Articles of Association of BYD Company Limited
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

October 2026

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of BYD Company Limited (the "**Company**"), its shareholders, employees and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association (the "**Articles of Association**") in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "**Company Law**"), the Securities Law of the People's Republic of China (hereinafter referred to as the "**Securities Law**"), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, the Guidelines for the Articles of Association of Listed Companies (hereinafter referred to as the "**Guidelines for the Articles of Association**"), the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "**Listing Rules**") and other relevant laws, administrative regulations and rules.

The Company is a joint-stock limited company incorporated pursuant to the Company Law and other relevant requirements under the laws, administrative rules and regulations of the State.

The Company was established on 18 March 2002 by way of overall restructuring with the approval of the State Economic and Trade Commission, as evidenced by the approval document "Reply of Consenting to the Transforming of BYD Company Limited into an Overseas Public Subscription Company" (Guo Jing Mao Qi Gai [2002]153), and the approval document, "Reply of Consenting to the Adjustment of Capital Structure of BYD Company Limited" dated 10 June 2002 (Guo Jing Mao Ting Qi Gai [2002] 348), and was converted into a joint-stock limited company. It was registered with the Shenzhen Administration for Industry and Commerce and obtained the business licence on 11 June 2002 (The number of the Company's business licence is: 0857080).

The Company holds the business license with the unified social credit code of 91440300192317458F issued by Shenzhen Market Supervision and Administration Bureau.

Name of Shareholder	**Number of shares held** *(0'000)*	**Shareholding** *(%)*
Wang Chuan-fu	15,016.91	38.5046
Lv Xiang-yang	6,295.49	16.1423
Guangzhou Youngy Management & Investment Group Company Limited	4,480.07	11.4874
Xia Zuo-quan	3,288.87	8.4330
Yang Long-zhong	2,071.73	5.3121
Mao De-he	725.85	1.8612
Wang Nian-qiang	569.73	1.4608
Dai Chang	458.58	1.1758
Liu Wei-ping	422.51	1.0834
Gu Wei-ni	318.80	0.8174
Jia Yan-xiu	318.80	0.8174
Li Ke	312.75	0.8019
Li Wei	296.86	0.7612
Fang Fang	284.86	0.7304

Name of Shareholder	Number of shares held *(0'000)*	Shareholding *(%)*
Li Yong-guang	284.86	0.7304
Liu Huan-ming	284.86	0.7304
Lun Xu-feng	284.86	0.7304
Sun Yi-zao	284.86	0.7304
Wang Chuan-fang	284.86	0.7304
Wu Chang-hui	284.86	0.7304
Wu Jing-sheng	284.86	0.7304
Xiao Ping-liang	284.86	0.7304
Zhang Yi	284.86	0.7304
Yan Yue-qing	199.40	0.5113
Lu Guo-zhi	142.43	0.3652
He Zhi-qi	98.48	0.2525
Qu Bing	88.95	0.2281
Wan Qiu-yang	88.95	0.2281
Wang Hai-tao	88.95	0.2281
Xia Zhi-bing	88.95	0.2281
Xie Qiong	88.95	0.2281
Liu Wei-hua	88.95	0.2281
Wang Hai-quan	88.95	0.2281
Zhu Ai-yun	73.07	0.1874
Li Zhu-hang	73.07	0.1874
Zhang Jin-tao	73.07	0.1874
Xiao Feng	73.07	0.1874
Chen Gang	73.07	0.1874
He Long	73.07	0.1874
Deng Guo-rui	73.07	0.1874
Total	39,000	100

The Company was converted and incorporated as a joint-stock limited company from Shenzhen BYD Company Limited on 11 June 2002. The above promoters invested in full with their net assets of Shenzhen BYD Company Limited held at the time of its incorporation.

Article 2 The registered name of the Company in Chinese: 比亞迪股份有限公司
The registered name of the Company in English: BYD COMPANY LIMITED

Article 3 The Company's legal domicile: 1 Yan'an Road, Kuichong Street, Dapeng New District, Shenzhen, Guangdong Province
Postcode: 518119 Telephone: 0755 89888888 Facsimile: 0755 84202222

Article 4 The Company's legal representative is the chairman of the Board of the Company.

If a director who serves as the legal representative resigns, he shall be deemed to have resigned from the position of the legal representative simultaneously.

Where the legal representative resigns, the Company shall determine a new legal representative within thirty days from the date of the resignation of the legal representative.

Civil acts carried out by the legal representative in the name of the Company shall be legally borne by the Company. Any restriction on the powers of the legal representative stipulated in the Articles of Association or by the shareholders' general meeting shall not be asserted against a third party acting in good faith.

If the legal representative causes damage to others in the performance of his/her duties, the Company shall bear civil liability. After the Company bears civil liability, it may seek recourse against the legal representative who is at fault in accordance with the laws or the Articles of Association.

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

Article 6 The rights and liabilities of the shareholders of the Company are limited to the shares held by them, and the Company is liable for its debts to the extent of its entire property.

Article 7 The Articles of Association became effective from the date of the establishment of the Company.

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

Shareholders may sue the Company in accordance with the Articles of Association; shareholders may sue other shareholders in accordance with the Articles of Association; shareholders may sue Directors and senior management of the Company in accordance with the Articles of Association; the Company may sue shareholders, Directors and senior management in accordance with the Articles of Association.

The term "sue" in the preceding Article shall refer to and include commencing court proceedings and applying for arbitration proceedings.

The term "senior management" in the Articles shall refer to the president, deputy president, the chief finance officer and the secretary to the Board of the Company.

Article 8 The Articles of Association are binding on the Company and its shareholders, Directors, senior management, all of whom are entitled to claim rights regarding the Company's affairs in accordance with the Articles of Association.

Article 9 The Company may invest in other enterprises. However, unless stipulated by laws otherwise, the Company shall not be jointly and severally liable to such enterprise(s) for their liabilities as their investor.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 10 The business objectives of the Company are: to conduct operation and business in compliance with laws with good faith, develop new high-tech products for the market, strive to explore domestic and international markets and create sound economies of scale to serve the socialist market economy.

Article 11 The scope of business of the Company shall cover the items approved by the company registration authorities.

The business scope of the Company covers: manufacture and sale of lithium batteries and other batteries, chargers, electronic devices, appliances and instruments, flexible printed circuits, hardware products, LCD screens, handset components, molds, plastic products and relevant accessories; research, development, production and sales of 3D eye glasses and global positioning system ("**GPS**"); import and export of commodities and technologies (excluding distribution and products sold and controlled exclusively by the State); acting as the General Distributor of BYD Automobile Co., Ltd. to engage in the sales, wholesale and exports of passenger vehicles, electric vehicles and their components under the BYD brand and to provide after-sales services; sales of battery management system, converter cabinet, inverter cabinet/device, junction box, switchboard, energy storage unit; research and sales of electric vehicle components; research and development of key components of new energy vehicles, and research, development and sales of the key parts and units of the aforesaid components; research, development, design, sales, leasing and after-sale services of rail transportation equipment (including rail vehicles, engineering machines, various mechanical and electrical equipment, electronic equipment and parts, electrical and electronic components, signal systems of rail vehicles, communication and integrated monitoring systems and devices) (excluding products managed by State operated enterprises; application shall be made in accordance with relevant state regulations for products subject to quota or license requirements or other specially-regulated products); research, development, design and sales of rail beams and pillars; leasing of self-owned properties (the properties situate in the BYD Industrial Park at No. 1, Yan'an Road, Kuichong Street, Dapeng New District and the BYD Industrial Park at No. 3001, Baohe Road, Baolong Industrial Park, Longgang Street, Longgang District); design, production, agency services and publication of advertisements; information and technology consulting services, technology services.

CHAPTER 3 SHARES, SHARES TRANSFER AND REGISTERED CAPITAL

Article 12 The shares of the Company shall take the form of share certificates. The Company shall have ordinary shares at all times. It may have other kinds of shares according to its needs, upon approval of the company examination and approval authorities authorized by the State Council.

Article 13 All the shares issued by the Company shall have a par value which shall be RMB1.00 for each share.

Article 14 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other. For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by the subscribers, the price payable for each of such shares shall be the same.

Article 15 Subject to the approval of securities regulatory authority of the State Council (hereinafter referred to as the "**CSRC**"), the Company may issue shares to domestic and foreign investors.

For the purposes of the preceding paragraph, the term "foreign investors" shall refer to investors from foreign countries or from Hong Kong Special Administrative Region, Macau Special Administrative Region or Taiwan that subscribe for shares issued by the Company, and the term "domestic investors" shall refer to investors within the People's Republic of China, excluding the above-mentioned regions, that subscribe for shares issued by the Company.

Article 16 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic shares. Shares issued by the Company to overseas investors for subscription in foreign currency shall be referred to as foreign shares. Foreign shares which are listed outside the PRC shall be referred to as overseas-listed foreign shares. Domestic shares which are listed in the PRC shall be referred to as PRC-listed domestic shares (A shares). Both the holders of the domestic shares and overseas-listed foreign shares are holders of the ordinary shares and shall have the same obligations and rights.

The Company's domestic shares are held in custody by the Shenzhen branch of China Securities Depository and Clearing Company Limited. The issue or transfer of the Company's overseas-listed foreign shares will be registered in the register of holders of overseas-listed foreign shares as provided under Article 12 hereof.

Article 17 The Company shall not accept any shares of the Company as the subject of pledge.

Article 18 Shares publicly issued by the Company before the share offering shall not be transferred within one (1) year from the date on which the shares of the Company are listed on a stock exchange. The transfer of domestic shares issued prior to the Company's initial public offering of domestic shares (A shares) shall be implemented in accordance with the provisions of laws, administrative regulations and relevant listing rules.

The Directors and senior management of the Company shall report to the Company their shareholdings held by them and changes therein and shall not transfer more than 25% per year of the total number of shares of the same class of the Company held by them during their tenure which had been determined when taking office. The shares of the Company held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service.

Article 19 Any gains from sale of shares of the Company or other securities of equity nature by any Directors, senior management or shareholders of domestic shares holding 5% or more of the shares of the Company within six (6) months after their purchase of the same, and any gains from purchase of shares of the Company by any of the aforesaid parties within six (6) months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, the six (6) month moratorium shall not apply.

The shares or other securities of equity nature held by the Directors, senior management and natural person shareholders referred to in the preceding paragraph include the shares or other securities of equity nature held by their spouses, parents, children, and held by them using others' accounts.

Should the Board of the Company fail to observe the preceding paragraph, the shareholders shall be entitled to request the Board to enforce the same within thirty (30) days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders are entitled to directly initiate court proceedings at the People's Court in their own name for the interests of the Company.

Should the Board of the Company fail to comply with the requirements set out in the first paragraph of this Article, the responsible Director(s) shall assume joint and several liabilities under the law.

Article 20 With the approval of the company examination and approval authority of the State Council, the Company issued a total of 390,000,000 ordinary shares to its promoters upon establishment.

Article 21 After the establishment of the Company, an additional 149,500,000 overseas-listed foreign shares were issued. The share capital structure of the Company after issue was: 539,500,000 ordinary shares, including 390,000,000 shares held by the promoters, accounting for 72.29% of the total ordinary share in issue of the Company, 149,500,000 shares held by holders of overseas-listed foreign shares, accounting for 27.71% of the total ordinary shares in issue of the Company.

Upon completion of the issue of the aforesaid overseas-listed foreign shares, and upon approval at the shareholders' general meeting, the Company capitalized its capital common reserves and issued 28 bonus shares for every 10 shares to all shareholders. Upon completion of the bonus issue, the Company's share capital structure was: 2,050,100,000 ordinary shares, of which 1,482,000,000 shares were held by holders of non-overseas listed foreign shares, representing 72.29% of the Company's total ordinary shares in issue; 568,100,000 shares were held by holders of overseas-listed foreign shares, representing 27.71% of the Company's total ordinary shares in issue.

Upon completion of the above capitalization of the capital common reserves, and upon approval at the shareholders' general meeting and by the relevant regulatory authorities, the Company further issued an additional 225,000,000 overseas-listed foreign shares. Upon completion of such capital increase, the Company's share capital structure was: 2,275,100,000 ordinary shares, of which 1,482,000,000 shares were held by holders of non-overseas listed foreign shares, representing 65.14% of the Company's total ordinary shares in issue; 793,100,000 shares were held by holders of overseas-listed foreign shares, representing 34.86% of the total ordinary shares in issue.

The Company was approved by China Securities Regulatory Commission on 7 June 2011 for the fresh issue of 79,000,000 Renminbi denominated ordinary shares to the general public and the listing on the Shenzhen Stock Exchange on 30 June 2011.

Upon completion of the issue of the aforesaid capital increase and issue of domestic shares, and upon approval at the shareholders' general meeting and by the relevant regulatory authorities, the Company further issued an additional 121,900,000 overseas-listed foreign shares, and the listing on the Hong Kong Stock Exchange on 30 May 2014.

The Company was approved by China Securities Regulatory Commission on 25 January 2016 for the non-public issue of 252,142,855 domestic Renminbi denominated ordinary shares and the listing on the Shenzhen Stock Exchange in July 2016.

Upon completion of the aforesaid the non-public issue of domestic shares, and upon approval at the shareholders' general meeting and by the relevant regulatory authorities, the Company further issued an additional 133,000,000 and 50,000,000 overseas-listed foreign shares which were listed on the Hong Kong Stock Exchange on 28 January 2021 and 8 November 2021, respectively.

The Company completed the repurchase and cancellation of 1,877,000 domestic RMB ordinary Shares on 10 May 2024. The Company's total share capital therefore decreased from 2,911,142,855 Shares to 2,909,265,855 Shares.

Upon completion of the aforesaid repurchase and cancellation of domestic RMB ordinary Shares, as approved at the Shareholders' general meeting and by the relevant regulatory authorities, the Company further issued an additional 129,800,000 overseas-listed foreign shares, which were listed on The Stock Exchange of Hong Kong Limited on 11 March 2025.

Upon completion of the issue of the aforesaid overseas-listed foreign shares, and upon approval at the shareholders' general meeting and by the relevant regulatory authorities, the Company issued 8 bonus shares for every 10 shares and capitalized its capital reserve and issued 12 bonus shares for every 10 shares to all shareholders. Upon completion of the bonus issue and capitalization of the capital reserve, the total share capital of the Company increased from 3,039,065,855 shares to 9,117,197,565 shares.

Upon completion of the above bonus issue and capitalization of the capital reserve plan, the Company's share capital structure is: 9,117,197,565 ordinary shares, of which, 5,433,797,565 ordinary shares are held by holders of A Shares, representing 59.60% of the Company's total ordinary shares in issue; and 3,683,400,000 shares are held by holders of overseas-listed foreign shares, representing 40.40% of the Company's total ordinary shares in issue.

Article 22 The Company's registered capital is RMB9,117,197,565.

Article 23 The Company may, based on its operational and development needs and in accordance with the relevant provisions of the Articles of Association, approve an increase of capital.

The Company may increase its capital in the following manners:

(1) by offering new shares for subscription by unspecified investors;

(2) by issuing of shares to specified investors;

(3) by placing new shares to its existing shareholders;

(4) by allotting bonus shares to its existing shareholders;

(5) by capitalizing its capital reserve;

(6) by any other means which is permitted by laws, administrative regulations and the CSRC.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by relevant laws and administrative regulations of the State.

Article 24 All overseas-listed foreign shares companies shall act in accordance with the following provisions:

(1) All overseas-listed foreign shares shall be transferred by an instrument in writing in any usual or common form or any other form which the Board may approve. The instrument of transfer may be executed without seal either by hand or in mechanically-printed form, affixing of the company seal is not required.

(2) No transfer may be made to a minor or to a person of unsound mind or under other legal disability.

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

The issuance of domestic-listed Renminbi ordinary shares of the Company shall observe the following provisions: Should such shares be de-listed on the domestic stock exchange, the domestic shares of the Company will continue to be traded under the securities exchanges including the National Equities Exchange and Quotations System. The Company shall not amend such requirement in the Articles of Association.

