



FUDAN
MICRO

上海復旦微電子集團股份有限公司

Shanghai Fudan Microelectronics Group Company Limited*

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

(A Share Stock Code: 688385

H Share Stock Code: 1385)

Articles of Association

(This Articles of Association is written in both Chinese and English, and the English version is only an English translation of the Chinese version. In case of inconsistency, the Chinese version shall prevail)

**for identification only*

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CHAPTER 1: GENERAL PROVISIONS

Article 1:

This Company is a joint stock limited company established in accordance with the Company Law (“Company Law”) of the People’s Republic of China (the “PRC”), Companies Limited by Shares Issuing Shares and Seeking a Listing outside the PRC Special Provisions of the State Council (“Special Provisions”) and other relevant State laws and administrative regulations.

Following approval by the Government of Shanghai City with Approval of Hufutigaizi [1998] 050, the Company was established on 4 June 1998 by means of promotership, was registered with the Shanghai Administration for Industry and Commerce on 10 July 1998, and obtained a company’s business license. The number of the Company’s business license is 310000400198084. The unified social credit identifier is 91310000631137409B.

The promoters of the Company are: Shanghai Fudan High Tech Company, Shanghai Commerce and Investment Co., Shanghai Pacific Commercial Trust Company, Ningbo Lirong Co., Ltd., Shanghai Gaozhan Business Consultancy Company Limited, the Staff Shareholding Association of the Company, Mr. Jiang Guoxing and Mr. Shi Lei.

The Articles of Association of Shanghai Fudan Microelectronics Group Co. Ltd. (“the Articles of Association” or the “the Articles of Association of the Company”) is formulated in accordance with laws and regulations such as Company Law, Special Provisions, the Securities Law of the People’s Republic of China (“Securities Law”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (“Mandatory Provisions”), the “Opinion Letter on the Supplementation and Amendment of Articles of Association of Companies Listing in Hong Kong”, “Guidelines to Articles of Association of Listed Companies”, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Hong Kong Listing Rules”), the Rules Governing the Listing of Stocks on the Science and Technology Innovation Board of Shanghai Stock Exchange (“Science and Technology Innovation Board Listing Rules”, together with Hong Kong Listing Rules known as “the listing rules of the place where the Company’s shares are listed”), rules of the relevant securities regulatory authority, binding documents of the stock exchange and other related laws and regulations, with an aim to safeguard the legitimate rights and interests of the Company and shareholders and creditors, and to regulate the organization and behavior of the Company.

Article 2:

Registered name of the Company: 上海复旦微电子集团股份有限公司

English name of the Company: Shanghai Fudan Microelectronics Group Company Limited

Article 3:

The Company’s registered address: 220 Handan Road, Shanghai City, the PRC.

Postal code: 200433

Telephone number: 65655050

Facsimile number: 65659115

Article 4:

The legal representative of the Company shall be the chairman of its board of directors.

Article 5:

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

The Company is an independent corporate legal person governed and protected by the relevant PRC laws and binding documents, which has independent property of a legal person and enjoys the property

rights of a legal person.

The assets of the Company are divided into equal shares. The shareholders of the Company shall bear liability for the Company to the extent of the shares they hold, and the Company shall bear liability for the debts of the Company with its entire assets.

Article 6:

After adoption by special resolution on the general meeting of the Company, the Articles of Association shall replace the articles of association formerly registered by the Company with the competent industrial and commercial administration authority.

From the date on which the Articles of Association came into effect, the Articles of Association constitutes a legally binding public document regulating the organization and behaviour of the Company, as well as the rights and obligations shared between the Company and its shareholders and among the shareholders.

Article 7:

The Articles of Association of the Company shall be binding upon the Company and its shareholders, directors, supervisors and other senior management staff. All the above persons may make claims related to Company's matters in accordance with the Articles of Association.

Each of the shareholders may sue the Company in accordance with the Articles of Association. The Company may sue its shareholders, directors, supervisors and senior executive in accordance with the Articles of Association. Each of the shareholders may sue other shareholders in accordance with the Articles of Association. Each of the shareholders may sue the directors, supervisors and senior executives in accordance with the Articles of Association.

"Sue" as stipulated hereinabove includes commencement of litigation at a competent or referring a matter for arbitration at an arbitration institution.

Article 8:

The Company may invest in other limited liability companies or joint stock limited companies and shall be held responsible for the invested companies within the limitation of the amount of the Company's capital contribution. Unless otherwise specified by laws, the Company shall not be the capital contributor bearing joint liability associated with the debts of the invested enterprises.

CHAPTER 2: OBJECTIVES AND SCOPE OF BUSINESS

Article 9:

The business objectives of the Company are: consummating business on operation mechanism, raising funds for future developments, optimizing the operating system, cultivating innovative and high technology core capacity for its application to the development of core products, and exploring methods for achieving innovative and high-technology industrialization and industrial development.

Article 10:

The business scope of the Company shall be as approved by the company examination and approval authority and industrial and commercial administration authority which has/have jurisdiction over the Company.

The business scope of the Company is technological development, technology consulting, technical services and technology transfer in the fields of electronics products and information technology; production of microelectronics products, selling self-developed products and offering relevant services; investing and conducting projects on the National New Hi-tech Industry List (Specific projects need

other approvals). (The operations of businesses requiring approvals in accordance with the laws may only commence after such approvals have been granted by relevant authorities)

The Company may, with reference to changes in local and overseas market, its own business development and ability, adjust their scope of business and arrange for registration of the relevant change in accordance with the law.

CHAPTER 3: SHARES AND REGISTERED CAPITAL

Article 11:

The Company shall have ordinary shares at all times. It may have other kinds of shares according to the need, upon approval by the authorities that are authorized by the State Council to examine and approve companies.

Article 12:

The stock of the Company shall take the form of shares. All shares issued by the Company shall have par values, with each share having a par value of RMB1.

RMB referred to in the preceding paragraph refers to the statutory currency of the PRC.

