issued by the People's Bank of China in the calendar week prior to the date of dividend announcement.

Article 205 The Board may, besides dividing the annual dividend, at its discretion, decide to distribute the interim dividend. Unless otherwise stipulated in the regulations, the interim dividend shall be no more than 50% of the distributed profits in interim income statement of the Company.

Article 206 The Company's surplus reserve shall be used for the recovery of losses of the Company, expansion of the corporate production and operation or increase of the Company's registered capital.

To make up for the Company's losses with the surplus reserve, the discretionary surplus reserve and statutory surplus reserve shall be used first; if the losses cannot be fully compensated, the capital reserve may be used according to regulations.

The retained reserve shall not be less than 25% of the registered capital of the Company prior to the capitalization when the statutory surplus reserve is transferred to increase registered capital.

Article 207 the Company shall make withholdings and payments on behalf of the Shareholders of such tax taxable on the dividends payable to Shareholders in accordance with the provisions of the PRC taxation law and the amount of dividends payable.

Article 208 The Company shall appoint receiving agents on behalf of the holders of overseas-listed foreign-invested shares 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 or relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agent appointed by the Company for the holders of overseas listed foreign invested shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Article 209 The Company has internal auditing system and employ specialized auditing personnel who are responsible for internal audit and supervision on financial incomes and expenditures and operations of the Company.

Article 210 Duties of the internal auditing system and the auditing personnel shall be approved by the Board before implementation. The head of the auditing personnel shall provide audit reports to the Board.

CHAPTER 18 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 211 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit its financial statements, verify its net assets and provide related consultancy services. The accounting firm so appointed shall serve for a term of one (1) year and may be re-appointed.

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

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

Article 212 The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual general meeting at which the appointment is made until the conclusion of the next annual meeting of Shareholders.

Article 213 The Company guarantees that the accounting documents, account books, financial and accounting reports and other accounting materials provided to the accounting firm so appointed are true and complete. The Company shall not refuse to provide or conceal information and shall not provide false information. The certified public accountants' firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records or vouchers of the Company, and to require the Directors, president and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm;
- (3) a right to attend shareholders' meetings and to receive all notices of, and other communications relating to, any general meeting which any Shareholder is entitled to receive, and to be heard at any shareholders' meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article 214 Before the convening of the shareholders' meeting, the Board may fill any casual vacancy in the office of the certified public accountants' firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

Article 215 The Shareholders in shareholders' meeting may, by ordinary resolution, remove a certified public accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 216 The remuneration of a certified public accountants' firm or the manner in which such firm is to be remunerated shall be determined by the Shareholders in shareholders' meeting. The remuneration of a certified public accountants' firm appointed by the Board shall be determined by the Board.

Article 217 The Company's appointment of, removal of and non-reappointment of a certified public accountants' firm shall be resolved by Shareholders in shareholders' meeting. The resolution of the general meeting shall be filed with the China Securities Regulatory Commission.

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

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

- (2) If the leaving firm makes representations in writing and requests the Company to notify the Shareholders of such representations, the Company shall (unless the representations are received too late):
 - (i) in any notice given to Shareholders about a resolution to be made, state the representations that has been made by the accountants' firm which is about to leave; and
 - (ii) attach a copy of the representations to the notice and deliver it to the Shareholders in the manner stipulated in the Articles of Association.
- (3) If the firm's representations are not sent in accordance with sub-paragraph (2) above, the relevant firm may require that the representations be read out at the shareholders' meeting and may lodge further complaints.
- (4) A certified public accountants' firm which is leaving its post shall be entitled to attend:
 - (i) the shareholders' meeting relating to the expiry of its term of office;
 - (ii) the shareholders' meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (iii) the shareholders' meeting convened on its resignation.

A certified public accountants' firm which is leaving its post shall be entitled to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meeting in relation to matters concerning its role as the former certified public accountants' firm of the Company.

Article 218 Prior to the removal or the non-renewal of the appointment of a certified public accountants' firm, notice of such removal or non-renewal shall be given to the certified public accountants' firm concerned and such firm shall be entitled to make representation at the shareholders' meeting. Where the certified public accountants' firm resigns from its post, it shall make clear to the shareholders' meeting whether there has been any improprieties. An accounting firm may resign its office by depositing at the Company's legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall contain the following statements:

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

Where a notice is deposited under the preceding paragraph, the Company shall within fourteen (14) days send a copy of the notice to the relevant competent authority.

If the notice contains a statement referred to in subparagraph (2) above, the Company shall also send the aforesaid copies to each of the holders of overseas listed foreign invested shares by prepaid mail. The addresses of the recipients as shown in the register of Shareholders shall be taken as their correct addresses.