CHAPTER 4 REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 25 In accordance with the Company Law and other relevant regulations and the provisions of the Articles of Association, the Company may reduce its registered capital.

Article 26 The Company shall prepare a balance sheet and inventory of assets for reduction of registered capital.

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of registered capital at the shareholders' general meeting and shall publish an announcement in a newspaper or 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 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.

For any reduction of the Company's registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to shares held by the shareholders, unless otherwise provided by laws or the Articles of Association.

The registered share capital of the Company following the reduction of capital shall not fall below the minimum statutory requirement.

Article 27 Where the Company still incurs losses after making up its losses in accordance with the provisions of the second paragraph of Article 179 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or call on shares.

The provisions of the second paragraph of Article 26 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding paragraph. The Company shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days from the date on which the resolution on reduction of registered capital is passed at the shareholders' general 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 funds and discretionary reserve funds reaches 50% of the Company's registered capital.

Article 28 If the reduction of the registered capital violates of the Company Law and other relevant regulations, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the responsible Directors and senior management shall be liable for compensation.

Article 29 When the Company issues new shares to increase its registered capital, shareholders do not have pre-emptive rights, unless otherwise provided in the Articles of Association or decided by a resolution of the shareholders' general meeting that shareholders shall have pre-emptive rights.

Article 30 The Company may, in accordance with the laws, administrative regulations, departmental rules and the Articles of Association, purchase its shares under the following circumstances:

(1) reducing its registered share capital;

(2) merging with another company that holds shares in the Company;

(3) granting shares for the employee stock ownership plan or as share inventive;

(4) acquiring shares held by shareholders (upon their request) who vote against any resolution proposed in any general meeting on the merger or division of the Company;

(5) using shares to satisfy the conversion of convertible corporate bonds issued by the listed company;

(6) safeguarding corporate value and shareholders' interests as the listed company deems necessary.

The Company shall not purchase its shares save for the circumstances specified above. The controlled subsidiaries of the Company shall not acquire the shares issued by the Company.

Article 31 The Company may purchase its shares through open and centralized trading or other methods as recognized by laws and regulations and the CSRC. Where the purchase of shares by the Company falls under any of the circumstances stipulated in items (3), (5) and (6) of the first paragraph of Article 30 of Chapter 4 of the Articles of Association, it shall be conducted through open and centralized trading.

Article 32 After the Company repurchased its shares pursuant to the laws, it should cancel or transfer such part of the shares within the term specified by the laws and administrative rules and, in the case of transfer, apply to the original registry of the Company for registration of alteration of the registered capital.

Where the purchase of shares by the Company falls under any of the circumstances stipulated in items (1) and (2) of the first paragraph of Article 30 of the Articles of Association, it shall be subject to approval at the general meeting. Where the purchase of shares by the Company falls under any of the circumstances stipulated in items (3), (5) and (6) of the first paragraph of Article 30 of the Articles of Association, it shall be resolved by more than two-thirds of directors present at a Board meeting.

For any share purchased by the Company pursuant to the first paragraph of Article 30 of the Articles of Association, shares purchased under item (1) of Article 30 shall be cancelled within ten (10) days from the date of acquisition; for those circumstances described under items (2) and (4), the shares shall be transferred or cancelled within six (6) months; the aggregate number of shares held by the Company shall not exceed 10% of the total number of shares of the Company in issue, and such shares shall be transferred or cancelled within 3 years under any of the circumstances stipulated in items (3), (5) and (6).

The amount of the Company's registered share capital shall be reduced by the aggregate par value of those cancelled shares.

The Company shall not accept any pledge of its shares.

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

Article 33 The Company and its subsidiaries shall not, by any means at any time, provide any kind of financial assistance for others to obtain the shares of the Company or its parent company. The said others include a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

The Company and its subsidiaries shall not, by any means and at any time, provide financial assistance to the said obligor for the purpose of reducing or discharging the obligations assumed by that person.

The provisions in this Article shall not apply to the circumstances stated in Article 35.

Article 34 The term "financial assistance" referred to in this Chapter includes (but not limited to) the following means:

(1) gift;

(2) advance of funds;

(3) 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 incurred owing to the Company's own default) or release or waiver of any rights;

(4) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled prior to the obligations of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;

(5) 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 "assuming an obligation" referred to in this Chapter includes the assumption of obligations by the changing of the obligor's financial position by way of contract or the making of an arrangement (whether enforceable or not, and whether made on its own account or with any other persons), or by any other means.

Article 35 The following activities shall not be deemed to be activities as prohibited in Article 33 of this Chapter:

(1) the financial assistance by the Company is given in good faith in the interest of the Company;

(2) the provision of money by the Company for contributions to staff and workers' share schemes.

Any provision of financial assistance under the circumstance stipulated in the first paragraph of this Article shall be subject to the approval by resolution of shareholders' general meetings or the Board within the authorization under the Articles of Association or shareholders' general meetings. The Company may provide financial assistance to others for the acquisition of shares in the Company or its parent company, provided that the cumulative amount of the financial assistance shall not exceed 10% of the total share capital in issue. Resolutions made by the Board shall be passed by more than two-thirds of all Directors.

If the breach of the provisions of the preceding two paragraphs incurs losses to the Company, the directors and senior management in charge shall be liable for compensation.

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 36 The Company's share certificates shall be in registered form.

The share certificates of the Company shall, in addition to those provided in the Company Law, contain other items required to be specified by the stock exchange(s) on which the shares of the Company are listed.

Article 37 The Company shall establish the register of members with the information provided by the securities registration and clearing organ; and shall contain the following particulars:

(1) the name, address (domicile), 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;

(7) Pledge, freezing and other restrictions of rights of the shares held by each shareholder.

The register of members shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 38 The Company may keep the original register of holders of the overseas-listed foreign shares overseas in accordance with the understanding and agreement between the CSRC and the overseas securities regulatory authority at the place of the overseas listing and appoint an overseas agent for management at the place of the overseas listing.

The Hong Kong branch register of holders shall be available for inspection by shareholders during office hours, but the Company may be allowed to close the register of members on terms relating to the Companies Ordinance of Hong Kong.

The appointed overseas agent(s) shall ensure the consistency between the original and the duplicate of the register of holders of overseas-listed foreign shares at all times.

If there is any inconsistency between the original and the duplicate of the register of holders of overseas-listed foreign shares, the original version shall prevail.

Article 39 The Company shall maintain a register of members. The register of members shall include the following:

(1) the register of members maintained at the Company's domicile (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 shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;

(3) the register of members maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

Article 40 Where laws, administrative regulations, departmental rules, normative documents, the relevant stock exchange where the Company's shares are listed or regulators stipulate on the period of closure of the register of members prior to a general meeting or the record date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 41 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholders' identities, the Board or the convener of the shareholders' general meeting shall decide on the record date. Shareholders whose names appear in the register of members at the end of the record date are considered shareholders who are entitled to relevant rights.

Article 42 Any person who objects to the register of members and requests to have his name entered in or removed from the register of members, in the event of disagreement by the Company, may apply to a competent court for rectification of the register.

If the Company refuses to register the transfer of shares, it shall provide a notice of refusal of such transfer of shares to the transferor and the transferee within two (2) months from the date of the formal application of such transfer is submitted.

Article 43 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.

The joint holders of any shares shall jointly or severally assume the liability to pay for all amounts payable for the relevant shares. For joint holding of any shares, if one of the joint shareholders is deceased, only the other surviving joint shareholders shall be deemed as the persons who have the ownership of the relevant shares. But the Board has the power to require them to provide a certificate of death of the relevant shareholder as necessary for the purpose of modifying the relevant register of members. In respect of any of the joint holders of the shares, only the joint shareholder ranking first in the register of members have the right to accept certificates of the relevant shares from the Company, receive notices of the Company, attend and vote at shareholders' general meetings of the Company. Any notice which is delivered to the aforesaid shareholder shall be deemed to have been delivered to all the joint shareholders of the relevant shares.

CHAPTER 7 SHAREHOLDERS' RIGHTS AND OBLIGATIONS

Article 44 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of members.

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

Where a shareholder of the Company is a legal person, his right shall be exercisable by a legal representative or a proxy of such legal representative or (if the shareholder is a recognized clearing house (hereinafter referred to as the "**Recognized Clearing House**") or other persons designated by him) a representative of the Recognized Clearing House or an appointer on his behalf.

The Company may not exercise any power to freeze or infringe in any other way the rights carried by any share held by any person who enjoys interests directly or indirectly merely for the reason that he has not disclosed his interests to the Company.

Article 45 The ordinary shareholders of the Company shall be entitled to the following rights:

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

(2) the right to propose to hold, convene and preside over, to attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right in accordance with laws;

(3) the right to supervise and manage the business activities of the Company and to put forward proposals and raise inquiries;

(4) the right to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;

(5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:

    1. to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;

    2. to inspect and copy, subject to payment of a reasonable charge:

        (i) all parts of the register of members;

        (ii) report on the state of the Company's share capital;

        (iii) 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 costs paid by the Company for this purpose;

(iv) minutes of shareholders' general meetings;

(v) resolutions of Board meetings, financial reports, a qualified shareholder may inspect the accounting books and vouchers of the Company.

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

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

(8) as stipulated under the Company Law or other laws, administrative regulations or departmental rules, in the event that any act has prejudiced the Company's interests or infringed the legitimate interest of a shareholder, the right to make claims to the People's Court to enforce relevant rights;

(9) other rights conferred by laws, administrative regulations and the Articles of Association.

Shareholders demanding inspection of the relevant information of the Company shall provide to the Company written documents evidencing the class and number of shares of the Company they hold according to the Company Law, the Securities Law and other laws and administrative regulations. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Article 46 Where the Company incurs losses as a result of Directors' and senior management's (other than the members of the Audit Committee) violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the Audit Committee to initiate proceedings in the People's Court. Where the Company incurs losses as a result of the violation of any provision of laws, administrative regulations or the Articles of Association by members of the Audit Committee in the course of performing their duties with the Company, the foresaid shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the People's Court.

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

Shareholders described in the first paragraph of this Article may also initiate proceedings in accordance with the preceding two paragraphs in the event that the Company incurs losses as a result of the lawful interests of the Company being infringed upon by any third parties.

Where the Company incurs losses as a result of the violation of the laws, administrative regulations or the Articles of Association by the directors, supervisors and senior management of the Company's wholly-owned subsidiary in the course of performing their duties, or another person infringes the lawful rights and interests of the Company's wholly-owned subsidiary and thus causes losses, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days may, in accordance with the provisions of the preceding three paragraphs of Article 189 of the Company Law, make a request in writing to the supervisory committee and the board of directors of the wholly-owned subsidiary to initiate proceedings in the People's Court or initiate proceedings in the People's Court directly in their own names.

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

Article 47 The ordinary shareholders of the Company shall assume the following obligations:

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

(2) To pay subscription monies according to the number of shares subscribed and the method of subscription;

(3) Not to withdraw their share capital unless required by the laws and regulations;

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

Shareholders of the Company who abuse their shareholders' rights and thereby causing loss on the Company or other shareholders shall be liable for indemnity according to the law.

Where shareholders of the Company abuse the Company's position as an independent legal person and the limited liability of shareholders for the purposes of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company.

(5) To assume losses and liabilities of the Company in the proportion of the shares they held and limited to the shares subscribed;

(6) protect the Company's interests on their own accord;

(7) other obligations imposed by laws, administrative regulations and the Articles of Association.

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

Article 48 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 49 The controlling shareholder and the de facto controller of the Company shall exercise their rights and perform their obligations in accordance with the laws, administrative regulations, the provisions of the CSRC and the stock exchange(s), and shall safeguard the interests of the list companies.

The controlling shareholder and the de facto controller of the Company shall comply with the following provisions:

(1) to exercise shareholders' rights in accordance with laws, and not to abuse controlling rights or use their connected relationship to act in detriment to the interests of the Company or other shareholders;

(2) to strictly fulfill all public statements and commitments made, and not to arbitrarily modify or seek exemption therefrom;

(3) to fulfill information disclosure obligations in strict accordance with the relevant regulations, actively cooperate with the Company in information disclosure, and promptly notify the Company of any material events that have occurred or are expected to occur;

(4) not to misappropriate the Company's funds in any form;

(5) not to compel, instigate or demand the Company and its relevant personnel to provide illegal or non-compliant guarantees;

(6) not to use undisclosed material information of the Company to seek benefits, not to disclose any undisclosed material information relating to the Company in any manner, or engage in illegal and non-compliant activities such as insider trading, short-swing trading, or market manipulation;

(7) not to damage the legitimate rights and interests of the Company and other shareholders through unfair connected transactions, distribution of profits, asset restructuring, external investment and any other means;

(8) to ensure the Company's asset integrity, personnel independence, financial independence, organizational independence, and business independence, and not to compromise the Company's independence in any way;

(9) provisions of the laws, administrative regulations, the provisions of the CSRC, the business rules of the stock exchanges and the Articles of Association.

Where the controlling shareholder or the de facto controller of the Company does not serve as a Director of the Company but de facto manages the Company's affairs, the provisions of the Articles of regarding Directors' duties of fiduciary and diligence shall apply.

Where the controlling shareholder or the de facto controller of the Company instructs a Directors or a member of the senior management to act in a manner detrimental to the Company or shareholders' interests, they shall assume joint and several liabilities with such Director or member of the senior management.

Where the controlling shareholder or the de facto controller pledges the shares of the Company held or actually controlled by them, they shall maintain the controlling rights and the stability of production and operation.

If the controlling shareholder or the de facto controller transfers the Company's shares held, they shall comply with the restrictive provisions on share transfers set forth in laws, administrative regulations, the provisions of the CSRC and the Shenzhen Stock Exchange, and any commitment it makes with respect to the restricted share transfers.

Article 50 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which 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 of his duty to act honestly in the best interests of the Company;

(2) to approve the expropriation by a Director (for his own benefit or for the benefit of other person(s)), in any manner, of the Company's assets, including (without limitation) opportunities beneficial to the Company;

(3) to approve the expropriation by a Director (for his own benefit or for the benefit of other person(s)) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a restructuring of the Company submitted to the general meeting of shareholders for approval in accordance with the Articles of Association.

Article 51 The term "controlling shareholder" referred to in the Articles of Association means a shareholder who satisfies any one of the following conditions:

(1) a shareholder who, acting alone or in concert with others, has the power to elect more than half of the Board members;

(2) a shareholder who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;

(3) a shareholder who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;

(4) a shareholder who, acting alone or in concert with others, has de facto control of the Company in any other way.

CHAPTER 8 SHAREHOLDERS' GENERAL MEETINGS

Article 52 The shareholders' general meeting of the Company shall comprise all shareholders. The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

Article 53 The shareholders' general meeting may exercise the following functions and powers:

(1) to elect and replace the directors and decide on matters relating to the remuneration of the relevant directors;

(2) to examine and approve reports of the Board;

(3) to examine and approve the Company's profit distribution plans and plans for making up losses;

(4) to decide on increases or reductions in the Company's registered capital;

(5) to decide on matters such as merger, division, dissolution and liquidation of the Company or alteration of corporate form;

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

(7) to adopt resolutions on the Company's appointments, dismissals or non-reappointments of accounting firms undertaking audit services of the Company;

(8) to amend the Articles of Association;

(9) to examine matters relating to the purchases and disposals of the Company's material assets within one year, which exceed 30% of the Company's latest audited total assets;

(10) to examine and approve the provision of external guarantees and financial assistance required by laws, administrative regulations and under Article 54 of the Articles of Association to be resolved by general meeting of shareholders;

(11) to examine and approve matters relating to changes in the use of funds raised;

(12) to examine the Company's share incentive schemes and employee stock ownership plan;

(13) to examine on other matters required by laws, administrative regulations, departmental rules and the Articles of Association to be resolved by general meeting of shareholders.

The general meeting of shareholders may authorize the Board to decide on issuance of corporate bonds.