Article 13:

The Company shall issue shares in a fair and just manner, and each share of the same category shall have the same right. All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

The Company may offer its shares to both domestic and foreign investors with the approval of the relevant securities regulatory authority under the State Council.

Foreign investors referred to in the preceding paragraph shall mean those investors in foreign countries, Hong Kong, Macau or Taiwan who subscribe for shares of the Company. Domestic investors shall mean those investors in the PRC, excluding the aforementioned regions, who subscribe for shares of the Company.

Article 14:

Shares that the Company issues to domestic investors for subscription in RMB shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares. Foreign shares listed overseas shall be called overseas listed foreign shares. The domestic shares that the Company issued and listed in the domestic market shall be called A shares. A shares are shares that approved by China Securities Regulatory Commission to be issued and listed on the domestic stock exchange, with par value in Renminbi and are subscribed and traded in Renminbi. A shares of the Company is centrally managed in China Securities Depository and Clearing Corporation. H Shares are listed on the Stock Exchange of Hong Kong Limited (“the Hong Kong Stock Exchange”) after approval with par value in Renminbi and are subscribed and traded in Hong Kong dollars.

Foreign currency referred to in the preceding paragraph refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

Both holders of domestic shares and holders of foreign shares are ordinary shareholders and shall have the same rights and obligations.

Article 15:

The total share capital of the Company is 816,656,500 shares, with a capital structure of 532,326,500 Onshore-Listed Domestic-Invested Shares and 284,330,000 Overseas-Listed Foreign-Invested Shares.

Article 16:

At the effective date of the adoption of this Articles of Association, the Company has issued 694,502,000 ordinary shares and total share capital is Renminbi 69,450,200, and the share capital structure is as follows:

Shanghai Fudan Fukong Technology Enterprise Holdings Limited holds 109,620,000 shares, representing 15.78% of the issued share capital of the Company;

Shanghai Fudan High Tech Company holds 106,730,000 shares, representing 15.37% of the issued share capital of the Company;

Shanghai Zhenghua Corporate Management Consultant Partnership Enterprise (limited partnership) holds 34,650,000 shares representing 4.99% of the issued share capital of the Company;

Shanghai Guonian Corporate Management Consultant Partnership Enterprise (limited partnership) holds 29,941,470 shares representing 4.31% of the issued share capital of the Company;

Shanghai Zhengben Corporate Management Consultant Partnership Enterprise (limited partnership) holds 52,167,270 shares representing 7.51% of the issued share capital of the Company;

Shanghai Nianjin Corporate Management Consultant Partnership Enterprise (limited partnership) holds 14,677,840 shares representing 2.11% of the issued share capital of the Company;

Shanghai Shenghao Corporate Management Consultant Partnership Enterprise (limited partnership) holds 14,741,000 shares representing 2.12% of the issued share capital of the Company;

Shanghai Xuling Corporate Management Consultant Partnership Enterprise (limited partnership) holds 6,243,000 shares representing 0.90% of the issued share capital of the Company;

Shanghai Haoyue Corporate Management Consultant Partnership Enterprise (limited partnership) holds 5,177,000 shares representing 0.75% of the issued share capital of the Company;

Shanghai Yuhao Corporate Management Consultant Partnership Enterprise (limited partnership) holds 9,011,000 shares representing 1.30% of the issued share capital of the Company;

Shenzhen Capital Group Co., Ltd holds 4,793,420 shares, representing 0.69% of the issued share capital of the Company;

Shenzhen Qianhai Wanrong Hongtu Investment Fund (limited partnership) holds 2,000,000 shares, representing 0.29% of the issued share capital of the Company;

Nanjing Hongtu Xinghe Business Investment Fund (limited partnership) holds 3,333,333 shares, representing 0.48% of the issued share capital of the Company;

Wuxi Red Land Silk Road Venture Capital Enterprise (limited partnership) holds 2,666,667 shares, representing 0.38% of the issued share capital of the Company;

Mr. Jiang Guoxing holds 7,210,000 shares, representing 1.04% of the issued share capital of the Company;

Mr. Shi Lei holds 7,210,000 shares, representing 1.04% of the issued share capital of the Company;

and holders of Overseas-Listed Foreign-Invested Shares hold 284,330,000 shares, representing 40.94% of the issued share capital of the Company.

Article 17:

After the plan for issuing Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares has been approved by the China State Council authorities in charge of securities, the board of directors of the Company may arrange for implementation of such plan by means of separate issues.

The Company's plan for separate issues of Overseas-Listed Foreign-Invested Shares and Domestic-Invested Shares in accordance with the preceding paragraph may be implemented separately within 15 months of being approved by the China State Council authorities in charge of securities.

Article 18:

Where the Company issues Overseas-Listed Foreign-Invested Shares and Onshore- Listed Domestic-Invested Shares separately and within the total number of shares specified in the issue plan, every such issue must be fully subscribed for in one time. Where special circumstances make it impossible for every such issue to be fully subscribed for at one time, the shares may be issued in several stages, subject to the approval of the China Securities Regulatory Commission.

Article 19:

The registered capital of the Company is Renminbi 81,665,650. The registered capital has been registered with the relating Administration for Industry and Commerce, and put on records by the China Securities Regulatory Commission.

Article 20:

Unless otherwise specified in the laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, all shares of the Company can be transferred without any limitation and are not subject to any lien. The Company does not accept the Company's shares as the subject of a pledge. Transfer of the Company's shares shall be registered with the share registrar(s) designated by the Company.

Article 21:

The Company may increase capital based on the needs of operation and development and in accordance with the laws, administrative regulations, departmental rules, listing rules issued by the place where the shares of the Company are listed and the Articles of Association.

The Company may increase its capital by:

- (1) Public offering of shares to non-designated investors;
- (2) Non-public offering of shares to designated investors;
- (3) Offer of bonus shares to existing shareholders;
- (4) Conversion of common reserve funds into share capital;
- (5) Other means stipulated by laws and administrative regulations and approved by the securities authority under the State Council.