Where the notice of resignation of a certified public accountants' firm contains a statement of any matters of which an account should be given, the certified public accountants' firm may require the Board to convene an extraordinary shareholders' meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

CHAPTER 19 INSURANCE

Article 219 The Company shall be insured in the People' Insurance Company of China or other institutions providing insurance for the company authorized by the Chinese relevant laws and regulations.

The insurance category, sum insured and duration of the insurance shall be discussed and determined by the Board with the recommendation of the president and in accordance with the usual practice of the similar practice in other countries and usual Chinese practice and laws.

CHAPTER 20 LABOR MANAGEMENT

Article 220 Subject to the national laws, regulations and policies, the Company may, based on its operation and management needs, employ and dismiss the employees and have full power to set up its own salary and human resources management system.

The Company shall set up labor contract system and the labor contract that entered into by and between the Company and employee shall stipulate the employee employment, removal, resignation, salary, welfare, reward, discipline, rewards and punishments, labor insurance and labor discipline.

Article 221 The Company has right to dismiss any employee and the employees have the free right of resignation.

Article 222 The resignation or transfer of the employees who have participated in the special training of the Company shall be approved by the president.

Article 223 The Company shall follow the laws and regulations of the State Council and relevant labor authorities on labor protection and labor insurances for the Company's retired employees and the employees waiting for employment.

CHAPTER 21 PARTY ORGANIZATION

Article 224 In accordance with the requirements of the Constitution of the Communist Party of China, an organisation of the Communist Party of China shall be established. The Party organization shall take a leading role of guiding the direction, managing the overall situation, ensuring implementation and discussing and deciding on major issues of the Company in accordance with regulations. The Company shall establish the related 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 organization.

Article 225 The Company shall establish the party committee consisting of a secretary and several other members. The chairman of the Board and the secretary to the party committee, shall, principally, be the same person. A special deputy secretary shall be designated for mainly dealing with Party development of the Company. Eligible members of the party committee may be considered and appointed as members of the Board, the supervisory committee and the management through legal procedures. Eligible members in the Board, the supervisory committee, and the management who are members of the Communist Party of China may be considered and appointed as members of the party committee in accordance with relevant requirements and procedures. Meanwhile, the discipline inspection committee shall be established as required.

Article 226 When making decisions on significant matters of the Company, the Board shall first seek advice from the party committee of the Company.

Article 227 The party committee shall perform the following duties in accordance with the Constitution of the Communist Party of China and other internal regulations of the Party:

(1) To ensure and supervise the Company's implementation of policies and guidelines of the Party and the State and implement major strategic decisions of the Communist Party of China Central Committee and the State Council, as well as important work arrangements of the party committee of the SASAC and higher level Party organizations.

(2) To uphold the integration of the principle of management of cadres by the Party with the function of the Board in the lawful selection of the operation management and with the lawful exercise of authority of employment of personnel by the operation management. The party committee shall consider and comment on the candidates nominated by the Board or the president, or recommend candidates to the Board or the president. The party committee, together with the Board, shall evaluate the proposed candidates and put forth comments and suggestions collectively.

(3) To research and discuss the reform, development and stability of the Company, major operational and management issues and major issues concerning employee interests, and provide comments and suggestions thereon.

(4) To undertake the main responsibility in strictly administering the Party in all aspects, lead the Company's ideological and political work, united front work, spiritual civilization construction, enterprise cultural construction and the work of organisations such as Labour Union and Communist Youth League, and lead the construction of the Party conduct and of an honest and clean administration and support the fulfillment of the supervision responsibility of the discipline inspection committee.

CHAPTER 22 TRADE UNION

Article 228 The Company's employees shall have the right to conduct trade union activities.

The Company shall set aside an amount equivalent to 2% of the total amount of wages paid to its staff and workers as trade union fund every month. Such funds shall be used by the trade union of the Company in accordance with the Measures for the Management of Trade Union Funds formulated by the All-China Federation of Trade Unions.

CHAPTER 23 MERGER AND DIVISION OF THE COMPANY

Article 229 In the event of the merger or division of the Company, a plan shall be proposed by the Board of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association of the Company and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose to the plan of merger or division of the Company shall have the right to request that the Company or the Shareholders who consent to such plan purchase their shares at a fair price.

A special document of the Company's resolution on the merger or division should be prepared for inspection by the Shareholders. Such documents shall be sent to the holders of overseas listed foreign invested shares by post.