Unless otherwise prescribed by laws, administrative regulations, provisions of the CSRC and rules of the stock exchange(s), the aforesaid functions and powers of the general meeting of shareholders shall not be exercised by the Board or other institutions and individuals by means of authorization.

Article 54 Any external guarantees provided to third parties shall be approved by the Board or subject to approval by the general meeting of shareholders. The Company shall not provide guarantees to those third parties without the approval of the Board or by the general meeting of shareholders. The following guarantees provided to third parties by the Company are subject to review and approval by the general meeting of shareholders:

(1) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of guarantee to third parties provided by the Company and its controlled subsidiaries has reached or exceeded 30% of the Company's latest audited total assets;

(3) a guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;

(4) a single guarantee amount in excess of 10% of the Company's latest audited net assets;

(5) the guarantee to be provided in favour of shareholders, de facto controllers and their related parties;

(6) any accumulated guarantee amount provided within recent 12 months exceeding 30% of the Company's latest audited total assets.

Where the general meeting is considering a resolution on guarantees to be provided to shareholders, de facto controllers and its related parties, such shareholders, or shareholders under the control of such de facto controllers, shall abstain from voting. Such resolution is subject to the approval of more than half of the voting rights held by the other shareholders present at the meeting. The preceding item (6) shall be approved by vote representing not less than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting in favour of it in order for it to be passed. Guarantee provided to third parties shall also be subject to the review, approval and resolution of two-thirds of the Directors present at the Board meeting, in addition to the deliberation and approval of more than half of all Directors.

Any Director and senior management who violates any of the laws, administrative regulations or the Articles of Association relating to the approval and requirements of the meeting procedures in relation to external guarantees and causes losses to the Company shall be liable for compensation to any loss caused to the Company. The Company shall initiate proceedings in accordance with the laws.

Where there are special provisions otherwise prescribed by the CSRC and the stock exchange(s) on which the shares of the Company are listed as to external guarantees, the preceding provisions of the Articles of Association shall not be applied, the more stringent provisions prescribed by the CSRC and the stock exchange(s) on which the shares of the Company are listed shall be applicable.

For matters to be decided at shareholders' general meeting as prescribed by the laws, administrative regulations and the Articles of Association, such matters have to be considered at the shareholders' general meeting so as to ensure that the shareholders of the Company have the right to decide over those matters. When it is deemed necessary and reasonable, in relation to resolutions that have been made but their relevant specific matters cannot be decided upon during the shareholders' general meeting, the shareholders' general meeting may authorize the Board of Directors to decide upon such matters within the scope of authorization of the shareholders' general meeting.

Shareholders' general meeting authorizing power to the Board, where adopting an ordinary resolution, votes representing more than one-half of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed. To adopt a special resolution, votes representing more than two-thirds of the voting rights represented by the shareholders (including proxies) present at the meeting must be exercised in favour of the resolution in order for it to be passed. The content of the authorization shall be clear and specific.

Article 55 Except for the cumulative voting system, all resolutions proposed at the shareholders' general meeting shall be voted one by one, and for different motions on the same matter, voting will be conducted according to the time sequence these motions are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not postpone the motions and shall vote on them.

Article 56 Except for special circumstances such as the Company being in a crisis, without approval by special resolution at the shareholders' general meeting, the Company shall not conclude a contract with people other than the Directors and senior management to delegate management of all or the Company's important operation to such people.

Article 57 General meetings of shareholders include annual general meetings of shareholders and extraordinary general meetings of shareholders. A general meeting of shareholders shall be convened by the Board. The annual general meeting of shareholders shall be held once every year within six months after the end of the previous accounting year. The general meeting of shareholders shall have a venue and be held on-site, and shall, through different methods and channels such as the internet platform, provide convenience to shareholders attending the shareholders' general meeting according to laws, administrative regulations, the requirements of China Securities Regulatory Commission and the Articles of Association. A shareholder who participates in a general meeting in the aforesaid manners shall be deemed to have been present at the meeting.

The Board shall hold an extraordinary general meeting of shareholders within two (2) months upon 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 are in excess of one-third of the Company's total share capital;

(3) shareholders individually or jointly holding not less than 10% (inclusive) of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;

(4) the Board considers it necessary;

(5) upon request by the audit committee;

(6) such other circumstances as provided for by laws and regulations, departmental rules, rules of the stock exchange(s) where the Company's shares are listed on or the Articles of Association.

The amount of shareholdings referred to the preceding item (3) above shall be calculated as at the date of written request made by the shareholders.

Article 58 When the Company convenes an annual general meeting, it shall issue a written notice twenty-one (21) working days prior to the meeting, and fifteen (15) days prior to the holding of an extraordinary general meeting, informing all the registered shareholders of the matters to be examined at the meeting as well as the date and place of the meeting. Regarding the calculation of the notice period, the date of the meeting shall not be included.

Article 59 The Board, the audit committee and shareholders individually or jointly holding not less than 1% of the Company's shares shall have the right to submit proposals to the Company at the general meeting of shareholders to be held by the Company.

Shareholders individually or jointly holding not less than 1% of the Company's shares may submit an extempore proposal to the convener in writing ten (10) days prior to date of the meeting. The convener shall dispatch a supplementary notice of the general meeting and announce the contents of such extempore proposal within two (2) days upon receipt of the proposal, and ad hoc proposed resolutions shall be submitted to the general meeting for deliberation, unless ad hoc proposed resolutions are in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the general meeting.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the general meeting.

Article 60 The general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice as stipulated under Article 58 of the Articles of Association or that is inconsistent with Article 59 of the Articles of Association.

Article 61 Motions at a general meeting refer to specific motions regarding issues which shall be discussed at the general meeting. Motions at a general meeting shall meet the following requirements:

(1) The contents shall comply with provisions of the laws, administrative regulations and the Articles of Association and shall fall within the scope of business of the Company and terms of reference of a general meeting;

(2) The motions shall cover specific topics for discussion and specific issues to be resolved; and

(3) The motions shall be served or submitted to the convener in writing.

Article 62 A notice of the general meeting shall meet the following requirements:

(1) be in writing;

(2) specify the place, date and time of the meeting;

(3) state the matters to be discussed at the meeting;

(4) provide such information and explanation as required by the relevant rules of the stock exchange(s) on which the Company's shares are listed and as are necessary for the shareholders to make an informed decision on the proposals put before them. Without limiting the generality of the foregoing, where a proposal is made to amalgamate the Company with another, to repurchase the shares of the Company, to reorganize its share capital, or to restructure the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed contract, if any, and the cause and effect of such proposal must be properly explained;

(5) contain a disclosure of the nature and extent, if any, of the material interests of any Director, senior management in the proposed transaction and the effect which the proposed transaction will have on them in their capacity as shareholders in so far as it is different from the effect on the interests of shareholders of the same class;

(6) contain the full text of any special resolution to be proposed at the meeting;

(7) contain a conspicuous statement that all ordinary shareholders and shareholders with special voting rights are entitled to attend a general meeting and a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy does not need not be a shareholder of the Company;

(8) specify the time and place for lodging proxy forms for the relevant meeting;

(9) specify the date of registration of equity entitlements for shareholders having the right to attend the general meeting;

(10) specify the names and contact telephone numbers of the contact persons in connection with the meeting;

(11) specify the time and procedure of voting via the internet or any other manner.

Where the elections of Directors are to be discussed, a notice of the general meeting of shareholders shall fully disclose the particulars of the candidates for Directors and shall at least include the following contents:

(1) personal particulars such as educational background, working experience and part-time jobs;

(2) whether or not the candidate has any connected relationship with the Company or its controlling shareholders and de facto controllers;

(3) the number of shares of the Company held by the candidate;

(4) whether or not the candidate has been subject to penalties by the CSRC and other relevant authorities as well as sanctions by any stock exchange;

(5) according to the required information of stock exchange(s) on which the shares of the Company are listed.

Save for the elections of Directors held by adopting cumulative voting system, each candidate for a Director shall be proposed by way of single proposal.

Article 63 Subject to the compliance with the laws and regulations of the place where the Company's shares are listed and the relevant rules governing the listing of securities, corporate communications including notices of shareholders' general meetings shall be sent by the Company to shareholders by electronic means, announcement, or any other means as provided in this Articles of Association.

"Corporate Communication" as mentioned in the preceding clause shall have the meaning as defined in the Listing Rules.

For the holders of domestic shares, notice of the meetings may be issued by way of public announcement.

The term "public announcement" referred to in the preceding paragraph shall be disclosed on the website of the Shenzhen Stock Exchange and in the media that meet the criteria prescribed by the CSRC. After the publication of such announcement, the holders of domestic shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons thereof at least two (2) working days prior to the original date of the meeting.

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 only shall not invalidate the meeting and the resolutions passed at the meeting.

Article 64 The Board of the Company and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant departments for investigation into any acts of disturbing the general meeting, stirring up fights and causing troubles, or infringing upon shareholders' legal rights and interests.

Article 65 All the ordinary shareholders and holders of shares with special voting rights recorded on the share register on the date of registration of equity entitlements or their proxies shall have the right to attend the shareholders' general meeting and excise the voting right in accordance with laws, regulations and the Articles of Association.

Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend, speak and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

(1) the right of the shareholder to speak at the meeting;

(2) the right of the shareholder to vote at the meeting.

Article 66 The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney duly authorized in writing; for a corporate shareholder, the proxy must be affixed with the common seal or signed by the chairman of the Board or attorney duly authorized in writing.

The authorization letter issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

(1) The name of the principal, and the class and number of shares of the Company held by the principal;

(2) The name of the proxies;

(3) specific instructions from the shareholders, including instructions as to whether to vote for, against or abstain from voting on each of the items in the agenda of the meeting;

(4) The signing date and the effective period of the authorization letter;

(5) Signature (or seal) of the shareholders who appoint the proxies. For authorization letters from corporate shareholders, the seal of the corporate entity shall be affixed.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents for identification. Proxies attending the meeting shall present their personal identity cards and the authorization letters from the shareholder.

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the authorization letter legally issued by the corporate shareholder.

A registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending units), their identity card numbers, residential address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.

The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities registration and clearing authority, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their voting shares held.

Article 67 Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting. Where the proxy form 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 notarially certified copy of that power of attorney or other authorization documents, together with the proxy form, shall be deposited at the domicile of the Company or other places specified in the notice of meeting.

If the said shareholder is a recognized clearing house, the shareholder may authorize one (1) or more suitable person to act as its representative at any shareholders' general meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and class of shares involved by way of the said authorization. The persons after such authorization may represent the recognized clearing house to exercise the rights, as if they were individual shareholders of the Company.

Article 68 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 69 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 by the proxy 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 70 When the shareholders' general meeting resolves on connected transaction of the Company, the connected shareholders shall refrain from voting and the number of voting shares that they represent may not be counted as part of the total number of valid voting shares. A public announcement of the shareholders' general meeting shall fully disclose the voting of non-connected shareholders.

The aforesaid "connected shareholders" refer to shareholders in the following circumstances: connected parties or non-connected parties but persons or associates (defined in relevant listing rules) with material interests in the to-be-voted transactions in accordance with the listing rules prevailing or amended from time to time.

Article 71 The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

Ordinary resolutions put forward in the general meeting shall be adopted by a simple majority of shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward in the General Meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

Article 72 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote, unless otherwise regarding the provision of adopting the use of cumulative voting system in respect of the Directors under Articles 76 hereof, each share shall have one vote. During the process of voting, any special privilege or restriction on the voting rights then attaching to any class of shares shall be complied with, as well as the requirements of the relevant applicable laws, regulations and the Articles of Association. If in complying with the "Rules Governing the Listing of Securities of The Hong Kong Stock Exchange Limited" (hereinafter referred to as "**Listing Rules of the Stock Exchange**") or the listing rules of other stock exchange(s) on which the shares of the Company are listed, any of its schedules or any listing agreements, other contractual agreements entered into based on the above documents and decisions of The Hong Kong Stock Exchange Limited or other

stock exchange(s) on which the shares of the Company are listed, any shareholder is not allowed to exercise his voting rights in respect of any pending resolution, or is under any restriction in respect of the exercise of voting rights, while he has not complied with the relevant requirements, the voting right as exercised by such shareholder shall be deemed as invalid and shall not be accounted.

When shareholders' general meeting is considering significant issues which would affect the interests of minority investors, the votes from minority investors shall be counted separately. The separate voting results shall be disclosed in time.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted into the total number of shares with voting rights held by shareholders attending the meeting.

The Board, Independent Directors and shareholders who are holding more than 1% voting shares or investor protection institutions established in accordance with the laws, administrative regulations or requirements of the CSRC may, as soliciting parties, personally or authorize securities company or securities service agency to publicly request shareholders of the Company to authorize them to attend the shareholders' general meeting on behalf of such shareholders and exercise the rights of shareholders such as the right of making motions and voting rights on behalf of such shareholders.

When soliciting shareholders' rights in accordance with the requirements of the preceding paragraph, adequate information such as solicitation documents, including but not limited to voting intention, shall be provided to persons whose shareholders' rights are being solicited. The Company shall cooperate in disclosure in this regard.

No payment shall be made to the shareholders for such solicitation. The voting rights shall not be solicited on a paid basis or on a covertly paid basis.

The parties who violate the laws, administrative regulations or requirements of the CSRC when publicly soliciting shareholders' rights which results in losses suffered by the Company or its shareholders shall be liable to compensation liabilities according to the laws.

Article 73 Voting in shareholders' general meeting shall be carried out by open ballot. Before the shareholders' general meeting votes on resolutions, it shall nominate 2 shareholder representatives to count the votes and scrutinize the voting. If a shareholder has conflict of interests in the matter to be discussed, the relevant shareholder and his proxy cannot participate in vote counting or scrutinize the voting.

When a shareholders' general meeting vote on resolutions, the counting of votes and scrutinizing of voting shall be conducted together by lawyers and shareholder representatives. The voting results shall be announced during the meeting. The voting results shall be contained in the minutes of meeting.

A shareholder of the Company or its proxy, who uses the internet or other voting methods, is entitled to verify his voting results through relevant voting system.

The conclusion of the shareholders' general meeting on-site cannot be earlier than voting by internet or other methods. The conductor of the meeting shall announce the voting circumstances and results of each resolution. He shall also announce whether the resolutions have been passed according to the voting results.

Before the voting results are officially announced, the companies, counting officers, scrutinizers, major shareholders, the internet service provider and all relevant parties in relation to voting on-site, by internet or otherwise have the duty to keep confidential the voting results.

The same voting rights can only be exercised either through on-site voting, online voting or other means of voting. Should there be repeated voting by the same voting right, the first vote cast shall be taken.

Shareholders attending the shareholders' general meeting shall present one of the following views during the voting of a resolution: consent, objection or abstention.

A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be treated as the voter giving up his voting rights. The votes represented by his shares will be treated as "abstention".

Article 74 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 75 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 76 When voting on the election of Directors at the shareholders' general meeting, the cumulative voting system can be adopted in accordance with the provisions of the Articles of Association or the resolution of shareholders' general meeting. Where a single shareholder and its parties acting in concert of the listed company are interested in 30% or more of the shares or the shareholders' general meeting elects more than two Independent Directors, the cumulative voting system shall be implemented.

The cumulative voting system mentioned in the preceding paragraph means during the election of Directors at the shareholders' general meeting, each share shall have the same voting rights as the number of candidates of directors to be elected. Shareholders may cast all their votes on one single candidate or spread their votes on different candidates, but have to make explanations on the distribution of voting rights.

Article 77 When the number of votes for and against a resolution is equal, the chairman of the meeting shall be entitled to one additional vote.

Article 78 The following resolutions shall be adopted as ordinary resolutions at a general meeting:

(1) working reports of the Board;

(2) profit distribution proposals and plans for making up losses formulated by the Board;

(3) the appointment and removal of members of the Board including Directors who also hold positions in the Company as president and other management functions and their remuneration and payment methods;

(4) other matters unless otherwise required to be adopted as special resolutions in accordance with the laws and administrative regulations, departmental rules or required by the stock exchanges on which the Company's shares are listed and the Articles of Association.