Issuance of new shares by the Company shall be subject to approval as specified in the Articles of

Association and follow the procedure specified in the relevant laws and administrative regulations of the state and the place of listing for the shares of the Company.

If the Company is approved by the regulatory authority in the place where the shares are listed to issue convertible bonds, it shall strictly follow the relevant regulations on the issuance and management of convertible bonds and the relevant provisions in the issuance terms of the prospectus of the Company's convertible bonds.

CHAPTER 4: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 22:

The Company may decrease its registered capital in accordance with the Articles of Association. The Company shall decrease its registered capital pursuant to the Company Law, other relevant regulations and the Articles of Association.

Article 23:

When the Company is to reduce its registered capital, it shall prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall publish a public announcement of the resolution in a newspaper within 30 days of the date of such resolution. Creditors shall, within 30 days of receiving the written notice or within 45 days of the date of the public announcement for those who have not received a written notice, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for such debts.

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

Article 24:

The Company may, under the following circumstances, repurchase its own shares in accordance with the procedures set out in its Articles of Association, and with the approval of the relevant governing State authorities, and in accordance with the "Hong Kong Code on Share Buy-backs":

- (1) cancellation of shares in order to reduce its capital;
- (2) merger with another company that holds shares in the Company;
- (3) used for employees share ownership scheme or share incentive scheme;
- (4) requisition by any shareholder to purchase his shares because this shareholder raises objections to the company's resolution on merger or split-up made at a session of the meeting of shareholders
- (5) When using the shares to satisfy the conversion of those corporate bonds convertible into shares issued by the Company;
- (6) When safeguarding corporate value and shareholders' equity as the Company deems necessary; or
- (7) any other circumstances where laws or administrative regulations so permit.

Article 25:

After the Company is approved by relevant governing State authorities to repurchase its own shares, it may proceed in any of the following manners:

- (1) making of a repurchase offer in the same proportion to all shareholders;
- (2) repurchase through open transactions on a securities exchange;
- (3) repurchase by an agreement outside a securities exchange; or
- (4) any other methods as permitted by the law and regulations.

When the Company buys back its shares, it shall perform the obligation of information disclosure in accordance with the requirements of Securities Law and all related listing rules, laws and regulations of the Shanghai Stock Exchange. Buyback of the Company's shares under the circumstances as provided in (3), (5) and (6) of Article 24 of the Articles of Association shall be conducted through open centralized trading.

Article 26:

When the Company is to repurchase its own shares by an agreement outside a securities exchange, prior approval shall be obtained from the shareholders' general meeting in accordance with the procedures provided for in the Company's Articles of Association. Upon prior approval by the shareholders' general meeting obtained in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

For the purposes of the above paragraph, contracts for the repurchase of shares shall include (but not be limited to) agreements whereby repurchase obligations are undertaken and repurchase rights are acquired.

The Company may not assign any contracts for the repurchase of its own shares or any of its rights thereunder.

Article 27:

Where the Company repurchases its Shares in the circumstances set out in clauses (1) and (2) of Article 24 of the Articles of Association, it shall be subject to approval at the General Meeting. Where the Company repurchases its Shares in the circumstances set out in clauses (3), (5) and (6) of Article 24 of the Articles of Association, it may be resolved by more than two-thirds of directors present at a meeting of the Board of Directors in accordance with the provisions of the Articles of Association or the authorization of the General Meeting.

In the event that the Company has repurchased its Shares in accordance with Article 24, such Shares shall be cancelled within 10 days in the circumstance set out in clause (1), or shall be transferred or cancelled within 6 months in the circumstances set out in clauses (2) and (4); the aggregate number of Shares held by the Company shall not exceed 10% of the total issued Shares of the Company, and shall be transferred or cancelled within 3 years in the circumstances set out in clauses (3), (5) and (6).

After the Company has repurchased its own shares according to law, it shall cancel or transfer the portion of shares concerned within the period prescribed by laws and administrative regulations and the listing rules of the place where the Company's shares are listed and shall, in the case of cancellation, apply to the original company registry for registration of the change in registered capital.

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

Article 28:

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

- (1) where the Company repurchases its own shares at their par value, the amount thereof shall be deducted from the book balance of distributable profit and/or from the proceeds of a fresh share issue made to repurchase the old shares:
- (2) where the Company repurchases its own shares at a price higher than their par value, the portion corresponding to their par value shall be deducted from the book balance of distributable profit and/or from the proceeds of a fresh share issue made to repurchase the old shares; and the portion in excess of the par value shall be handled according to the following methods:
 - (i) where the shares repurchased were issued at their par value, the amount shall be deducted from the book balance of distributable profit;
 - (ii) where the shares repurchased were issued at a price higher than their par value, the amount shall be deducted from the book balance of distributable profit and/or the proceeds of a fresh share issue made to repurchase the old shares; however, the amount deducted from the proceeds of the fresh share issue may not exceed the total premium obtained at the time of issuance of the old shares nor may it exceed the amount in the Company's premium account or capital common reserve account (including the premiums from the fresh share issue) at the time of repurchase;
- (3) the sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
 - (i) acquisition of the right to repurchase its own shares;
 - (ii) modification of any contract for repurchase of its own shares;
 - (iii) release from any of its obligations under any repurchase contract.
- (4) After the par value of the annulled shares has been deducted from the registered capital the Company in accordance with relevant regulations, that portion of the amount deducted from the distributable profit and used to repurchase its own shares at the par value of the repurchased shares shall be included in the Company's premium account or capital common reserve account.

CHAPTER 5: FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY SHARES

Article 29:

The Company or its subsidiaries shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the shares in the Company. Purchasers of shares in the Company as referred to above shall include persons that directly or indirectly undertake obligations for the purpose of purchasing shares in the Company.

The Company or its subsidiaries shall not at any time provide any financial assistance in any form to the above obligors in order to reduce or discharge their obligations.

The provisions of this Article shall not apply to the circumstances described in Article 31 of this Part.