Article 230 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

When the Company merges with a company more than 90% shares of which is held by it, the merged company does not need to pass a resolution at the shareholders' meeting, but it shall notify other Shareholders, who have the right to request the Company to acquire their shareholdings or shares at a reasonable price. If the price paid for the company merger does not exceed 10% of the Company's net assets, it can be done without a resolution at the shareholders' meeting, unless otherwise provided by the Articles of Association or the listing rules of the stock exchange where the Company's shares are listed. If the merger of the Company in accordance with the provisions of the preceding paragraphs does not require a resolution at the shareholders' meeting, it shall be subject to a resolution by the Board.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make an announcement on the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on merger. The creditors who have received the said notice shall have the right within thirty (30) days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within forty-five (45) days from the date of the notice being first published to demand the Company to settle the debt or to provide corresponding security in respect

of the debt. The Company shall not be merged if its debts are not settled and no guarantees are provided accordingly.

After the merger, claims and liabilities of parties to the merger shall be assumed by the surviving company or the newly established company.

Article 231 When the Company is divided, its assets shall be split up accordingly.

In the event of a division of the Company, all the parties involved shall execute a division agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on division and shall make an announcement on the newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on division.

Liabilities of the Company prior to the division shall be assumed by the companies in existence after the division, except as provided in the written agreements entered into between the Company and its creditors in relation to the repayment of debt before the division.

Article 232 The creditors who have received the said notice shall have the right within thirty (30) days from the date of receiving the notice, and the creditors who have not received the notice shall have the right within forty-five (45) days from the date of the notice being first published to demand the Company to settle the debt or to provide corresponding security in respect of the debt. The Company shall not be merged or divided if its debts are not settled and no guarantees are provided accordingly.

Article 233 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

CHAPTER 24 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 234 The Company shall be dissolved due to the following reasons:

- (1) the business term set out in the Articles of Association expires, or any other event as stated in the Articles of Association which triggers the dissolution of the Company occurs;
- (2) a resolution on dissolution is passed by Shareholders at a shareholders' meeting;
- (3) dissolution is necessary due to a merger or division of the Company;
- (4) the Company has its business license being revoked, is ordered to close down or is deregistered according to law;
- (5) the Company has experienced serious difficulties in business operation and management, and the continuous operation would cause substantial loss to the interest of its Shareholders. In the event that this cannot be solved by other methods, Shareholders representing 10% or more of the voting rights of the total Shareholders of the Company may request the People's Court to dissolve the Company.

If the Company has any grounds for dissolution specified in the preceding paragraph, it shall publicize the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days.

Article 235 Under the circumstances set out in items (1) and (2) of Article 234, and no property distributed to its Shareholders, the Company may continue to subsist by amending the Articles of Association.

Amendments to the Articles of Association in accordance with the preceding paragraph shall be approved by no less than two-thirds of the voting rights held by the Shareholders present at the shareholders' meeting.

Where the Company is dissolved pursuant to items (1), (2), (4) and (5) of Article 234 of the Articles of Association, it shall be liquidated. If the Directors are the liquidation obligors of the Company, they shall establish a liquidation committee within fifteen (15) days after the dissolution circumstance arises and carry out liquidation. The liquidation committee shall consist of the Directors, except as otherwise provided in the Articles of Association or unless the shareholders' meeting decides to elect another person. If the Company fails to set up the liquidation committee within the aforesaid period or fails to liquidate after establishing a liquidation committee, the interested parties may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with liquidation. The People's Court shall accept the application and promptly organize a liquidation committee to carry out the liquidation.

The liquidation obligors shall bear the liability for damages suffered by the Company or creditors due to their failure to perform the obligations of liquidation in a timely manner.

Article 236 Where the Board proposes to liquidate the Company due to causes other than where the Company has declared bankruptcy that it is insolvent, the Board shall include a statement in its notice convening a shareholders' meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the establishment of the liquidation committee, all functions and powers of the Board and president shall cease. During the liquidation, the Company shall not carry on any new business activities.

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

Article 237 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make an announcement on the newspaper or the National Enterprise Credit Information Publicity System within sixty (60) days of that date.

The creditors may declare their claims to the liquidation committee within thirty (30) days of the receipt of the above notice or within forty-five (45) days after the announcements are made if no such notice is received. They shall specify the items to which their rights relate and produce evidence. Claims shall be registered by the liquidation committee.

The liquidation committee shall not make any debt settlement during the period for register of creditors.

Article 238 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and separately prepare a balance sheet and an inventory of assets;
- (2) to notify creditors by sending notice or by making announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes as well as taxes arising in the course of liquidation;
- (5) to ascertain all claims and debts;
- (6) to distribute the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

Article 239 After ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit the same to a shareholders' meeting or the People's Court for confirmation.