Article 79 The following resolutions shall be adopted as special resolutions at a general meeting:

(1) increase or reduction of registered capital and issuance of shares of any class, warrants and other similar securities of the Company;

(2) issuance of debentures of the Company;

(3) division, merger, dissolution and liquidation of the Company;

(4) amendment of the Articles of Association;

(5) purchase or disposal of material assets or the provision of guarantees to others made within a year, and the amount of which exceeds 30% of the latest audited total assets of the Company;

(6) share incentive scheme;

(7) any other matters required by the laws, administrative regulations, or the Articles of Association and considered at the shareholders' general meeting, by way of an ordinary resolution, to have a substantial impact on the Company and require approval by special resolution;

(8) other matters required by the regulations of the stock exchanges on which the Company's shares are listed and other regulatory documents.

Article 80 The Board shall convene shareholders' general meetings on time within the required period.

When the Independent Directors, the Audit Committee or shareholder(s) individually or jointly holding 10% or more of the shares of the Company request the convening of an extraordinary general meeting or any class meeting, the following procedures shall be followed:

(1) Two or more shareholders individually or together holding more than 10% (inclusive) or more of the shares carrying the right to vote at such proposed meeting can request the Board to convene a class meeting by signing one or several copies of written request(s) in the same form and content requesting the Board to convene extraordinary general meeting or class meeting, and stating the motions and resolutions proposed. The Board shall reply in written form regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the aforesaid written request.

Subject to the consent of more than half of all the Independent Directors, Independent Directors have the right to propose the Board to convene extraordinary general meetings and such proposal shall be made by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

The proposal the Board to convene extraordinary general meetings by the audit committee shall be made by way of written request(s). The Board shall reply in writing regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

(2) If the Board agrees to convene extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the Board resolved to do so. If the Board makes alterations to the original proposal in the notice, consent has to be obtained from the proposer.

(3) If the Board does not agree to convene the extraordinary general meeting requested by Independent Director, reasons shall be explained and announced.

(4) If the Board does not agree to convene the extraordinary general meeting requested by the audit committee or does not reply within ten (10) days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the audit committee may convene and preside over the meeting on its own, and the procedures for convening such meeting shall follow the procedures of the shareholders' general meeting convened by the Board as much as possible.

(5) If the Board does not agree to convene an extraordinary general meeting requested by shareholders or does not reply within ten (10) days upon receiving the request, shareholders individually or jointly holding over 10% of the shares of the Company may propose the Audit Committee to convene extraordinary general meetings and such proposal shall be made by way of written request(s).

If the Audit Committee agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting shall be issued within five (5) days upon receiving the request. Should there be alterations to the original requests in the notice, consent has to be obtained from the related shareholders. If the Audit Committee does not issue notice of the general meeting within the required period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding over 10% of the shares of the Company for 90 consecutive days have the right to convene and preside over the meeting on their own. The procedures for convening such meeting shall follow the procedures of the shareholders' general meeting convened by the Board as much as possible.

Upon issuance of the notice of shareholders' general meeting and announcement of resolutions of shareholders' general meeting, the audit committee or the convening shareholders shall submit relevant proof to the stock exchange.

When a shareholders' general meeting is convened in accordance with the preceding provisions by the audit committee or by the shareholders, it should inform the Board in writing and shall file the decision with stock exchange of the place of domicile of the Company. When a shareholders' general meeting is convened by the audit committee or by the shareholders on their own, the Board and the secretary to the Board shall act in concert therewith. The Board shall provide the register of members as on the record date. The Company shall bear all the reasonable expenses thereof, which shall be set-off against sums owed by the Company to the defaulting directors.

Before issuing an announcement of resolutions of shareholders' general meeting, the convening shareholders shall have a shareholding of no less than 10%

Article 81 The Directors and senior management of the Company shall, upon request of the general meeting, be present at such meeting for answering queries raised by the shareholders.

Article 82 During the annual general meeting of shareholders, the Board shall respectively give a report on their work in the previous year to the general meeting, and each Independent Director shall also make his duty report correspondingly.

Article 83 Shareholders' general meetings shall be presided over by the chairman of the Board as the chairman of the meeting. If the chairman cannot or fails to fulfill the duty thereof, the vice chairman shall preside over the meeting as the chairman of the meeting (where the Company has two or more vice Chairmen, one vice chairman shall be elected to convene or preside over the meeting with the approval of more than half of the Directors); if the vice chairman cannot or fails to fulfill the duty thereof, one Director shall be elected to convene or preside over the meeting as the chairman of the meeting with the approval of more than half of the Directors.

The general meeting convened by the audit committee on its own shall be presided and chaired by the chairman of the audit committee. In the event the chairman of the audit committee is unable to perform his duties or he does not perform his duties, a member of the audit committee elected by more than half of the audit committee shall preside and chair the meeting.

When shareholders convene the general meeting on their own, the convener or a representative elected by the convener shall preside and chair the meeting.

In convening the general meeting, if the chairman of the meeting has violated any rules of meeting such that it is impossible for the meeting to be carried on, with the consent of shareholders representing more than half of the voting rights present at the meeting, the meeting may elect a person to preside and chair the meeting for the meeting to continue.

Article 84 Prior to voting, the chairman of the general meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights held by them. The number of shareholders and proxies present and the total number of shares with voting rights held by them shall be that as stated in the registration of the meeting.

Article 85 The rules of procedures for shareholders' general meetings shall be formulated by the Company, which shall stipulate the procedures for holding and convening the shareholders' general meeting and voting procedures, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, type of resolution of the meeting, minutes of the meeting and signatures thereon, announcement and the principle for the shareholders' general meeting authorizing power to the Board and the content of the authorization which shall be clear and specific. The rules of procedures of shareholders' general meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved at the shareholders' general meeting.

Article 86 The Company shall announce the resolution of the shareholders' general meeting as prescribed by the applicable laws and the rules of the stock exchange in which the shares of the Company are listed.

The resolutions of the shareholders' general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total amount of their voting shares and its proportion to the total voting shares of the Company, and the voting method, voting results of each proposal and detailed contents of each resolution. The attendance and voting circumstances of the holders of domestic shares and holders of foreign shares, holders of ordinary shares and classes shares shall be analyzed statistically and announced respectively.

Where a proposal has not been adopted or a resolution of any previous shareholders' general meeting has been modified in the current shareholders' general meeting, special explanation shall be given in the announcement on that resolution of the shareholders' general meeting.

Article 87 Where the proposals on the election of Directors have been adopted at the shareholders' general meeting, the new Directors shall be appointed from the date on which the resolution is adopted or the time specified in the relevant resolutions of such meeting.

Article 88 Where the proposals on cash dividends, bonus shares or stock dividends from capital reserves have been passed at the shareholders' general meeting, the Company shall implement specific plans within two (2) months from the conclusion of the shareholders' general meeting, or such other shorter time as prescribed by the applicable laws, administrative regulations and departmental rules or the rules of the stock exchange in which the shares are listed.

Article 89 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the chairman of the meeting fails to have the votes counted, any shareholder present in person or by proxy who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted forthwith.

Article 90 The Company shall, in connection with the convening of a shareholders' general meeting, engage lawyers to issue legal opinions in respect of the following matters and make relevant announcements accordingly:

(1) whether the procedures relating to the convening and the holding of such meeting comply with the provisions of laws, administrative regulations and the Articles of Association;

(2) the legality and validity of the qualifications of the attendees and the convener of the meeting;

(3) the legality and validity of the voting procedures and voting results;

(4) legal opinions issued on other related matters as requested by the Company.

Article 91 If a resolution passed at the Company's general meeting or Board meeting violates the laws or administrative regulations, the shareholders shall have the right to initiate proceeding to the People's Court to render the same invalid.

If the procedures for convening, or the method of voting at, a shareholders' general meeting or Board meeting violate the laws, administrative regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to initiate proceeding to the People's Court to rescind such resolutions within sixty (60) days from the date on which such resolution is adopted. However, it does not apply if such procedures for convening the shareholders' general meeting and the Board meeting, or the method of voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board, shareholders and other stakeholders have a dispute over the validity of a resolution of a shareholders' general meeting, they shall promptly initiate proceedings in the People's Court. Before the People's Court makes a judgement or ruling, such as a rescindment of a resolution, the stakeholders shall execute the resolution of the shareholders' general meeting. The Company, its Directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfill its obligations to disclose the information in accordance with laws, administrative regulations, the provisions of the CSRC and the stock exchange(s), fully explain the impact of the judgement or ruling on the Company, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfill its obligations to disclose the information accordingly.

Article 92 Resolutions of the shareholders' general meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

(1) No shareholders' general meetings or Board meetings has been convened to pass the resolution;

(2) The resolution is not voted on at the shareholders' general meeting or Board meeting;

(3) The number of persons attending the meeting or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association;

(4) The number of persons agreeing to the resolution or the number of voting rights held does not reach the number of persons or the number of voting rights held as provided for in the Company Law or the Articles of Association.

Article 93 In the event that the votes are counted at the shareholders' general meeting, the counting results shall be recorded in the minutes of the meeting.

Minutes of shareholders' general meetings shall be recorded by the secretary to the Board and signed by the Directors, secretary to the Board, convener and or his representative attending the meeting.

The minutes shall contain the following items:

(1) the date, place and agenda of the meeting, and the name of the convener;

(2) the name of the chairman of the meeting, and the names of Directors, senior management of the Company in attendance at the meeting;

(3) the number of shareholders and their proxies attending the meeting, the total number of voting shares they represent and the percentage of the total number of shares of the Company they represent;

(4) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the results of voting;

(5) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;

(6) the name of lawyers, counting officers and scrutinizers;

(7) the number of holders of ordinary shares and classes shares attending the meeting, the total number of voting shares they represent and as a percentage of the total number of shares of the Company; when recording the voting result it should also record the voting circumstances of each voting matter, by the holders of ordinary shares and classes shares;

(8) such other matters which shall be recorded in the minutes of the meeting in accordance with the provisions of the Articles of Association.

Article 94 The convener shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, secretary to the Board, the convener or his representative and the chairman of the meeting who attend or present at the meeting shall sign on the meeting minutes. The minutes shall be kept together with the signature book of shareholders attending the meeting, the authorization letter of proxies as well as all valid materials of internet voting or otherwise at the domicile of the Company for no less than ten (10) years.

Article 95 When considering a motion at the shareholders' general meeting, no change shall be made thereto. If any, such change shall be treated as a new motion which shall not be processed for voting at that general meeting.

The convener shall ensure that the general meeting is held continuously until final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded immediately, and an announcement shall be promptly made accordingly. The convener shall also report the same to the local authority of the CSRC and stock exchanges of the place where the Company is domiciled.

Article 96 Copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder free of 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 9 SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 97 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 the laws, administrative regulations and the Articles of Association.

Article 98 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' general meeting and approval by the affected shareholders of that class at a separate meeting held in accordance with Articles 100 to 104 of these Articles of Association. Where any shareholder (or proxy) abstains from voting or not to exercise his voting right on a particular resolution, the relevant voting rights shall not be counted towards the calculation of voting rights held by the shareholders attending such class meeting.

Article 99 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, pre-emptive 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 100 Shareholders of the affected class, whether or not having the right to vote at the shareholders' general 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 the previous Article 99, 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 repurchase offers to all shareholders on the same pro rata basis or through public dealing on a stock exchange in accordance with Article 31 of the Articles of Association, "interested shareholders" shall refer to the controlling shareholders as defined in Article 51 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 31 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 shareholders"shall refer to shareholders within a class who bear liabilities less than the proportionate burden imposed on other shareholders of that class or who have interests different from those held by shareholders of the same class.

Article 101 A resolution of the class meeting shall be passed in accordance with Article 100 of the Articles of Association by shareholders present in the meeting representing not less than two-thirds of voting rights.

Article 102 Written notice of a class meeting convened by the Company shall be dispatched to all shareholders of such class whose names appear on the register of members according to the requirements of the notice period for convening a general meeting set out in Article 58 of the Articles of Association, specifying the matters to be considered and the date and place of the meeting. If there are special provisions in the listing rules of the place where the shares of the Company are listed, such provisions shall prevail.

Article 103 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' general meeting as far as possible, and the provisions in the Articles of Association relating to the procedures for a shareholders' general meeting shall apply to the class meeting.

Article 104 Save for holders of shares of other classes, the holders of domestic shares and holders of overseas-listed foreign shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances: (1) any proposed issuance of domestic shares and overseas-listed foreign shares by the Company in every twelve (12) months, whether separately or together, if such proposed issuance of domestic shares and overseas-listed foreign shares are approved by the shareholders at a general meeting by way of special resolution, and the domestic shares and overseas-listed foreign shares proposed to be issued by the Company not exceeding 20% of the shares of such class in issue; (2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the CSRC.

CHAPTER 10 BOARD OF DIRECTORS

Article 105 The Company shall have a Board, which shall comprise nine (9) Directors, with one chairman and one vice-chairman.

Article 106 Non-employee Directors shall be elected at shareholders' general meeting. The term of office of the Directors shall be three (3) years. Upon maturity of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment. Employee Directors shall be elected by the staff representative committee and their term of office shall be three (3) years. Upon expiry of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment.

The term of office of Directors shall commence from the date of appointment up to the maturity of the current term of office of the Board. In the event that the terms of Directors fall upon maturity whereas new members of the Board are not re-elected in time, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the elected Directors assume their office.

The senior management may concurrently serve as a Director, provided that the aggregate number of the Directors who concurrently serve as senior management and the Directors who are representatives of the staff shall not exceed one half of all the Directors of the Company.

The chairman and vice chairman of the Board shall be elected and removed by more than one-half of all Directors. The term of office of the chairman and vice chairman shall be three (3) years, renewable upon re-election.

Written notice of an intention to nominate a candidate for Director and willingness to accept the nomination by the candidate shall be delivered to the Company commencing from the date on which the notice of the meeting for election of the relevant Director is dispatched and end no later than seven (7) days prior to the date of such meeting.

Article 107 The Board is the execution body of the Company and shall report to the shareholders' general meeting and carries out the following duties and powers:

(1) to convene shareholders' general meetings and report its work to the shareholders' general meeting;

(2) to implement the resolutions of shareholders' general meetings;

(3) to decide on the Company's business plans and investment plans;

(4) to formulate the Company's profit distribution plans and plans on making up losses;

(5) to formulate the proposals for increase or decrease of the registered capital of the Company and issue of bonds of the Company or other securities and listing plan;

(6) to formulate plans for substantial acquisition, purchase of shares of the Company or merger, division, dissolution and alteration of corporate form of the Company;

(7) in accordance with the laws, administrative regulations, departmental rules and the Articles of Association, to determine external guarantees and financial assistance other than approval required by the shareholders' general meeting;

(8) within the authorization of the shareholders' general meeting, to determine the scope of its power as to external investments, assets acquisitions and disposals, asset pledges, entrusted financial management and connected transactions;

(9) to determine the establishment of the Company's internal management structure;

(10) to appoint or remove the president of the Company and secretary to the Board, and to appoint or remove the vice president(s) and the chief financial officer of the Company based on the nomination by the president and to decide on their remunerations;

(11) to formulate the basic management system of the Company;

(12) to manage information disclosures of the Company;

(13) to formulate proposals for amendments of the Articles of Association;

(14) to propose the appointment or removal of the Company's auditors to the general meetings of shareholders;

(15) to receive the work report and inspect the work of the president of the Company;

(16) to determine other significant business and administrative matters, save for those matters which are required to be determined at the shareholders' general meeting as provided in the laws, administrative regulations and the Articles of Association;

(17) to determine the setup of special committees and appointment and dismissal of the relevant personnel;

(18) to formulate plans for substantial acquisitions and disposals; and

(19) to exercise any other powers specified in the relevant laws, administrative regulations, departmental rules and the Articles of Association or conferred by the shareholders' general meeting.