Article 30:

For the purposes of this chapter, the term "financial assistance" shall include (but not be limited to) the financial assistance in the forms set out below:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligation by the obligor), indemnity not including, however,

indemnity arising from the Company's own fault) and release or waiver of rights;

- (3) provision of a loan or conclusion of a contract under which the obligations of the Company are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract as well as the assignment of rights under such loan or contract; and
- (4) financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the Company's net assets.

For the purposes of this Part, the term "undertake obligations" shall include the undertaking of an obligation by the obligor by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligor individually or jointly with any other person) or by changing its financial position in any other way.

Article 31:

The acts listed below shall not be regarded as acts prohibited under Article 29 of this Part:

- (1) where the Company provides the relevant financial assistance truthfully for the benefit of the Company and the main purpose of the financial assistance is not to purchase shares in the Company, or the financial assistance is an incidental part of an overall plan of the Company;
- (2) lawful distribution of the Company's property in the form of dividends;
- (3) distribution of dividends in the form of shares;
- (4) reduction of registered capital, repurchase of its own shares, shareholding structuring, etc. in accordance with the Articles of Association of the Company;
- (5) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits); and
- (6) the provision of money by the Company for an employee shareholding scheme (provided that the same does not lead to a reduction in the net assets of the Company or that if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits).

CHAPTER 6: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 32:

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

In addition to the particulars provided for in the Company Law, the share certificates of the Company shall clearly state such other particulars as required to be specified by the securities exchange(s) on which the Company's shares are listed.

During the period when H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all listing documents and ownership certificates of all its shares listed on the Hong Kong Stock Exchange (including H shares) shall include the following statements, and shall instruct and promote its share registrar to reject any subscription, purchase or transfer of the shares registered in the name of any individual holder, unless and until the said individual holder has submitted to the said share registrar the signed form relating to the said shares, which form shall include the following statements:

- (1) The share buyer agrees with the Company and each of its shareholders, and the Company agrees with each shareholder to observe and comply with the Company Law, Special Provisions, other relevant laws, administrative regulations and the Articles of Association.
- (2) The share buyer agrees with the Company and the Company's each shareholder, director, supervisor, general manager and senior executive, and the Company acting on its behalf and for each director, supervisor, general manager and senior executive agrees with each shareholder, to refer all disputes or claims arising from the Articles of Association or from the rights or obligations specified in the Company Law or other relevant laws or administrative regulations with respect to the Company's affairs to arbitration in accordance with the Articles of Association, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its arbitration award, and the arbitration award shall be final and conclusive.
- (3) The share buyer agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders.
- (4) The share buyer authorizes the Company to conclude contract on his behalf with each director, general manager and senior executive, who shall undertake.

Article 33:

Shares shall be signed by the chairman of the Board. Other relevant senior executives of the Company shall also sign the shares if required by the stock exchange with which the Company's shares are listed. The shares shall come into effect after stamping or printing of the corporate seal on the shares. The shares shall only be stamped with the corporate seal under the authorization of the Board. The signature of the chairman or other relevant senior executive of the Company may also be printed on the shares. Issuance or trading of the shares of the Company in a non-paper form shall comply with other regulations of the securities regulatory authority and the place where the Company's shares are listed.

Article 34:

The Company shall, in accordance with the requirements and conditions of the share registration institutions at the place where the Company's shares are listed, keep a register of shareholders, in which the following particulars shall be recorded:

- (1) the name (title), address (residence), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;

- (3) the amount paid or payable for the shares held by each shareholder;
- (4) the share certificate number(s) of the shares held by each shareholder;
- (5) the date on which each shareholder was registered as a shareholder; and
- (6) the date on which each shareholder ceased to be a shareholder.

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

Subject to the Articles of Association and other applicable requirements, once the shares of the Company are transferred, the name of the transferee shall be listed in the shareholders' register as the holder of the said shares.

Transfer of shares shall be recorded in the shareholders' register.

Where two or more persons are registered as joint shareholders of any shares, they shall be deemed as the joint holders of the said shares subject to the following restrictions:

- (1) The Company shall not need to register more than four persons as joint shareholders of any shares;
- (2) The joint shareholders of any shares shall jointly and individually assume the responsibility for amounts of fees payable for relevant shares;
- (3) In the event that any shareholder among the joint shareholders deceases, only the other remaining joint shareholders shall be deemed by the Company as the owners of the relevant shares. However, the Board may, for the purpose of modifying the shareholders' register, require the provision of a death certificate of the relevant shareholder as it deems appropriate;
- (4) Among the joint shareholders of any shares, only the joint shareholder listed first in the shareholders' register has the right to take relevant shares from the Company and receive notices of the Company, and any notice served to the said person shall be deemed as having been served to all the joint shareholders of the relevant shares. Any joint shareholder may sign the form of proxy. If there are more than one joint shareholder present in person or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint shareholders. For this purpose, seniority of the shareholders will be determined by the order in which the names of the joint shareholders of the relevant shares stand in the shareholders' register;
- (5) Receipt issued by any of the joint shareholders to the Company in respect of any dividend, bonus or remuneration paid by the Company shall be considered an effective receipt issued by all the joint shareholders.

Article 35:

The Company may, pursuant to an understanding or agreement reached between the State Council authorities in charge of securities and a securities regulatory organization outside the PRC, keep outside the PRC its register of holders of Overseas-Listed Foreign-Invested Shares, and entrust the administration thereof to an agent outside the PRC.

The Company shall keep at its residence a duplicate of the register of holders of Overseas-Listed Foreign-Invested Shares. The appointed agent outside the PRC shall ensure that the register of holders of Overseas-Listed Foreign-Invested Shares and its duplicate are consistent at all times.

When the original and duplicate of the register of holders of Overseas-Listed Foreign-Invested Shares are inconsistent, the original register shall prevail.