The Company shall, in proportion of the shares held by the Shareholders, distribute the remaining properties of the Company after payment of liquidation costs, salaries of employees, social insurance contribution and statutory compensations, outstanding taxes, and the Company's debts.

During the liquidation period, the Company shall subsist but cannot carry out any business activities not relating to liquidation.

Prior to the liquidation as specified in the preceding paragraph, the assets of the Company shall not be distributed to the Shareholders.

Article 240 If the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

Article 241 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the shareholders' meeting or the People's Court for confirmation, and also submitted to the company registration authority and apply for cancellation of registration of the Company, and announce the cessation of the Company.

Article 242 Members of the liquidation committee shall perform liquidation duties, and have the obligation of loyalty and diligence, and may not take or accept bribes or other illegal gains by taking advantage of their positions, nor encroached upon any property of the Company.

Any member of the liquidation committee who neglects to perform liquidation duties and causes losses to the Company shall be liable for losses; any member of the liquidation committee shall be liable for losses if they cause losses to the creditors due to intentional or gross negligence.

CHAPTER 25 PROCEDURES FOR AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 243 The Company may amend the Articles of Association of the Company in accordance with the provisions of the laws, administrative regulations and the Articles of Association of the Company.

The Company shall amend the Articles of Association as a result of the following:

- (1) The provisions in the Articles of Association contravene the amended laws and regulations after amendments made to the Company Law or relevant laws and administrative regulations;
- (2) The Company's conditions have changed which is inconsistent with the items stated in the Articles of Association;
- (3) The shareholders' meeting resolved to so amend the Articles of Association.

Article 244 The Articles of Association is amended as follows with the approval of the relevant government authorities:

- (1) Change of the Company's name;
- (2) Change, enlarging or narrowing the Company's business scope;
- (3) Change the share transaction arrangement;
- (4) Increase or decrease total number of any class of shares issued by the Company;
- (5) Change of the Company's all or partial classes of share and change of the Company's all or partial shares;
- (6) Add new class of shares;
- (7) Add or cancel the convertible bonds;
- (8) Change of the par value of the shares;
- (9) Change of the provisions in the Articles of Association relating to the other items that specially resolved in the shareholders' meeting.

While decreasing the capital and amending the Articles of Association, the Company shall stipulate the method of capital decrease within the resolutions on Articles of Association amendment.

This article is binding upon by the other articles hereof.

Article 245 The Company shall amend the Articles of Associations as per the following procedures:

- (1) The Board shall propose to amend the Articles of Association and formulate the amendment plan;
- (2) The Shareholders shall be notified of the foregoing revised content following Article 249 hereof, and shareholders' meeting shall be convened to pass the resolutions on the amendment to Articles of Association;

- (3) Subject to the relevant regulations hereof, the amended Articles of Association that is submitted to the shareholders' meeting shall be passed at the general meeting as a special resolution.

Article 246 Any amendment to the Articles of Association shall be filed with the competent authorities for approval if it is so required. Where the registered items of the Company are involved, the registration of change shall be duly dealt with.

Article 247 The Board shall, in accordance with the resolutions of the shareholders' meeting on amendment to the Articles of Association and approval of the relevant competent authorities, amend this Articles of Association.

Article 248 If any amendment to the Articles of Association involves any matters being information required to be disclosed according to laws or regulations, such amendment shall be announced according to the relevant provisions.

CHAPTER 26 NOTICES

Article 249 Unless otherwise stipulated in the Articles of Association, the Company must provide the relevant corporate communication to the Shareholders via electronic dissemination or by other means, provided that all applicable laws and rules are complied with; or publish the relevant corporate communication on the websites of the Company and the stock exchanges where the shares of the Company are listed (the Company must indicate on the website of the Company how it can publish the corporate communication by electronic or other means), including:

- (1) by hand;
- (2) by post;
- (3) by fax or e-mail;
- (4) subject to the compliance with the laws, administrative regulations and the relevant requirements of the securities regulatory authority in the place where the Company's shares are listed and this Article of Association, by way of posting on the website of the Company and/ or the website designated by the stock exchange in the place where the Company's shares are listed;
- (5) by way of public announcement;
- (6) by such ways as agreed in advance between the Company and the party to be notified or any other way which is recognized by the party to be notified after having received such notice;
- (7) other ways which are stipulated by the regulatory authority in the place where the Company's shares are listed or in this Articles of Association.