Except for the Board resolutions in respect of the matters specified in paragraphs (5), (6), (7), (8) and (13) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by affirmative votes of a simple majority of the Directors; Unless otherwise provided by the laws, administrative regulations, departmental rules and the Articles of Association, such provisions shall prevail. Directors shall carry on their duties in accordance with the State laws, administrative regulations, Articles of Association and resolutions of shareholders. However, the provisions set out by the general meeting of the Company shall not be applied retrospectively nor will it invalidate the originally valid action taken prior to the making of such provisions.

Article 108 The Board shall explain to the shareholders' general meeting for any non-standardized audit opinion on the financial report of the Company prepared by a registered accountant.

Article 109 The Board shall formulate Board meeting rules to ensure the implementation of resolutions passed in general meeting and to enhance work efficiency and secure well-founded decisions. Such rules regulate procedures for convening the board meeting and voting procedures, which shall be proposed by the Board and approved at the shareholders' general meeting.

Article 110 The Board shall determine the scope of its power as to external investments, assets acquisitions and disposals, asset pledges, external guarantees, entrusted financial management and connected transactions and shall establish stringent examination and decision-making procedures; and specialists or professional personnel shall be organized to assess and examine any material investment projects, and such investment projects shall be submitted to the shareholders' general meeting for approval.

The approval authority of the Board on transactions of the Company is set out below:

(1) General transactions that are subject to the approval of the Board (as defined under the relevant listing rule of the place where the Company's shares are listed, as amended from time to time) specifically include:

    1. According to the Listing Rules of the Stock Exchange, as amended from time to time), and in the tests conducted on the transaction or related transactions calculated cumulatively based on assets ratio, profits ratio, revenue ratio, consideration ratio and equity capital ratio (details are subject to the Listing Rules of the Stock Exchange,

as amended from time to time), each of the ratios is equivalent to or higher than 5%; and the ratio is lower than 5% but involves share transaction with the issue of the Company's shares as the consideration;

2. According to the Rules Governing the Listing of Securities on the Shenzhen Stock Exchange (hereinafter referred to as the "Listing Rules of the Shenzhen Stock Exchange", as amended from time to time), and in the tests conducted on the transaction or related transactions calculated cumulatively based on total asset, transaction amount, profit, operating revenue and net profit (details are subject to the Listing Rules of the Shenzhen Stock Exchange, as amended from time to time), each of the ratios is equivalent to or higher than 10% but lower than 50%.

(2) Connected transactions that are subject to the approval of the Board (as defined under the relevant listing rules of the place where the Company's shares are listed, as amended from time to time) specifically include:

1. In the tests conducted on the connected transaction or related transactions calculated cumulatively (the definition of connected transactions and the principle of accumulative calculation are subject to the Listing Rules of the Stock Exchange, as amended from time to time) based on assets ratio, revenue ratio, consideration ratio and equity capital ratio (details are subject to the Listing Rules of the Stock Exchange, as amended from time to time), each of the ratios (i) is equivalent to or more than 1%, and the transaction only involves connected party of the Company's subsidiaries; or (ii) equivalent to or higher than 0.1% but lower than 5%; or (iii) lower than 25% and the connected transaction has a consideration lower than HK$10 million;

2. The transaction amount of the connected transaction with related legal person or related transactions calculated cumulatively (the definition of connected transactions and the principle of accumulative calculation are subject to the Listing Rules of the Shenzhen Stock Exchange, as amended from time to time) is equivalent to or higher than 0.5% but less than 5% of the absolute value of the latest audited net asset of the Company.

The transaction amount of the connected transaction with related natural person or related transactions calculated cumulatively (the definition of connected transactions and the principle of accumulative calculation are subject to the Listing Rules of the Shenzhen Stock Exchange, as amended from time to time) is higher than RMB300,000.

When a transaction of the Company (excluding cash donation received by the Company) meets any of the following criteria, the transaction shall be submitted to the shareholders' general meeting for consideration and approval.

(1) where total assets involved in the transaction account for more than 50% of the Company's latest audited total assets and where the total assets involved in the transaction have both book value and appraised value, whichever is higher shall be taken for calculation;

(2) where operating revenue related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited operating revenue for the latest accounting year, with an absolute amount exceeding RMB50 million;

(3) where net profit related to the subject of the transaction (for instance, equity interest) for the latest accounting year accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million;

(4) where transaction amount (including the debt and expenses incurred) accounts for more than 50% of the Company's latest audited net assets, with an absolute amount exceeding RMB50 million;

(5) where profit derived from the transaction accounts for more than 50% of the Company's audited net profit for the latest accounting year, with an absolute amount exceeding RMB5 million.

In case any figure in the aforesaid calculation is of negative value, the absolute value thereof shall be taken for calculation.

Where the accumulated amount of the Company's acquisition or disposal of assets for one (1) year exceeds 30% of the Company's latest audited total assets, the transaction shall be submitted to the shareholders' general meeting for consideration and passed by a special resolution after consideration and approval by the Board. Where the transaction of the Company only reaches 50% or more of the criterion prescribed in (3) or (5) in the preceding paragraph and the absolute value of the earnings per share of the Company for the latest accounting year was below RMB0.05, the Company may be exempted from seeking approval of the shareholders' general meeting and the transaction may be considered and decided by the Board. Except the guarantees as provided in Article 54 which are subject to approval by the general meeting of shareholders, other guarantees provided to third parties shall be approved by the Board.

Where a connected transaction between the Company and its connected person is worth more than RMB30 million and accounts for more than 5% of the absolute value of the Company's latest audited net assets, the Company shall submit the transaction to the shareholders' general meeting for consideration and approval after consideration and approval by the Board. Other connected transactions shall be implemented in accordance with the laws, regulations, rules, the provisions of the stock exchange(s) on which the shares of the Company are listed as well as the systems otherwise formulated by the Company.

Where there are special provisions otherwise prescribed by the laws, administrative regulations, departmental rules, provisions of the CSRC and the stock exchange(s) on which the shares of the Company are listed as to the powers of considering and approving external investments, assets acquisitions and disposals, entrusted financial management, asset pledges, external guarantees, such transactions shall be implemented in accordance with the relevant provisions of the CSRC and the stock exchange(s) on which the shares of the Company are listed.

Article 111 Where a Director is connected with the enterprise or individual concerned in any matters to be resolved at a Board meeting, such Director shall promptly report in writing to the Board. The related director shall not vote on such resolution, whether on its own behalf or as the proxy of another Director. Such Board meeting shall not be held unless attended by a majority of Directors having no interest in such matter, and any resolution made thereon shall be subject to affirmative votes of a majority of Directors having no interest in such matter. For matters which shall only be passed with affirmative votes of two-thirds of the Directors of the Board as aforesaid, it shall be passed by not less than two-thirds of Directors having no interest in such matter. Where there are less than three (3) Directors having no interest in such matter attending the meeting, the matter shall be submitted to the shareholders' general meeting for consideration and approval.

Article 112 The Company may by ordinary resolution remove any Director before the expiration of his term of office (including chairman of the Board or other Executive Directors, but without prejudice to such Director's right to claim damages based on any contract) at a shareholders' general meeting, with the dismissal taking effect on the date the resolution is made, subject to full compliance with relevant laws and administrative regulations.

Article 113 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Company a written report in relation to their resignation. Independent Directors shall submit a written report in relation to their resignation, state and explain any situation relevant to their resignation or where it is considered necessary to be brought to the attention of the shareholders and creditors of the Company.

In the event that the resignation of any Director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the resignation report of such Independent Director shall become effective only when his vacancy has been filled by a new Independent Director. The Board shall convene a shareholders' extraordinary general meeting or by other means as permitted by the Company Law for the purpose of electing Director to fill the vacancy caused by Director's resignation. Prior to the decision of electing Director at shareholders' meeting or by other means as permitted by the Company Law, the powers of such Director who tendered resignation and the other Directors shall be subject to reasonable restrictions.

Where the resignation of an Independent Director will result in the percentage of Independent Directors in the Board of the Company falling below the prescribed minimum requirement prescribed by the relevant regulatory authorities, the resignation report of such Independent Director shall become effective only when his vacancy has been filled by a new Independent Director.

Save for the circumstances referred to in the preceding paragraph, the resignation becomes effective on the date when the Company receives the resignation report. The relevant information shall be disclosed within two (2) trading days by the Company.

Upon resignation, a director must fully perform all publicly made commitments, thoroughly hand over and resolve any outstanding matters arising during his/her term of office, and provide a clear follow-up responsibility plan; the Company may thereafter initiate accountability and recovery proceedings against such director. Upon effective resignation or expiration of his term of office, a Director shall complete his hand-over procedures with the Board, and the fiduciary duty towards the Company and its shareholders shall not ipso facto be discharged upon expiration of the term of office and will be still in effective for a reasonable period specified by the Articles of Association. The liability that the Directors bears during their term of office for performing their duties shall not be waived or terminated due to their departure.

Any Independent Director who does not have the qualifications or ability of Independent Director, or fails to perform his duties independently, or fails to safeguard the legitimate interests of the Company and small and medium investors, shareholders individually or jointly holding not less than 1% of the Company's shares may submit proposals to the Board of the Company in relation to their queries against the Independent Director or his dismissal. The Independent Director concerned shall promptly provide explanation on the queries and make disclosure thereof. The Board of the Company shall promptly convene special meeting for discussions upon receipt of the relevant proposals of query or dismissal and disclose the results of the discussions.

Article 114 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 balance sheet considered at the shareholders' general meeting, the Board shall not dispose or consent to dispose such fixed assets without prior approval at the shareholders' general meeting. Should there be any inconsistency between the aforesaid provisions and the rules of the stock exchange(s) on which the shares of the Company are listed in respect of the said matter, the provisions of the rules of the stock exchange(s) on which the shares of the Company are listed concerning the matter shall prevail. If the shares of the Company are listed on two (2) or more stock exchanges and that there is inconsistency between the listing rules of those stock exchanges in respect of such matter, the listing rules of the stock exchange which set out the most stringent provisions shall prevail.

The term "fixed assets disposal" referred to in this Article includes (among other things) transferring certain interests in assets, but excluding provision of guarantees by way of fixed assets.

The validity of transactions regarding fixed assets disposal by the Company shall not be affected due to a breach of the first paragraph of this Article.

Article 115 The chairman of the Board is entitled to the following powers:

(1) to preside over shareholders' general meetings and to convene and preside over Board meetings;

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

(3) to sign the securities certificates issued by the Company;

(4) to exercise other powers conferred by the Board.

Article 116 The Company's vice chairman shall assist the chairman in his work. If the chairman is unable to or does not perform his duties, the vice-chairman designated by the chairman shall perform his duties (should there are two or more vice chairmen, the vice chairman jointly elected by not less than half of the members of the Board shall perform the duties of the chairman); where the vice-chairman is unable to or does not perform his duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the vice chairman.

Article 117 Regular meetings of the Board shall be held at least four (4) times every year and shall be convened by the chairman of the Board. All of the Directors shall be notified of the meeting fourteen (14) days in advance.

Under one of the following circumstances, the chairman of the Board shall convene a special board meeting within ten (10) days. All of the Directors shall be notified of the meeting two (2) days in advance:

(1) when it is proposed by the shareholders representing not less than 10% of the voting rights;

(2) when the chairman considers necessary;

(3) when it is jointly proposed by not less than one-third of the Directors;

(4) when it is jointly proposed by not less than half of the Independent Directors;

(5) when the Audit Committee requests;

(6) when the president requests;

(7) when it is requested by the securities regulatory authorities.

Article 118 The way of notifying for the meeting and special meeting of the Board shall be by way of written notice, email, telephone or facsimile. Notice period of the meeting shall be fourteen (14) days and two (2) days in advance for regular meeting of the Board and special meeting respectively. In case of an urgent situation where an extraordinary Board meeting is required be convened as soon as possible, the aforementioned notice period may be waived, but the convener must provide an explanation at the meeting.

The notice of Board meetings shall include the following:

(1) the date and venue of the meeting;

(2) the duration of the meeting;

(3) the subject and agenda;

(4) the date the notice was issued.

Article 119 The Board meeting shall be held with the presence of not less than half of the Directors.

Each Director shall have one vote when voting on a Board resolution. Resolutions of the Board shall be passed by more than half of all Directors.

In the case of equal votes in favour of and against the resolution, the chairman of the Board shall have a casting vote.

A written resolution signed and agreed by all Directors respectively shall be deemed with similar effect as resolutions passed by Board meetings legally convened. Such written resolution may comprise one set or more documents, with each document signed by one or more Directors. A resolution signed by the Directors or bearing the names of the Directors and sent by telegram, telex, mail, facsimile or by hand to the Company shall for the purpose of this clause be regarded as document signed by them.

Article 120 Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party.

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

A Director will be deemed to have failed to perform his duties if he fails to attend the meetings of the Board in person twice consecutively nor appoints other Directors to attend the meetings on his behalf. The Board shall make recommendations to the shareholders' general meeting to replace such Director.

Article 121 The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting. The Directors shall be liable for the resolutions of the Board meeting. If a resolution of the Board meeting violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company. However, if it can be proven that a Director expressly objected to the resolution when it was voted on, and that such objection was recorded in the minutes of the meeting, such Director may be released from such liability.

The minutes of Board meetings shall include the following:

(1) the date, venue of the meeting convened and the name of convener;

(2) the name of the Director present and name of Director (or proxy) being appointed to attend on other's behalf;

(3) agenda of the meeting;

(4) the main point of Director's speech;

(5) voting method and result (the result shall state the number of votes for, against or abstention) of each resolution.

The minutes of Board meetings shall be kept as Company filings for record for a minimum period of ten (10) years.

Article 122 Board meetings shall be held at the Company's legal residence in principle, while it can be held in any other places in or outside of the PRC subject to resolution of the Board.

Any meeting of the Board may be held by way of telephone conference or similar communication equipment so long as all Directors participating in the meeting can clearly hear and communicate with each other during the meeting. All such Directors shall be deemed to be present in person at the meeting.

Article 123 All the expenses incurred by the Directors for attending the Board meeting shall be borne by the Company, including the traffic expense from the place where the Director is located to the place where the meeting is convened, as well as the boarding and lodging expenses, as well as local traffic expenses and other expenses incurred during the term of the meeting.

Article 124 The Board may set up committees or working teams comprising two or more Directors from time to time, and delegate such committees or working teams with certain powers, duties and discretionary powers of the Board itself. The relevant committee and working team shall act within the scope as authorized by the Board, and shall abide by the rules set by the Board from time to time. The Board may also resolve to dismiss the relevant committee or working team or change the scope of its authorization.

The quorum of meetings of the Board committees or working teams shall be two (2) members of the committee or working team or more than half of the members, whichever is higher. The requirements on the procedures and minutes of Board meetings as applicable to Articles 118 to 120 in the Articles of Association shall also be applicable on the relevant committees or working teams, unless the relevant requirements have been replaced by the rules as mentioned in the previous paragraph.

Unless otherwise required by the Board, the president who is not a Director may attend Board meetings, and shall be entitled to receive notices and relevant documents of such meetings. However, unless the president is a Director, he shall have no voting rights in Board meetings.

Article 125 Independent Directors shall conscientiously perform their duties, play the roles of participating in the decision-making, supervising, checking and balancing, and professional consulting in the Board, safeguard the interests of the Company as a whole, and protect the legitimate rights and interests of minority shareholders in accordance with the laws, administrative regulations, departmental rules and the requirements of the stock exchange(s) on which the shares of the Company are listed and the Articles of Association.

Article 126 Independent Directors must remain independent. The following persons shall not serve as Independent Directors:

(1) persons who hold positions in the Company or its affiliates and their spouses, parents, children and main social relations;

(2) natural person shareholders who directly or indirectly hold 1% or more of the Company's issued shares or are among the top 10 shareholders and their spouses, parents and children;

(3) persons who hold positions in shareholders who hold directly or indirectly 5% or more of the Company's issued shares or who are among the top 5 shareholders of the Company and their spouses, parents and children;

(4) persons who hold positions in affiliates of the Company's controlling shareholder or de facto controllers and their spouses, parents and children;

(5) persons who have material business dealings with the Company and its controlling shareholder, de facto controller or their respective affiliates, or persons who hold positions in organizations which have material business dealings with the Company and its controlling shareholder or de facto controller;

(6) persons who provide financial, legal, advisory, sponsorship and other services to the Company, its controlling shareholder and de facto controller or their respective subsidiaries, including but not limited to all the members of the team of the intermediaries for the project which provided services, review personnel at all levels, persons signing the reports, partners, directors, senior management and the principals;

(7) persons who fell under the circumstances of items (1) to (6) during the past 12 months;

(8) any other personnel who are not independent as stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchange(s) and the Articles of Association.