Article 36:

The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) a register kept at the Company's domicile other than those provided for under items (2) and (3) of this paragraph;
- (2) the register(s) of holders of Overseas-Listed Foreign-Invested Shares kept in the place(s) of the stock exchange(s) outside the PRC on which the shares are listed; and
- (3) registers of shareholders kept in such other places as the board of directors may decide necessary for listing purposes.

Article 37:

The various parts of the register of shareholders shall not overlap one another. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

Changes and corrections to each part of the register of shareholders shall be carried out in accordance with the laws of the places where each part is kept.

All Overseas-Listed Foreign-Invested Shares which have been fully paid-up, shall be freely transferred pursuant to the Company's Articles and Association. Unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer and would not need to provide any reason thereof:

- (1) a fee has been paid pursuant to the requirements of the Listing Rules for registration of the instrument of transfer and other documents relating to or which will affect the right of ownership of the shares;
- (2) the instrument of transfer only relates to Overseas-Listed Foreign-Invested Shares listed in Hong Kong;
- (3) the stamp duty which is chargeable on the instrument of transfer has already been paid;
- (4) the relevant share certificate(s) and any other evidence or other documents stipulated by the Hong Kong Listing Rules which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (5) if it is intended that the shares be transferred to joint owners, the maximum number of joint owners shall not be more than 4;
- (6) the Company does not have any lien on the relevant shares;
- (7) No transfer may be made to an infant or to a person of unsound mind or under other legal disability.

The Company's Overseas-Listed Foreign-Invested Shares listed in Hong Kong must adopt common or normal forms or other forms of instrument of transfer accepted by the board of directors for the purpose of share transfer; and such instrument of transfer documents can be signed, or if the transferor or the transferee is a recognized clearing house (herein refers to as "Recognised Clearing House") or its agent within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the written documents of transfer can be either signed or machine printed.

All transfer documents shall be kept at the legal address of the Company, the address of the share transfer office, or such address as is designated by the board of directors from time to time.

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

Article 38:

Where laws and regulations, normative rules and the relevant provisions of the securities regulatory authorities of the place where the shares of the Company are listed stipulate the period of closure of the register of shareholders prior to a shareholders' general meeting or the base date on which the Company decides to distribute dividends, such provisions shall prevail.

Article 39:

When the Company is to convene a shareholders' general meeting, distribute dividends, be liquidated or to carry out other acts requiring confirmation of equity interest, the board of directors shall decide a date for determination of equity interest. Shareholders whose names appear on the register at the end of that day shall be the shareholders of the Company.

Article 40:

Any person that challenges the register of shareholders and requires his name to be entered into or removed from the register of shareholders may apply to a court of competent jurisdiction for correction of the register.

Article 41:

Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may apply to the Company for issuance of a replacement certificate in respect of such shares ("relevant shares") if his share certificate ("original share certificate") is lost.

Applications for the replacement of share certificates from holders of Domestic-Invested Shares who have lost their certificates shall be dealt with in accordance with the relevant requirements of the Company Law.

Applications for the replacement of share certificates from holders of Overseas-Listed Foreign-Invested Shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations of the place where the original register of holders of Overseas-Listed Foreign-Invested Shares is kept.

Where holders of H Shares of a company, which is listed in Hong Kong, apply for replacement of their certificates after losing their certificates, such replacement shall comply with the following requirements:

- (1) the applicant shall submit the application in the form prescribed by the Company accompanied by a notaries certificate or statutory declaration. The notaries certificate or statutory declaration shall include the applicant's reason for the application, the circumstances and proof of the loss of the share certificate and a declaration that no other person may require registration as a shareholder in respect of the Relevant Shares;
- (2) the Company shall not have received any declaration requiring registration as a shareholder in respect of the shares from any person other than the applicant before it decides to issue a replacement share certificate;
- (3) if the Company decides to issue a replacement share certificate to the applicant, it shall publish a

public announcement of its intention to do so in the newspapers or periodicals designated by the board of directors; the period of the public announcement shall be 90 days, during which such announcement shall be published repeatedly at least once every 30 days;

- (4) before publishing the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement to be published to the securities exchange where it is listed and may proceed with publication after having received a reply from the securities exchange confirming that the announcement has been displayed in the securities exchange. The Company shall display the public announcement in the securities exchange for a period of 90 days.

If the application for issuance of a replacement share certificate was made without the consent of the registered holder of the Relevant Shares, the Company shall mail to such shareholder a photocopy of the public announcement that it intends to publish;

- (5) at the expiration of the 90-day period provided for in items (3) and (4) hereof, if the Company has not received any objection to the issuance of a replacement share certificate from any person, it may issue a replacement share certificate according to the application of the applicant;
- (6) when the Company issues a replacement share certificate under this Article, it shall immediately cancel the original share certificate and record such cancellation and the issuance of the replacement share certificate in the register of shareholders; and
- (7) all expenses of the Company for the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant. The Company shall be entitled to refuse to take any action until the applicant has provided reasonable security.

Article 42:

After the Company has issued a replacement share certificate in accordance with its Article of Association, it shall not delete from the register of shareholders the name of a *bona fide* purchaser of the replacement share certificate mentioned above or of a shareholder that is subsequently registered as the owner of the shares (provided that he is the bona fide purchaser).

Article 43:

The Company shall not be liable for any damages suffered by any person from the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the claimant can prove fraud on the part of the Company.

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

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

Where power is taken to forfeit unclaimed dividends, that power shall not be exercised until after the expiration of the applicable limitations period.

CHAPTER 7: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 44:

The shares of the Company held by the Promoter shall not be transferable within one year from the date of incorporation of the Company. Shares issued by the Company prior to the public offering of shares shall not be transferable within one year from the date of listing and trading of the Company's shares on the stock exchange.

Director, supervisor and senior management of the Company shall report to the Company the shares held by them in the Company and the changes therein, and shall not transfer more than 25% of the total number of shares of the same class held by them in the Company in each year of their employment; their shares in the Company shall not be transferred within one year from the date of listing and trading. No transfer of shares of the Company held by the above-mentioned person shall be allowed within six months after his/her departure from office.