Article 250

- (1) “Actionable corporate communication” refers to any corporate communication that seeks instructions from issuer’s securities holders on how they wish to exercise their rights or make an election as the issuer’s securities holder.
- (2) the notice, data or written statement sent by the Company to the shareholders of foreign investment shares listed outside the People’s Republic of China, can be sent out by way of the method specified in Article 249.

The Company must provide a copy of the corporate communication to any Shareholder free of charge by sending, posting, distributing, issuing, publishing or other means when he/she requests for it, and disclose on the website of the Company the arrangements for how the Shareholders can obtain a copy of the corporate communication; and the Company must send the actionable corporate communication to each holder of overseas-listed foreign-invested shares separately, instead of merely publishing it on the websites of the Company or the stock exchange in the place where the Company’s shares are listed.

If the Company is unable to send its actionable corporate communication to a Shareholder via electronic dissemination means as it does not have any functional electronic contact information of such Shareholders, it must send a copy of the communication to the Shareholder and ask him/her to provide functional electronic contact information so that the Company can send corporate communication to him/her via electronic dissemination means in the future.

- (3) Where the notice is sent by person, the recipient shall sign (or seal) the receipt acknowledgement and the date of the signature of such recipient shall be the date of service; where the notice is sent by way of announcement, the date of the first announcement shall be the date of service; where the notice is sent by fax, e-mail or website, the effective date of the written letter shall be date of service; where the notice is sent by post, so long as the address is accurate and notice is delivered by prepaid registered mail, such notice is deemed as delivered and received after five (5) working days as of the date of delivery.
- (4) Notices, orders, documents, materials or written statements sent by the Shareholders and Directors to the Company shall be put or sent to the legal address of the Company by prepaid registered mail, or put or sent to the registered agent of the Company by prepaid registered mail.
- (5) Notices, orders, documents, materials or written statements sent by the Shareholders and Directors to the Company shall be deemed as delivered within the specified time under normal conditions with the date of post of such notices orders, documents, materials or written statements as the proof, or that may be proved by the clearly stated address and prepaid postage certificate.
- (6) The magazines publishing the announcement hereof shall be the magazines designated or required by the relevant laws, administrative regulations or the listing rules of the stock exchange where the Company’s shares are listed.

Where the meeting notice has not been sent to the receiver whoever has right to receive due to accidental omission or such person has not received the meeting notice, such meeting and the resolution adopted in the meeting shall remain valid.

CHAPTER 27 SETTLEMENT OF DISPUTES

Article 251 The Company is subject to the following rules on dispute settlement:

- (1) Any dispute or claim arising between the holder of overseas-listed foreign-invested shares and the Company, the holder of overseas-listed foreign-invested shares and the Company's Directors, supervisors, president, or other senior management members, the holder of overseas-listed foreign-invested shares and holders of domestic shares, and any dispute or claim arising from the rights and liabilities as stipulated in the relevant laws and administrative regulations relating to the Company's affairs shall be submitted to the arbitration commission for settlement by the relevant parties. The foregoing dispute or claim submitted for arbitration shall be the whole claim or dispute. Any person involved with the same cause of action or the person that is required to participate in for the settlement of such claim or dispute, if he is the Company or the Company's Shareholder, Director, supervisor, general president or other senior manager, shall be subject to the arbitration. However, the dispute relating to definition of Shareholder and register of member can be not settled through arbitration.
- (2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.
- (3) If any disputes or claims of rights prescribed in paragraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in laws and administrative regulations.
- (4) The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 28 BYE-LAWS

Article 252 Where the provisions of these Articles of Association are inconsistent with the mandatory provisions of laws, regulations, rules, ordinances and the listing rules of the stock exchange where the Company's shares are listed, such mandatory provisions of laws, regulations, rules, ordinances and the listing rules of the stock exchange where the Company's shares are listed shall prevail.

Article 253 The Board may formulate articles in accordance with the provisions of the Articles of Association, provided that such articles shall not contradict the provisions of the Articles of Association.

Article 254 The appendixes to the Articles of Association include the Rules of Procedure for Shareholders' Meetings, the Procedural Rules of the Board and the Rules of Procedure for the Supervisory Committee.

Article 255 These Articles of Association are written in Chinese and English, if there are discrepancies between the Chinese and English version, the Chinese version shall prevail.

Article 256 In the Articles of Association, any reference to the terms such as "more than", "within", "below" and "no more than" shall include the given figure; while any reference to the terms such as "beyond", "lower than", "less than" and "more than" shall not include the given figure.

Article 257 The right of interpretation of the Articles of Association shall be vested in the Board of the Company, the right of amending these Articles shall be vested in the shareholders' meeting.