Affiliates of the Company's controlling shareholder or actual controller referred to in items (4) to (6) of the preceding paragraph shall exclude enterprises which are controlled by the same state-owned assets management agency as the Company and are not connected to the Company pursuant to the relevant provisions.

Independent Directors shall conduct annual self-examination of independence and submit the self-examination findings to the Board. The Board shall evaluate the independence of incumbent Independent Directors on an annual basis and issue a specific opinion, which shall be disclosed simultaneously with the annual report.

Article 127 A person served as an Independent Director of the Company shall satisfy the following criteria:

(1) possessing the qualifications to act as an Independent Director of a listed company pursuant to laws, administrative regulations and other relevant provisions;

(2) satisfying the independence requirements stipulated in the Articles of Association;

(3) possessing basic knowledge of operation of listed companies and being familiar with the relevant laws, regulations and rules;

(4) having more than five years of work experience in legal, accounting or economics required for performance of the duties of Independent Director;

(5) having good moral character, without bad records of significant dishonest conduct;

(6) any other criteria stipulated by laws, administrative regulations, the provisions of the CSRC, business rules of the stock exchange(s) and the Articles of Association.

Article 128 As members of the Board, Independent Directors owe fiduciary and diligence to the Company and all shareholders, and shall prudently perform the following duties:

(1) to participate in the decision-making of the Board, and express clear opinions on matters discussed;

(2) to supervise matters involving potential material conflicts of interest between the Company and its controlling shareholder, de facto controller, Directors, and senior management staff, and protect the legitimate rights and interests of minority shareholders;

(3) to provide professional and objective advice on the Company's operation and development, promoting the improvement of the decision-making level of the Board;

(4) other duties as stipulated by the laws, administrative regulations, the provisions of the CSRC and the Article of Association.

Article 129 The Independent Directors shall exercise the following special functions and powers:

(1) to independently engage intermediaries to audit, consult on, or verify specific matters of the Company;

(2) To propose to the Board to convene an extraordinary general meetings of shareholders;

(3) To propose to convene the Board meetings;

(4) to solicit shareholders' rights publicly from shareholders in accordance with the law;

(5) to express independent opinions on matters that may harm the interests of the Company or minority shareholders;

(6) other functions and powers as stipulated by the laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

The exercise of the functions and powers listed in items (1) to (3) of the preceding paragraph by Independent Directors shall be subject to the consent of more than half of all Independent Directors.

If Independent Directors exercise the functions and powers listed in the first paragraph, the Company shall disclose such information in a timely manner. If the aforementioned functions and powers cannot be exercised normally, the Company shall disclose the specific circumstances and reasons thereof.

Article 130 The following matters shall be submitted to the Board for consideration after obtaining the consent of more than half of all Independent Directors of the Company:

(1) connected transactions that ought to be disclosed;

(2) plans for the Company and related parties to change or waive commitments;

(3) decisions made and measures taken by the Board of an acquired listed company in response to an acquisition;

(4) other matters as stipulated by the laws, administrative regulations, the provisions of the CSRC and the Articles of Association.

Article 131 The Company shall establish a mechanism for special meetings exclusively involving Independent Directors. Matters such as connected transactions to be considered by the Board shall be pre-approved by a special meeting of Independent Directors.

The Company shall convene special meetings of Independent Directors on a regular or irregular basis. Matters listed in items (1) to (3) of the first paragraph of Article 129, and Article 130 of the Articles of Association shall be considered by a special meeting of Independent Directors.

The special meetings of Independent Directors may study and discuss other matters of the Company as needed. The special meetings of Independent Directors shall be convened and presided over by an independent Director jointly elected by more than half of the Independent Directors. If the convener fails to perform or is unable to perform his/her duties, two or more Independent Directors may convene the meeting themselves and elect a representative to preside over the meeting.

Minutes of meetings of the special meetings of the Independent Directors shall be prepared in accordance with the regulations, and the opinions of Independent Directors shall be recorded in the minutes. The Independent Directors shall sign and confirm the minutes.

The Company shall provide convenience and support for the convening of special meetings of Independent Directors.

Article 132 The Board of the Company shall establish the audit committee to exercise the functions and powers of the Supervisory Committee as stipulated by the Company Law.

Article 133 Members of audit committee shall be the Directors not holding senior management positions in the Company. Among them, Independent Directors shall constitute a majority with an accounting professional among the Independent Directors serving as convener.

Article 134 The audit committee is responsible for the review of the Company's financial information and its disclosure, supervision and evaluation of internal and external audit as well as internal control. The following matters shall be submitted to the Board for consideration, subject to the approval of more than half of all members of the audit committee:

(1) disclosure of financial and accounting reports, and financial information and internal control evaluation report in periodic reports;

(2) engagement or dismissal of the accounting firm in charge of the audit business of the Company;

(3) engagement or dismissal of the chief financial officer of the Company;

(4) changes in accounting policies and accounting estimates or correction of major accounting errors for reasons other than changes in accounting standards; and

(5) other matters as stipulated by the laws, administrative regulations, provisions of the CSRC and the Articles of Association.

Article 135 The audit committee shall be held at least one meeting every quarter. An extraordinary meeting will be held when two or more members propose, or when the convener deems it necessary. The meeting of the audit committee can be held only when more than two-thirds of the members are present at the meeting.

Any resolution of the audit committee shall be approved by more than half of the members of the audit committee.

When voting on a resolution of the audit committee, every member shall have one vote.

Resolutions of the audit committee shall be recorded in meeting minutes in accordance with relevant regulations, and the members of the audit committee attending the meeting shall sign the meeting minutes.

The Board is responsible for formulating the work procedure for the audit committee.

Article 136 The Board establishes the Strategy and Sustainable Development Committee, the Nomination Committee, the Remuneration Committee and other special committees to perform their duties in accordance with the Articles of Association and the authorization of the Board, and the proposals of the special committees shall be submitted to the Board for review and decision. The Board is responsible for formulating work procedures for special committees.

Article 137 The Nomination Committee is responsible for formulating the criteria and procedures for the selection of Directors and senior management, selecting and reviewing the candidates for Directors and senior management and their qualifications for appointment, and making recommendations to the Board on the following matters:

(1) nomination, appointment or removal of Directors;

(2) appointment or dismissal of senior management; and

(3) other matters as stipulated by the laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the nomination committee, it shall record the opinion of the Nomination Committee and the specific reasons for its non-adoption in the resolutions of the Board and disclose the same.

Article 138 The Remuneration Committee is responsible for formulating the standards for assessment of Directors and senior management, conducting assessments, formulating and reviewing the remuneration decision mechanisms, decision-making processes, payment and cessation of payment recovery arrangements, and other remuneration policies and plans for Directors and senior management. The committee shall make proposals to the Board on the following matters:

(1) the remuneration of Directors and senior management;

(2) the formulation or modification of the share incentive scheme and the employee stock ownership plan, the granting of rights and benefits to incentive participants and the achievements of conditions for the exercise rights and benefits;

(3) arrangement of stock ownership plan for Directors and senior management in subsidiaries proposed to be spun off;

(4) other matters as stipulated by the laws, administrative regulations, provisions of the CSRC and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the remuneration committee, it shall record the opinions of the remuneration and the specific reasons for its non-adoption in the resolutions of the Board and disclose the same.

CHAPTER 11 SECRETARY TO THE BOARD

Article 139 The Company shall have one secretary to the Board. The secretary to the Board shall be a senior management member of the Company.

Article 140 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 primary duties include:

(1) to ensure that the Company has complete constitutional documents and records;

(2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities (including but not limited to the Administration for Industry and Commerce) in accordance with the law;

(3) to be responsible for organizing and coordinating the preparation of regular reports, and coordinating the president, chief financial officer and other senior management personnel as well as relevant departments of the Company to timely complete relevant content of such regular reports; to monitor, within the scope of his duties, material anomalies in regular reports, including abnormal financial data, abnormal operational and business matters, and abnormalities in the preparation and disclosure procedures, and promptly carry out verification; to report any identified issues to the Board and propose corrective measures;

(4) to ensure that the Company's register of members is properly maintained, and that persons entitled to access the relevant records and documents are furnished with such records and documents without delay;

(5) to be responsible for the preparation of the general meetings of shareholders and meetings of the Board, keep custody of documents and the management of the information of shareholders of the Company and to handle matters relating to information disclosure; the secretary to the Board shall attend the general meetings of shareholders and meetings of the Board;

(6) to be responsible for organizing the formulation of the Company's information disclosure management system and maintaining the effective implementation of the system, as well as handling the information disclosure affairs of the Company;

(7) to be responsible for the confidentiality of the Company's information disclosure, organizing the formulation of the insider information management system and maintaining the effective implementation of the system, as well as registering, keeping custody of, and submitting the files of persons with insider information in accordance with the regulations;

(8) to organize and coordinate the investor relations management of the Company, and enhance investors' understanding and recognition of the Company;

(9) to perform the responsibilities and obligations (including all those as reasonably required by the Board) that a board secretary is held responsible for by laws, the regulatory body of the jurisdiction where the Company is listed and/or the provisions in the Articles of Association.

Article 141 The secretary to the Board shall not concurrently hold the positions of president, vice president in charge of business operations, or chief financial officer. If the secretary to the Board also holds other positions in the Company, the duties of the secretary to the Board and those of other positions shall be clearly separated. The accountant(s) of the certified public accountants' firm appointed by the Company shall not concurrently hold the post of the secretary to the Board.

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

To perform his duties, the secretary to the Board shall have the right to attend relevant meetings of senior management, review relevant documents and materials, understand the Company's financial and operating conditions, or request relevant departments or personnel of the Company to provide explanations on relevant matters.

Directors, other senior management personnel, and the relevant departments of the Company shall support and cooperate with the secretary to the Board in the performance of his duties, promptly provide relevant materials as requested by the secretary to the Board, and shall not refuse, obstruct, or interfere with the normal performance of duties by the secretary to the Board.

Where Directors, other senior management personnel, and other personnel of the Company become aware of significant events relating to the Company's operations and finances, or the progress of disclosed matters, they shall promptly fulfill their reporting obligations in accordance with the Company's regulations and notify the secretary to the Board, who shall recommend that the Board make timely disclosure.

Where the internal audit institution of the Company identifies significant issues or leads, it shall promptly report to the Audit Committee and inform the secretary to the Board.

Where the secretary to the Board identifies any abnormalities in financial information, issues related to internal control or relevant clues in the course of performing his duties, he shall promptly report the matter to the Audit Committee.

CHAPTER 12 PRESIDENT

Article 142 The Company shall have one president, who shall be nominated by the chairman and appointed and removed at the decision of the Board.

The Company shall have several vice presidents, and one chief financial officer. The vice presidents and the chief financial officer shall be nominated by the president and appointed or removed at the decision of the Board.

Article 143 A person who serves a function in the controlling shareholder and de facto controlling person of the Company other than as director or supervisor shall not assume a senior management position of the Company.

Article 144 The term of office of the president shall be three (3) years, renewable upon re-election and re-appointment.

Article 145 The president of the Company shall be accountable to the Board and carry out the following duties and powers:

(1) to lead the Company's production, operation and management, organize resources to carry out the Board's resolutions, and report to the Board;

(2) to organize the implementation of the Company's annual business plan and investment plan;

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

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

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

(6) to propose the appointment or dismissal of the Company's vice president(s) and chief financial officer;

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

(8) Under the authorization of the Board, to exercise the power relating to the mortgage, lease, sub-contract or transfer of the assets of the Company;

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

The vice president(s) and chief financial officer shall assist the president in his work and report to the president.

Article 146 In performing his functions, the president shall act honestly and diligently and in accordance with the laws, administrative regulations, and the Articles of Association.

Article 147 The president shall formulate the detailed working rules of the president, which shall be submitted to the Board for approval before implementation.

The detailed working rules of the president shall include the following:

(1) the conditions for convening, and procedures for holding the president's meeting and attendants;

(2) the duties and division of responsibilities of the president and other senior management members;

(3) the fund and assets applications, authorities of execution of important contracts of the Company, and the mechanism of reporting to the Board;

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

The president may resign prior to the expiration of his term of office. The specific procedures and formalities of the said resignation shall be provided for in the employment contract between the president and the Company.

CHAPTER 13 QUALIFICATIONS AND DUTIES OF THE DIRECTORS AND SENIOR MANAGEMENT MEMBERS OF THE COMPANY

Article 148 A person may not serve as a Director, president, or any other senior management member of the Company if any of the following circumstances applies:

(1) a person without legal or with restricted legal capacity;

(2) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence for less than five (5) years, and imposed with suspended sentence for less than two (2) years since the expiration of the suspended sentence; or who has been deprived of his political rights due to committing any offence, for less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

(3) is a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and poor business performance and 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) is a former legal representative of a company or enterprise which had its business licence revoked due to 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 licence or order for closure;

(5) has a relatively large amount of personal debts due and outstanding and has been listed as a person subject to enforcement for trust-breaking by the People's Court;

(6) is under criminal investigation or prosecution by a judicial organization for violation of the criminal law where the said investigation or prosecution is not yet concluded;

(7) is not eligible for enterprise leadership according to the laws and administrative regulations;

(8) a non-natural person;

(9) convicted of the contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves the 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 has been banned from the securities market by the CSRC and the term has not expired;

(11) a person who has been publicly identified by any stock exchange to be unsuitable for serving as the director and senior management of a listed company and the term has not expired.

If the election or appointment of Directors violates this Article, such election, appointment or employment shall be invalid. If any of the circumstances described in this Article occurs during the term of office of directors, the Company shall remove them from the position and cease their performance of duties.

Article 149 No Directors shall act, in their personal capacity, on behalf of the Company or the Board beyond the provisions of the Articles of Association or without appropriate authorization by the Board. The Director shall, when acting in his personal capacity, state his standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board.

Article 150 The validity of an act of a Director and any senior management member on behalf of the Company is not, vis-a-vis a bona fide third party, affected by any irregularity in his office, election or any defect in his qualification.

Article 151 In addition to obligations imposed by the laws, administrative regulations or required by the stock exchanges on which the Company's shares are listed, each of the Company's Directors, and senior management members owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

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

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

(3) not to expropriate in any means the Company's property, including (without limitation) expropriation of opportunities advantageous to the Company;

(4) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting, save as pursuant to a restructuring of the Company submitted to shareholders for approval in accordance with the Articles of Association.

Article 152 Each of the Company's Directors, and 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 and performs his duties with reasonable care that managers should ordinarily exercise in the best interests of the Company.