Article 45:

If a shareholder, director, supervisor or senior management holding more than five percent of the Company's Onshore-Listed Domestic-Invested Shares sells the Onshore-Listed Domestic-Invested Shares or other domestic securities of an equity nature within six months of purchase, or purchases again within six months of sale, the resulting proceeds shall belong to the Company. The board of directors of the Company shall recover the proceeds thereof, however, except where the securities company holds more than five per cent. of the shares as a result of the purchase of the remaining shares after the underwriting, and where there are other circumstances as prescribed by the CSRC.

The shares or other securities of an equity nature held by director, supervisor, senior management or natural shareholder referred to in the preceding paragraph include shares or other securities of an equity nature held by their spouses, parents, children and those held on account of others.

If the board of directors of the Company does not enforce the provisions of the first paragraph of this article, the shareholders shall have the right to request the board of directors to do so within thirty days. If the board of directors of the Company fails to enforce the same within the said period, the shareholder shall have the right to bring a lawsuit directly to the People's Court in his own name for the benefit of the Company. If the board of directors of a company does not act in accordance with the provisions of the first paragraph of this article, the directors responsible shall be jointly and severally liable in accordance with law.

Article 46:

The Company's shareholders are persons that lawfully hold shares of the Company and whose names (titles) are entered in the register of shareholders.

The shareholders enjoy rights and fulfil obligations as per the type and number of shares they hold; shares of the same type represent the same rights and the same obligations. All class shareholders of the Company enjoy the same rights in dividend distribution or distribution made in other form.

If any shareholder is a legal person, its legal representative or proxy thereof shall exercise its rights on its behalf.

The Company shall not exercise any right to freeze or otherwise damage the rights attached to any shares directly or indirectly held by any person only on the ground that the said person has not disclosed his equity to the Company.

Article 47:

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

- (1) receive dividends and other profit distributions on the basis of the number of shares held by them;
- (2) request, call, participate or to appoint proxies to participate in shareholders' general meetings and exercise voting rights in correspondence to the number of shares held;
- (3) supervise and control the Company's business activities, and raise suggestions or inquiries;
- (4) transfer shares in accordance with laws, administrative regulations and the Company's Articles of Association;
- (5) obtain relevant information in accordance with the Articles of Association of the Company, which shall include:
 - (i) obtaining the Articles of Association of the Company after payment of a charge to cover costs;
 - (ii) being entitled to browse and make a copy, after payment of reasonable charges, of:
 - (a) all parts of the register of shareholders;
 - (b) personal information on the directors, supervisors and senior management staff of the Company, including:
 - (b.1) current and previous names and aliases;
 - (b.2) main address (residence);
 - (b.3) nationality;
 - (b.4) full-time and all other part-time occupations and duties; and
 - (b.5) identification documents and their numbers.
 - (iii) the status of the Company's share capital;
 - (iv) Reports of the total par value, number of shares, and the highest and lowest prices of each class of shares bought back by the Company since the last fiscal year, and the total expense paid by the Company for this purpose;
 - (v) Minutes of the general meetings (for reference of shareholders only);
 - (vi) The latest audited financial statements of the Company, and the reports of directors, auditors, and supervisors;
 - (vii) Copy of the latest annual inspection report filed and put on records with the industry and commerce authority of China or other competent authorities;
 - (viii) Counterfoils of corporate bonds;

The Company shall keep at its Hong Kong address the documents as referred to in (i) to (viii) above and any other applicable document as per the requirements of the Hong Kong Listing Rules. If any shareholder requests access to the aforesaid relevant or provision of data, the said shareholder shall provide the Company with written documents bearing evidence of the type and number of shares held by the said shareholder, and the Company will provide the said information as required by the said shareholder upon authentication of the said shareholder;

- (6) In the event of termination or liquidation of the Company, to participate in the distribution of the remaining assets of the Company as per their shares;
- (7) For shareholders objecting to resolutions of the general meeting concerning merger or division of the Company, to require the Company to buy their shares;
- (8) Pursuant to the Company Law or other laws and administrative regulations, to institute legal proceedings to the People's Court and claim related rights concerning any act infringing upon the interests of the Company or the legitimate rights and interests of the shareholders;
- (9) To exercise other rights specified by laws, administrative regulations, departmental rule, listing rules at the place where the Company's shares are listed and the Articles of Association.

Article 48:

If the contents of a shareholders' resolution or a Board resolution is in violation of the laws and administrative regulations, they become invalid.

If the meeting convening procedures and voting methods adopted at a general meeting or Board meeting are in violation of the laws and administrative regulations or the Articles of Association, or if the contents of the resolution at such meeting are in breach of the Articles of Association, the shareholders shall have the right to request the competent court to revoke the resolution within 60 days from the date of that resolution.

Article 49:

If a director or senior executive breaches the law, administrative regulation or the Articles of Association in the course of carrying out his/her duties for the Company and incur losses to the Company, shareholders who individually or together with others hold 1% or more of the Company's shares for more than 180 days continuously shall have right to request in writing the Supervisory Committee to initiate litigation at a competent court. If the Supervisory Committee breaches the law, administrative regulations or the Articles of Association when carrying out its duties for the Company, and incurs losses to the Company, the shareholders can request in writing the Board to initiate litigation at a competent court.

If the Supervisory Committee or the Board refuse to initiate litigation after receiving the shareholders' written request under the preceding paragraph, or does not initiate litigation within 30 days of receiving the request, or if the situation is so urgent that the Company will suffer irrevocable losses without an immediate litigation, the shareholder under the preceding paragraph can initiate litigation directly at a competent court in his/her own name for the interests of the Company.

If any person intervenes with the legal interests of the Company, resulting in losses suffered by the Company, a shareholder under the first paragraph of this Article can initiate litigation at a competent court in accordance with the two preceding paragraphs.

Article 50:

If a director or senior executive breaches the law, administrative regulation, or the Articles of Association and damages shareholders' interests, the shareholders can initiate litigation at a competent.