Article 153 Each of the Company's Directors and senior management members shall exercise his powers or carry out his duties in accordance with the principle of fiduciary and shall not put himself in a position where his duty and his interest may conflict, and shall not abuse his authority to obtain improper benefits. This principle 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 his powers and not to exceed those powers;

(3) to exercise the discretion vested in him personally and not to allow himself to act under the control of another and, unless and to the extent permitted by the laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate the exercise of his discretion;

(4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;

(5) not to directly or indirectly enter into any contract, transaction or arrangement with the Company without reporting to the Board or shareholders' general meeting and without being passed by the Board or shareholders' general meeting by resolutions in accordance with the provisions of the Articles of Association;

(6) without the informed consent of shareholders given in general meeting, not to use 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 by any means;

(8) not to use their position to seek business opportunities that should be available to the Company for themselves or others, but except where such business opportunities have been reported to the Board or shareholders' general meeting and passed by resolutions of the shareholders' general meeting, or where the Company is unable to take advantage of such business opportunities in accordance with the laws, administrative regulations or the Articles of Association;

(9) without the informed consent of shareholders given in general meeting, not to accept commissions in connection with the Company's transactions;

(10) to abide by the Articles of Association, 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;

(11) not to operate any business for themselves or others which is of the same type as the Company's business without reporting to the Board or shareholders' general meeting and being passed by resolutions of the shareholders' general meeting;

(12) not to misappropriate the Company's funds, not to open accounts in his own name or other names for the deposit of the Company's assets and, without the informed consent of shareholders given in general meeting, not to lend the Company's funds to others or provide guarantee for others with the Company's assets;

(13) not to use his connected relationship to act in detriment to the interests of the Company;

(14) unless otherwise permitted by informed shareholders in general meeting, to keep in confidence information relating to the Company acquired by him in the course of and during his tenure and not to use such information for purposes other than in furtherance of the interests of the Company, save that disclosure of such information to the court or other competent government authorities is permitted if:

1. disclosure is made as required by law;

2. the interests of the public require disclosure;

3. the interests of the relevant Director and senior management member require disclosure.

(15) Other obligations imposed by laws, administrative regulations, departmental rules and the Articles of Association.

Save for circumstances specified above, Director and senior management members shall perform the following duties of diligence:

(1) opine in regular reports of the Company and sign therein to confirm their opinion, and warrant the information disclosed by the Company is true, accurate and complete;

(2) provide to the Audit Committee with information in connection to related circumstances according to facts and not hinder the Audit Committee in exercising their authorities;

(3) perform other duties of diligence as required by the laws, administrative regulations, departmental rules and these Articles of Association.

Directors shall exercise the power granted by the Company with prudence, conscientiousness and diligence to ensure the business activities of the Company are in compliance with the State laws, administrative regulations and requirements of various State economic policies and business activities of the Company are within the scope under its business licence; understand promptly the business operation and administration of the Company.

Article 154 Any income received by a Director and senior management members from violating Article 153 of the Articles of Association shall belong to the Company and any losses incurred by the Company therefrom shall be borne by such Director.

Article 155 Each Director and senior management members of the Company shall not cause the following persons or institutions ("**associates**") to do what Director, supervisor, president, and other senior management members are prohibited from doing:

(1) the spouse or minor child of that Director and senior management member;

(2) a person acting in the capacity of trustee of that Director and 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 and senior management member or any person referred to in paragraphs (1) and (2) of this Article;

(4) a company in which that Director and senior management member, alone or jointly with one or more persons referred to in paragraphs (1), (2) and (3) above or other Directors and senior management members of the Company have a de facto controlling interest;

(5) the Directors and senior management members of the controlled company referred to in paragraph (4) of this Article;

(6) Any parties who are liable to be deemed "associates" (as defined under the Listing Rules of Stock Exchange or rules of other stock exchange(s) on which the Company's shares are listed) of such Directors and senior management members.

Article 156 The fiduciary duties of the Directors and 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 157 Where a Director or a member of senior management causes losses to others in performance of his or her duties to the Company, the Company shall be liable for compensation; where a Director or a member of senior management has intent or gross negligence, he or she shall also be liable for compensation.

Any Director and senior management member who violates any of the laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation to any loss caused to the Company. Any Director and senior management member still under the term of office leaves the Company without prior approval and causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Article 158 Except for circumstances prescribed in Article 50 of the Articles of Association, a Director and senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

Article 159 Where a Director and senior management member of the Company shall not in any way, directly or indirectly, enter into a contract or conduct transactions with the Company without reporting to the Board or the general meeting and obtaining approval through a resolution of the Board or the general meeting in accordance with the provisions of these Articles of Association (other than his service contract with the Company).

Unless the interested Director and 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 and senior management member is not counted in the quorum and refrains from voting, the contract, transaction or arrangement in which that Director and 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 and senior management member.

A Director and senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which an associate of the Director and senior management member of the Company is interested.

When the close relatives of the Directors and senior management, the enterprises directly or indirectly controlled by the Directors and senior management or their close relatives, and the connected persons who have other connected relationships with the Directors and senior management enter into contracts or conduct transactions with the Company, this Article shall apply.

Article 160 Where a Director and 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 paragraph of this 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 161 The Company shall not in any manner pay taxes for or on behalf of its Directors and senior management members.

Article 162 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 and 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 and 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 service contract approved by the shareholders at general meeting; and

(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 and 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 163 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 164 A loan guarantee provided by the Company in breach of paragraph (1) of Article 162 shall not be enforceable against the Company, except that:

(1) the loan was advanced to an associate of any of the Directors and senior management members of the Company or of the Company's parent company where the lender did not know the relevant circumstances;

(2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 165 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided by the guarantor to secure the performance of obligations by the obligor.

Article 166 The Company may take out liability insurance for the Directors and senior management members with the content of the shareholders' general meeting, save as the liabilities caused by the breach of laws, administrative regulations and the Articles of Association by the Directors and senior management members.

Article 167 In addition to any rights and remedies provided by the laws and administrative regulations, where a Director and senior management member of the Company is in breach of his duties to the Company, the Company has the right to:

(1) claim damages from the Director and senior management member in compensation for losses sustained by the Company as a result of such breach;

(2) rescind any contract or transaction entered into by the Company with the Director and senior management member or with a third party (where such third party knows or should know that there is such a breach of duties to the Company by such Director and senior management member);

(3) demand the Director and senior management member to surrender the profits made by him in breach of his duties;

(4) recover any monies received by the Director and senior management member which should have been otherwise received by the Company, including (without limitation) commissions;

(5) demand payment of the interest earned or which may have been earned by the Director and senior management member on the monies that should have been paid to the Company; and

(6) recover any profits earned by the Director and senior management member in breach of his duties by legal proceedings.

Article 168 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a Director wherein his emoluments are stipulated, including;

(1) emoluments in respect of his service as Director or senior management member of the Company;

(2) emoluments in respect of his service as Director 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;

(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 against the Company for any benefits in respect of the matters mentioned in this Article.

Article 169 The contract for emoluments entered into between the Company and its Directors should provide that in the event of a takeover of the Company, the Company's Directors shall, subject to the prior approval of the shareholders in general 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) a takeover offer made by any person with a view to the offeror becoming a "controlling shareholder" within the meaning of Article 51 of the Articles of Association.

If the relevant Director does not comply with the provisions of 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 and shall not be paid out of that sum.

CHAPTER 14 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 170 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 171 At the end of each fiscal year, the Company shall prepare a financial report which shall be audited by an accountant's firm in the manner prescribed by law.

The Company's annual financial statements and interim report dealing with interim profit distribution include but not limited to the followings:

(1) balance sheet;

(2) income statement;

(3) profit distribution statement;

(4) cash flow statement;

(5) Notes to the accounting statements;

(6) the provisions and other requirements of the stock exchange(s) on which the shares of the Company are listed.

If the Company does not make in interim profits distribution, save for item (3) of the preceding paragraph, the interim report include all accounting statements and notes (among which the quarter financial reports shall exclude item (3) of the preceding paragraph).

The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 172 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by the laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.

Article 173 The Company's financial reports shall be made available for shareholders' inspection in the Company twenty (20) days before the date of every annual shareholders' general meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Article 174 The financial statements of the Company may, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the place overseas where the Company's shares are listed as permitted. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits as shown in the two financial statements shall be adopted.

Article 175 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC Accounting Standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas as permitted.

Article 176 The Company shall announce four (4) times its financial results for each fiscal year. Within thirty (30) days following the end of the first three (3) months of the fiscal year, the Company shall announce its first quarter financial report. Within sixty (60) days following the end of the first six (6) months of the fiscal year, the Company shall announce its interim financial report, and within thirty (30) days following the end of the first nine (9) months of the fiscal year, the Company shall announce its third quarter financial report; and within one hundred and twenty (120) days following the fiscal year end the annual financial report for the year will be announced and submitted to the local branches of the CSRC and the stock exchanges on which the Company's shares are listed.

The above financial reports shall be prepared in accordance with the relevant laws, administrative regulations and departmental rules.

Article 177 The Company shall not keep accounts other than those provided by law.

Article 178 Funds of the Company shall not be deposited in an account maintained in the name of any individual.

Article 179 Capital reserve fund includes the following items:

(1) premium received on shares issued at a premium to their par value;

(2) any other income required to be included in the capital reserve fund by the competent finance department of the State Council.

The Company's reserve funds are used to make up losses, expand production and operation, or increase registered capital.

Where the reserve funds are used to make up losses, the discretionary reserve funds and statutory reserve funds shall be used in priority; if not sufficient, the capital reserve funds may be used according to regulations.

Article 180 The Company may, upon a resolution adopted in the shareholders' general meeting, convert its reserve funds into capital and issue new shares to existing shareholders in proportion to their respective shareholdings or increase the par value of each share, provided, however, that when the statutory reserve fund is converted into an increase in the registered capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital before the conversion.

Article 181 The Company's profit distribution policy is:

(I) The Company's profit distribution shall focus on providing investors with reasonable investment return as well as maintaining the sustainable development of the Company. The Company's profit distribution shall not exceed the range of the accumulated distributable profits or damage the Company's ability to continue operations. A sustained and steady profits distribution policy shall be implemented.

(II) The Company may adopt to distribute profit in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations. When the conditions for cash dividend are satisfied, cash dividend shall be the priority method of profit distribution.

(III) The Company's profit distribution shall be prepared by the Board of Directors in accordance with the Company's operating conditions and the relevant requirements of CSRC and shall be considered and approved at the shareholders' general meeting.

When considering the specific cash dividends distribution plans, the Board of Directors of the Company shall take full account of the factors, including the Company's business development plan, its current and future profitability, the cash flow status, the stage of development, the funding requirements of project investment, bank borrowing and the debt financing environment, and shall study carefully and discuss in details the matters concerning the Company's dividends distribution, including the right timing and conditions for the distribution, the lowest payout ratio and the conditions for adjustment and the requirements for decision-making procedures. Independent Directors are entitled to express their independent opinions if they are in view that the specific cash dividends distribution plans may harm the interests of the listed company or minority shareholders. If the Board does not adopt or does not fully adopt the opinions of the Independent Directors, it shall record the opinion of the Independent Directors and the specific reasons for its non-adoption in the resolutions of the Board and disclose the same. When the profit distribution plan proposed by the Board of Directors is considered at the shareholders' general meeting of the Company, a variety of channels, including but not limited to telephones, facsimile, e-mails, interactive platforms, etc., shall be provided for communications and exchanges with shareholders (in particular, the minority shareholders), whose opinions and demands shall be fully heard and whose concerns shall be replied in a timely manner so as to effectively protect the public shareholders' rights to attend the shareholders' general meeting.

The Company shall strictly implement the cash dividend policy as determined under the Articles of Association and the specific plan for distribution of cash dividends as considered and approved at the general meeting. If the Company needs to adjust or change the cash dividend policy as determined under the Articles of Association, it is required to satisfy the conditions under the Articles of Association and implement corresponding decision-making procedures after detail discussion. The adjustment or changes shall be passed by shareholders present in the shareholders' general meeting representing not less than two-thirds of voting rights.

After the profit distribution plan is approved at the general meeting of the Company, the Board of Directors of the Company shall complete the distribution of the dividends (or shares) within two months after convening of the shareholders' general meeting.

The Company accepts the advice and supervision of all shareholders, Independent Directors and the public shareholder about the Company's distribution plans. The audit committee shall supervise the implementation of the Company's profit distribution policy, shareholders' return plan and decision-making procedures executed by the Board of Directors and management.

(IV) The profit distributed by the Company in cash each year shall not be less than 10% of the realized distributable profit for the year provided that the following cash dividend conditions are satisfied and the capital needs for the normal production operation and development of the Company are met. The cumulative profit for distribution in cash for any three consecutive years shall not be less than 30% of the average annual distributable profit for such three years;

(1) The distributable profit (i.e. the Company's profit after tax net of the loss and contribution of security provident fund) realized by the Company for the year or half year is positive in value and the cash flow is sufficient. The payment of cash dividends will not affect the subsequent continuing operation of the Company;

(2) The cumulative distributable profit of the Company is positive in value;

(3) The audit firm issues an unqualified audited financial report of the Company for the year.

When conducting profit distribution, the Board shall distinguish the following circumstances taking into account the Company's industry features, development stages, operation model, profitability and solvency as well as whether it has any substantial capital expenditure arrangement and investors' return, and stipulate differentiated cash dividend policy in accordance with the procedures set out in the Articles of Association: (a) Where the Company is in a developed stage with no substantial capital expenditure arrangement, cash dividend shall represent at least 80% of the total profit distribution when distributing profits; (b) Where the Company is in a developed stage with substantial capital expenditure arrangement, cash dividend shall represent at least 40% of the total profit distribution when distributing profits; (c) Where the Company is in a developing stage with substantial capital expenditure arrangement, cash dividend shall represent at least 20% of the total profit distribution when distributing profits. When the Company conducts profit distribution, it should be determined by the Board according to specific circumstances based on the specific stage of the Company. If it is difficult to determine the Company's stage of development but there is a significant capital expenditure plan, profit distribution may be dealt with pursuant to aforesaid requirements.

(V) The Board of Directors of the Company may propose the Company to make interim cash distribution according to the Company's earnings and capital requirement conditions provided that the cash dividend conditions are satisfied.

(VI) Depending on the profitability and business growth for the year, the Company may distribute profits by way of shares to match share capital expansion with business growth provided that the minimum cash dividend payout ratio and an optimal share capital base and shareholding structure are maintained.

(VII) The Company shall disclose the status of the implementation of the profit distribution plan and the cash dividend policy in its annual report and interim report in strict accordance with the relevant provisions, and state the details on the following matters:

(1) Whether the policy is in compliance with the provisions of the Articles of Association or the requirements of resolutions passed at the shareholders' general meeting;

(2) Whether the basis and ratio of the distribution are specific and clear;

(3) Whether the relevant decision-making procedures and system are sound;

(4) Whether there are sufficient opportunities for the minority shareholders to express their views and requests, and whether their legal interests are sufficiently protected, etc.

If the cash dividend policy is to be adjusted or changed, the Company shall disclose in details such as whether the conditions and procedures for the adjustments or changes are in compliance with the regulations and transparent.

If the Company does not make a cash dividend, it should disclose the specific reasons and the next steps it intends to take to enhance investor returns.

(VIII) In the event that the Company does need to adjust or change the cash dividend policy as set out in this Article due to significant changes in the external operating environment or its own operating conditions, the Board shall make a resolution after detailed discussion and the resolution shall be submitted to the general meeting for approval and shall be passed by shareholders holding more than two-thirds of voting rights present at the general meeting. The Company shall also provide an online voting alternative to facilitate minority shareholders to participate in voting of the general meeting. The adjusted profit distribution policy shall not contravene the relevant provisions of CSRC and the Shenzhen Stock Exchange.

(IX) In the event that any shareholder misappropriates the funds of the Company, the Company shall deduct the cash dividends distributed to the shareholder to repay the funds misappropriated by him.

(X) The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of domestic shares in Renminbi within the period as prescribed by Article 86 of the Articles of Association. The Company shall calculate and declare dividends and other payments which are payable to holders of overseas-listed foreign shares in Renminbi, and shall pay such amounts in Renminbi or the foreign currency within the period as prescribed by Article 88 of the Articles of Association. For the amounts paid in foreign currency, the applicable exchange rate/middle rate shall be the average closing rate for the relevant

foreign currency announced by the People's Bank of China or other official authorizations (for convenience of recognition) of the five (5) working days prior to the announcement of payment of dividend and other amounts. The Company shall pay foreign currencies to holders of overseas-listed foreign shares in accordance with the relevant foreign exchange control regulations of the State. The Board may distribute interim dividend or bonus dividend subject to the approval of shareholders' general meetings.

(XI) Where there is a change in the Company's control resulting from securities issue, backdoor listing, significant asset restructuring, merger and division or acquisition, the Company shall disclose in detail the cash dividend policy and relevant arrangements after the offering or issuance, restructuring or change in the control, as well as the Board's explanation of the aforesaid in the prospectus or distribution plan, report on significant asset restructuring, report on change in equity or report on acquisition.