Article 51:

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

- (1) To observe the laws and regulations, other binding documents and the Articles of Association;
- (2) To pay subscription funds as per the shares subscribed and the method of subscription;

- (3) Not to exit shares unless in the circumstances stipulated by laws and regulations;
- (4) Not to abuse the shareholders' rights to damage the interests of the Company or other shareholders or the independent legal person status of the Company or shareholders' limited liability to damage the interests of the creditors of the Company; if any shareholder of the Company abuses his shareholder's right, thereby incurring any loss of the Company or other shareholders, the said shareholder shall be liable for compensation according to law. If any shareholder of the Company evades the payment of debts by misusing the independent legal person status of the Company or shareholders' limited liability, thereby seriously harming the interests of the creditors of the Company, the said shareholder shall bear joint liability for such debts of the Company;
- (5) To fulfil other obligations stipulated by laws, administrative regulations and the Articles of Association.

Shareholders do not have the obligation to increase any share capital unless under the conditions accepted by the subscribers at the time of subscription.

If any shareholder holding more than 5% voting shares of the Company pledges the said voting shares, the said shareholder shall submit a written report to the Company on the date of occurrence of the said pledge.

Article 52:

Save for the obligations under the laws, administrative regulations or the listing rules of the place where the Company's shares are listed, the controlling shareholders in exercising their rights as shareholders, shall not make any decision detrimental to the interests of all or some shareholders as a result of the exercise of their voting rights on the following issues:

- (1) relieving a director or supervisor of the responsibility to act honestly in the best interest of the Company;
- (2) approving a director or supervisor (for his own or another person's benefit) of depriving the Company of its property in any way, including (but not limited to) any opportunities that are favorable to the Company; or
- (3) approving a director or supervisor (for his own or another person's benefit) in depriving other shareholders of their personal rights or interests, including (but not limited to) rights to distributions and voting rights, but not including the restructuring of the Company submitted to and adopted by the shareholders in general meeting in accordance with the Articles of Association of the Company.

The chairman, vice chairman and executive director of the controlling shareholder may also act as the Company's chairman, vice chairman and executive director, but the number of which shall not exceed two.

Officers of the controlling shareholder cannot also act as the Company's manager, vice manager, personnel in charge of financial affairs and secretary to the board of directors.

The controlling shareholders and de facto controllers of the Company shall not prejudice the Company's interests by taking advantage of their connections. They shall be liable for compensation for losses caused to the Company as a result of their violation.

The controlling shareholders and de facto controllers of the Company shall have an obligation of good faith towards the Company and public shareholders. The controlling shareholders shall exercise the rights of an investor in strict compliance with the law. They may not prejudice the legitimate rights and interests of the Company and public shareholders by means of the distribution of profits, restructuring

of assets, foreign investment, appropriation of funds, offering security for loans and other means, and they may not prejudice the interests of the Company and public shareholders by taking advantage of their controlling position.

Article 53:

For the purposes of the preceding Article, the term “controlling shareholder” shall refer to a person who satisfies any of the following conditions:

- (1) a person who, acting alone or in concert with others, has the power to elect more than half number of the directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or control the exercise of 30 percent or more of the company’s voting rights;
- (3) a person who, acting alone or in concert with others, holds 30 percent or more of the issued and outstanding shares of the Company; or
- (4) a person who, acting alone or in concert with others, actually controls the Company in any other manner.

CHAPTER 8: SHAREHOLDERS’ GENERAL MEETINGS

Article 54:

The shareholders’ general meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to law.

Article 55:

The shareholders’ general meeting shall exercise the following functions and powers:

- (1) to decide on the business policies and investment plans of the Company;
- (2) to elect and replace directors and supervisors who are to be appointed from among the non-employees’ representatives and to decide on matters concerning the remuneration of directors and supervisors;
- (3) to examine and approve reports of the board of directors;
- (4) to examine and approve reports of the Supervisory Committee;
- (5) to examine and approve the Company’s annual financial budget and final account proposals;
- (6) to examine and approve the Company’s plans for profit distribution and reparation for losses;
- (7) to pass resolutions concerning the increase or reduction of the Company’s registered capital;
- (8) to pass resolutions on the issuance of bonds by the Company;
- (9) to pass resolutions on matters such as the merger, division, dissolution, liquidation or change of corporate form of the Company;
- (10) to amend the Articles of Association of the Company;
- (11) to pass resolutions on the appointment or removal of accounting firms by the Company;

- (12) to examine and approve the external guarantees under Article 56;
- (13) to examine matters regarding the purchase and sales within one year by the Company of major assets which exceed 30% of the total assets of the Company at the most recent audit;
- (14) to review connected transactions or other transaction matters which, according to the listing rules at the place where the Company's shares are listed, have to be resolved at the shareholders' general meeting;
- (15) to examine and approve any changes to the use of proceeds;
- (16) to examine and approve share incentive plans and employee share ownership scheme;
- (17) to consider other matters which require resolution of the shareholders in general meeting according to laws and administrative regulations, the listing rules of the place where the Company's shares are listed or these Articles

The above-mentioned functions and powers of the general meeting shall not be exercised by the Board of Directors, other organizations or individuals through authorization.

Article 56:

The following external guarantees of the Company must be reviewed and approved at the general meeting:

- (1) any single guarantee the amount of which exceeds 10% of the latest audited net assets;
- (2) the total amount of external guarantee offered by the Company and any of the Company's controlling subsidiaries exceeds 50% of the total assets of the Company in the most recent audit;
- (3) any guarantee to be provided to an entity whose debt equity ratio exceeds 70%;
- (4) the amount of external guarantee provided by the Company exceeds 30% of the total assets of the Company in the most recent audit;
- (5) the amount of guarantee provided by the Company within one year exceeds 30% of the company's latest audited total assets;
- (6) Any guarantee to be provided to the shareholders, actual controller and their associates; and
- (7) Other guarantees which are required to be approved by the Company's general meetings under the listing rules of the place where the Company's shares are listed or the Articles of Association.