Article 182 Profit after taxation of the Company is used in the following order:

(1) to offset losses;

(2) to provide for statutory reserve;

(3) to provide for discretionary reserve;

(4) to pay for dividends of ordinary shares.

Paragraphs (3) and (4) as a proportion of distribution for a certain year is determined by the Board in accordance with operating conditions and development needs, subject to the approval of shareholders' general meeting.

Article 183 The Company shall not distribute dividends or proceed with other distributions in the form of bonus dividends before offsetting against losses and providing for statutory reserve fund.

Article 184 When distributing each year's after-tax profits, the Company shall set aside 10 per cent of its after-tax profits for the Company's statutory reserve fund. When the aggregate balance in the statutory reserve fund has reached 50 per cent or more of the Company's registered capital, the Company need not make any further allocations to that fund.

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

Article 185 The discretionary reserve fund is provided separately in accordance with the resolution of the shareholders' meeting.

Article 186 The remaining profit after taxation, after recovery of losses and appropriation of reserve fund shall be distributed to shareholders in proportion to their shareholdings. No profit shall be distributed in respect of the shares of the Company which are held by the Company.

If a shareholders' general meeting, in violation of the Company Law, distributes profits to the shareholders, the shareholders shall return the profits distributed in violation of the provisions to the Company. In the event of any loss caused to the Company, the shareholders and the responsible Directors and senior management staff shall be liable for compensation.

Article 187 The Company shall appoint a receiving agent on behalf of the holders of overseas-listed foreign shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such overseas-listed foreign shares.

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

On the condition that applicable laws and administrative regulations of PRC are complied with, with respect to unclaimed dividends, the Company may exercise its powers to forfeit the same, but such power should not be exercised before the expiry of the applicable limitation of action.

The Company has power to terminate the dispatch of dividend warrants by way of mail to holders of overseas-listed foreign shares, but such power shall not be exercised until such warrants have been so left uncashed for two consecutive occasions. Nevertheless, such power may be exercised after the first occasion on which the dividend warrant is undelivered to the recipient and returned.

Where power is taken by the Company to issue share warrants to bearer, no new share warrants shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed.

The Company may sell the shares of a member who is untraceable in a manner the Board considers fit, but the followings shall be complied with:

(1) during a period of twelve (12) years at least three (3) dividends in respect of the shares in question have become payable and no dividend during that period has been claimed by the member; and

(2) on expiry of the twelve (12) years the Company gives notice of its intention to sell the shares by way of an advertisement published in one or more newspapers published in the place where it is listed and notifies the authority and the relevant stock exchange(s) of such intention.

Article 188 The Company implements an internal audit system, which specifies the leadership system, leadership authority, staffing, financial assurance, audit results and accountability for internal audit work. The internal audit system of the Company shall be implemented after approval by the Board and be publicly disclosed.

Article 189 The internal audit institution of the Company conducts supervision and inspection of the business activities, risk management, internal control, financial information and other matters of the Company.

Article 190 The internal audit institution shall be accountable to the Board.

In the course of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Should the internal audit institution discover any significant issues or clues, it shall report directly to the Audit Committee immediately.

Article 191 The internal audit institution is responsible for the specific organization and implementation of the Company's internal control evaluation. The Company shall issue its annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee.

Article 192 When the Audit Committee communicates with external audit units such as accounting firms and national audit authorities, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

Article 193 The Audit Committee participates in the appraisal of the person in charge of internal audit.

CHAPTER 15 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 194 The Company shall appoint an accounting firm that complies with the Securities Law and other securities regulatory rules of the stock exchanges on which the Company's shares are listed to audit the Company's annual financial statements, review the Company's other financial reports, verify the Company's net assets and provide other related consulting services.

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

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

Article 195 The certified public accountants' firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual meeting of shareholders. The employment may be renewed after expiry.

The Company shall guarantee that the accounting evidence, accounting books, financial reports and other accounting information provided to the accountants' firm it engages are true and complete and it shall not refuse or withhold any such information nor shall it provide any false information.

The audit fees of the accountants' firm shall be determined by the shareholders at the general meeting.

Article 196 The certified public accountants' firm appointed by the Company shall have the following rights:

(1) the right to inspect at any time the books, records and 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) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm;

(3) the right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the accountants' firm of the Company.

Article 197 If there is a vacancy in the position of the accountants' firm, the Board may appoint an accountants' firm to fill such vacancy before the convening of the shareholders' general meeting. Any other accountants' firm which has been appointed by the Company may continue to act during the period when there is such vacancy.

Article 198 The shareholders in general 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 199 The Company's appointment, removal and non-reappointment of any certified public accountants' firm shall be resolved by shareholders in general meeting. The Board shall not appoint any certified public accountants' firm before the decision of the shareholders' general meeting.

Where it is proposed that any resolution be passed at the shareholders' general meeting concerning the appointment of a certified public accountants' firm, which is not an incumbent firm, or 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 before notice of meeting is given to the shareholders, "leaving the post" includes removal, resignation and retirement.

(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):

    1. 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

    2. 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 paragraph (2) above, the relevant firm may require that the representations be read out at the shareholders' general meeting and may lodge further complaints.

(4) A certified public accountants' firm which is leaving its post shall be entitled to attend:

    1. the shareholders' general meeting relating to the expiry of its term of office;

    2. any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and

    3. any shareholders' general meeting convened on its resignation.

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

Article 200 Prior to the removal or the non-renewal of the appointment of a certified public accountants' firm, ten (10) days advance 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' general meeting when the shareholders vote on the resolution to remove the public accountants' firm. Where the certified public accountants' firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

(1) Any certified public accountants' firm may resign from its office by depositing at the Company's premise a resignation notice. Such notice shall include any of the following:

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

    2. a statement of any matters of which an account should be given.

    The resignation notice shall become effective on the date of deposit at the legal address of the Company or on such later date as may be stipulated in such notice.

(2) Where the Company receives a written notice under paragraph (1) of this Article, the Company shall within fourteen (14) days send a copy of the notice to the competent authority. If the notice contains a statement referred to in paragraph (1) 2 above, a copy of such statement shall be placed at the Company's registered office for shareholders' inspection. The Company shall also send a copy of such statement to every holder of overseas-listed foreign shares by prepaid post, and it shall be sent to the addresses recorded in the register of members.

(3) Where the notice of resignation of a certified public accountants' firm contains a statement referred to in paragraph (1) 2 above, the certified public accountants' firm may require the Board to convene a shareholders' extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

Article 201 The remuneration of the accountants' firm appointed by the Board to fill the vacancy shall be determined by the Board and subject to the approval of shareholders' meeting. Except in accordance with Article 194 of the Articles of Association, the remuneration of the accountants' firm appointed by the Board which is to fill the vacancy shall be determined by the Board.

CHAPTER 16 MERGER AND DIVISION OF THE COMPANY

Article 202 In the event of a 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 and the relevant examining and approving formalities shall be processed as required by law. Shareholders who oppose 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.

When the Company merges with another company in which holds more than ninety percent of that company's shares, approval from the shareholders' general meetings is not required from the merged company, but it should notify other shareholders, who have the right to require the Company to purchase their equity or shares at a reasonable price.

If the payment made by the Company for a merger does not exceed ten percent of its net assets, it may not require approval from the shareholders' general meetings.

If the Company merges in accordance with the provisions of the preceding two paragraphs without the approval of the shareholders' general meetings, it should be approved by the Board.

The aforesaid document should also be dispatched to the holders of overseas-listed foreign shares by mail or other means as provided in the Articles of Association.

Article 203 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

Merger by absorption means the absorption by one company of other company(ies), in which case the absorbed company(ies) shall be dissolved. Merger by new establishment means the merger of two or more companies to form a new company, in which case the parties to the merger shall be dissolved.

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 publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on merger. 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 first announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 204 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 publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within thirty (30) days of the date of the Company's resolution on division.

Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, the ancillary obligation with respect to debts incurred by the Company before its division shall be borne by the companies after the division.

Article 205 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. Upon dissolution, 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.

The increase and decrease of the registered capital of the Company shall be registered with the company registration authority in accordance with the law.

CHAPTER 17 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 206 The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following:

(1) the expiry of the term of operation as prescribed under the Article of Association or the occurrence of an event that results in dissolution as prescribed under the Article of Association;

(2) a resolution on dissolution is passed by shareholders at the general meeting;

(3) dissolution is necessary due to a merger or division of the Company;

(4) the Company is declared bankrupt because of inability to repay debts due;

(5) the Company's business licence is revoked or cancelled or it is ordered to close down according to law;

(6) where the Company gets into serious trouble in operations and management and its continuation may cause substantial loss to the interests of its shareholders, and no solution can be found through any other channel, shareholders representing 10% or more of the total voting rights of the Company may request the People's Court to dissolve the Company.

If any of the reasons for dissolution in the preceding paragraph occurs, the Company shall disclose the reasons for dissolution in the National Enterprise Credit Information Publicity System within ten (10) days.

Article 207 The Company may continue to exist by amending the Articles of Association or by a resolution of the shareholders' general meeting under the circumstances set out in item (1) and item (2) of Article 206 and if the Company has not distributed properties to shareholders.

The amendment to the Articles of Association pursuant to the previous paragraph shall be passed by two-thirds of the votes by shareholders at an extraordinary general meeting.

Article 208 Where the Company is dissolved under paragraph (1), (2), (5) and (6) of Article 201, it shall be liquidated. Directors shall be the liquidation obligors of the Company, and a liquidation committee shall be established within fifteen (15) days from the date of occurrence of events giving rise to dissolution. The members of such liquidation committee shall be Directors, unless otherwise stipulated in the Articles of Association or otherwise selected by a resolution of the shareholders' general meeting. If a liquidation obligor fails to perform his/her liquidation obligations in a timely manner and causes losses to the Company or the creditors, such liquidation obligor shall be liable for compensation.

Where the Company is dissolved under paragraph (3) of Article 206, the liquidation work shall be undertaken by the parties to the merger or division in accordance with the relevant contract executed at the time of merger or division.

Where the Company is dissolved under paragraph (4) of Article 206, the People's Court shall organize the shareholders, relevant organizations and relevant creditors to establish a liquidation committee to proceed with the liquidation in accordance with the relevant laws.

Article 209 Where the Board proposes to liquidate the Company for any reason other than the Company's declaration of insolvency, the Board shall include a statement in its notice convening a shareholders' general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders at a general meeting in relation to the liquidation of the Company, all duties and powers of the Board shall cease.

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

Article 210 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and shall publish an announcement in a newspaper or the National Enterprise Credit Information Publicity System within sixty (60) days of that date. Creditors should, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 211 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 and taxes incurred during the liquidation process;

(5) to ascertain all claims and debts;

(6) to distribute the remaining assets of the Company after the repayment of debts; and

(7) to represent the Company in any civil proceedings.

Article 212 After it has ascertained the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to the shareholders' general meeting or to the relevant competent authority such as the court for confirmation.

The liquidation costs including salaries of liquidation staff and consultant shall be settled, before settling the debt of other creditors, by the Company's assets.

After a resolution on dissolution is passed by shareholders at a general meeting or the Company is declared bankrupt according to law or it is ordered to close down, no one is allowed to dispose of the Company's assets without the permission of the liquidation committee.

The assets of the Company shall be liquidated in the following order: payment of the liquidation expenses, salaries of the staff members of the Company, social security insurance expenses and statutory compensations, outstanding taxes and debts owing to other companies.

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

During the liquidation period, the Company shall continue but shall not commence business activities which do not relate to the liquidation.

Members of the liquidation committee shall perform their liquidation duties, and have the obligations of fiduciary and diligence.

Members of the liquidation committee shall bear the liability for damages suffered by the Company due to their negligence in performing the liquidation duties; if members of the liquidation committee cause loss to the creditors, either willfully or due to gross negligence, they shall be liable for compensation.

Article 213 In the event of the Company's liquidation owing to dissolution, 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.

Where the Company is declared bankruptcy in accordance with laws, it shall implement bankruptcy liquidation in accordance with laws relating to bankruptcy of enterprise.

Article 214 Following the completion of the Company's 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' general meeting or relevant competent authorities such as the People's Court for confirmation.

The liquidation committee shall within thirty (30) days after the date of the shareholders' general meeting or the affirmation from the concerned competent authorities such as the court, submit the aforementioned documents to corporation registration authorities for cancellation of the Company's registration.

CHAPTER 18 PROCEDURES FOR AMENDMENT TO THE ARTICLES OF ASSOCIATION

Article 215 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend these Articles of Association. The Company shall amend these Articles of Association upon the occurrence of one of the following circumstances:

(1) there is a discrepancy between the provisions of the Articles of Association and those of laws and administrative regulations after the amendment to the Company Law or relevant laws and administrative regulations;

(2) there are changes in the situation of the Company resulting in inconsistency in relation to the scenarios mentioned in the Articles of Association;

(3) the shareholders' general meeting resolves to amend the Articles of Association.

Article 216 The Board may amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the shareholders' general meeting and the approval opinions of the relevant competent authorities.

Article 217 Where laws and regulations require the amendments to the Articles of Association to be disclosed, such amendments shall be announced in accordance with such laws and regulations.

CHAPTER 19 SUPPLEMENTARY PROVISIONS

Article 218 In these Articles of Association, the term "Accountants' firm" shall bear the same meaning as "auditor"; the terms "President" and "Vice President" shall bear the same meaning as "manager" and "deputy manager", respectively, being senior management personnel as stipulated in the Company Law; and the term "person in charge of finance" shall bear the same meaning as "chief financial officer".

Article 219 All the words "over", "within" in these Articles of Association include themselves; "less than", "except", "lower than", "more than" and "exceed" does not include themselves; "include" shall mean "include but not limited to the relevant matters".

Article 220 The appendices of the Articles of Association include rules of procedure of general meeting and Board of Directors.

Article 221 Unless otherwise provided in the Articles of Association, subject to the laws and regulations of the place where the Company's shares are listed and the relevant rules governing the listing of securities, corporate communications (as defined under the Listing Rules), including notice of the Company may be sent by any of the following means:

(1) by hand;

(2) by post;

(3) by public announcements;

(4) by email;

(5) by publishing on the website of the Company and the website designated by the stock exchanges where the Company's shares are listed;

(6) by any other means recognised by the securities regulatory authorities and stock exchange where the Company's shares are listed or provided in the Articles of Association.

Article 222 Any corporate communication (as defined under the Listing Rules) of the Company (including the notice of the Company) given by public announcement shall be deemed to be received by all relevant persons once the public announcement is made.

Where a corporate communication (including notice of the Company) is served by hand, the address shall be the one registered in the register of members, the addressee shall be required to sign his name (or affix his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service; where a notice is to be sent by post, the address shall be the one registered in the register of members, such notice is deemed to be served five (5) working days after the date on which it is deposited at the post office; where a notice is to be sent by way of public announcement, the date of first publication shall be the date of service; where a notice is to be sent by email or website, the date of publishment shall be the date of service.

Article 223 Interpretation

(1) De facto controller means the natural person, legal person or other organization that could control the act of the Company actually through investment, agreement or other arrangement.

(2) Affiliated relation means the relation between the controlling shareholder of the Company, de facto controller, directors, supervisors, senior management members and the enterprise that they control directly or indirectly, and other relation that may cause the transfer of interest of the Company. However, the relation between fellow State-controlled enterprises shall not be deemed as affiliated relation merely because they are both controlled by the State.

Article 224 The Board of Directors may formulate detailed rules of the Articles of Association in accordance with the provisions thereof. Such detailed rules shall not contravene the provisions in the Articles of Association.

The Articles of Association are written in Chinese. In case of any discrepancy between versions in other languages or different versions of the Articles of Association, the latest Chinese version approved for registration with the Shenzhen Administration For Market Regulation shall prevail.

The Board of Directors of the Company shall be responsible for interpreting these Articles of Association.