Article 57:

Without the prior approval of the shareholders' general meeting, the Company may not conclude any contract with any person other than a director, a supervisor, manager or other senior management staff of the Company for the delegation of the whole business management or part of the important business management of the Company management of the Company to that person.

Article 58:

Shareholders' general meetings shall include annual shareholders' meetings and extraordinary shareholders' meetings. Shareholders' general meetings shall be convened once a year and shall be held within six months following the preceding fiscal year.

The Company shall convene an extraordinary shareholders' general meeting within two months of the

occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two-thirds prescribed in the Articles of Association of Association of the Company;
- (2) the losses of the Company that have not been made up reach one-third of the total share capital of the Company;
- (3) at the written request of the shareholders separately or aggregately holding 10% or more of the Company's shares; the shares held by the shareholder shall be calculated according to the number of shares held by the shareholder at the close of the trading day on which the written request is made or on the trading day preceding (if the written request is made on a non-trading day);
- (4) the board of directors considers that there is a need or the supervisory committee proposes a meeting;
- (5) the independent director has requested to convene the meeting and approved by the board of directors; and
- (6) such other circumstances as required by laws, administrative regulations, departmental rules, the listing rules of the place where the Company's shares are listed or the Articles.

Article 59:

The venue for holding general meetings is the Company's registered office or other venue set out in the notice of the general meeting.

A venue shall be set up for convening the general meetings on-site. The Company, subject to ensuring that such meetings are legal and valid, can facilitate shareholders' attendance at such meetings via various means and methods, such as video conference, telephone, online voting platform or other modern information technology means. Shareholders attending the general meeting by the above methods are deemed present at the meeting.

For any general meetings held online or via other methods, the voting time and procedure for the relevant voting methods shall be set out clearly in the notice of the general meeting. The online voting method shall not apply to shareholders of H Shares.

Article 60:

When the Company holds a general meeting, it shall engage lawyers to witness the meeting, and provide legal opinions and prepare announcements on the following matters in accordance with the rules of the stock exchanges on which the shares are listed:

- (1) Whether the procedures for convening and holding the general meeting comply with the requirements of the relevant laws, administrative regulations, and the Articles of Association;
- (2) Whether the qualifications of the attendees and the convener are legally valid;
- (3) Whether the voting procedures and results of the general meeting are legally valid;
- (4) Provide legal opinion on any other matters as may be required by the Company.

Article 61:

When the Company is to hold an annual shareholders' general meeting, it shall by way of public announcement and issue a written notice 20 business days (exclusive of both the dates of notice and meeting) prior to the 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.

When the Company convenes a shareholders' extraordinary general meeting, the shareholders shall be notified by way of public announcement and issue a written notice 15 days or 10 business days (whichever is the longest and exclusive of both the dates of notice and meeting) prior to the 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.

The "business day" mentioned in this Articles of Association shall mean the day of non-statutory public holiday both in the PRC and Hong Kong.

Article 62:

At general meetings of the Company, the Board, the Supervisory Committee, and shareholder(s) individually or jointly holding more than 3% of the Company's shares shall have the right to propose motions to the Company. The content of a proposal shall be determined by the general meeting, have definite topics and specific issues for resolution, and shall comply with the provisions of the laws, regulations and the Articles of Association.

Shareholder(s) individually or jointly holding more than 3% of the Company's shares may submit a written provisional motion to the convener 10 days before a general meeting is convened; the convener shall issue a supplementary notice of general meeting within two days after receipt of the said provisional motion, to notify other shareholders and to submit the said provisional proposal to the general meeting for consideration.

Except as provided in the preceding paragraph, after the convener issues a public notice of the general meeting, he/she shall not change the proposals or add any new proposals in the notice of the general meeting.

Proposals not set out in the notice of general meeting or not complying with the provision herein shall not be voted on or resolved at the general meeting.

Article 63:

Annual shareholders' general meeting and Extraordinary shareholders' general meetings shall not resolve on any matters not listed in the public notice.

Article 64:

The notice of a shareholders' general meeting shall meet the following requirements:

- (1) it shall be made in writing;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall describe the matters to be discussed at the meeting;
- (4) it shall provide to the shareholders the information and explanations necessary for them to make a wise decision on the matters to be discussed. This principal shall apply (but not limit) when the Company proposes a merger, repurchase of shares, reorganization of share capital or other restructuring, it shall provide the specific conditions and contract (if any) of the transaction under discussions and earnestly explain the cause and result of the transaction;
- (5) it shall disclose the nature and extent of conflict of interest, if any, of any director, supervisor or senior management staff in any matter to be discussed; and provide an explanation of the difference, if any, between the way in which the matter to be discussed would affect such director, supervisor or senior management staff in his capacity as shareholder and the way in which such matter would affect other shareholders of the same category;

- (6) it shall contain the full text of any special resolution proposed to be adopted at the meeting;
- (7) it shall contain a conspicuous statement that shareholders entitled to attend and vote have the right to entrust one or more proxies to attend and vote on their behalf and that such proxy need not be a shareholder; and
- (8) Sets out the equity registration date of shareholders who are entitled to attend the general meeting; and
- (9) it shall state the time and place for the delivery of the meeting's proxy forms.

Article 65:

The notice of a shareholders' general meeting shall be served with sufficient time and related information of the proposed resolution shall be fully disclosed. If the resolution to be considered requires opinion of the independent directors, such opinion and reasons of the independent directors shall be announced when the notice or supplementary notice of meeting is published.

If the election of directors or supervisors are proposed to be discussed at a general meeting, the notice of the general meeting must contain the details of the candidates for the directors and the supervisors. It must at least include the following information:

- (1) biographies such as educational background, work experiences and other simultaneous appointments;
- (2) whether he/she has any relationship with the Company, the controlling shareholder or the actual controller of the Company;
- (3) the number of shares he/she holds in the Company;
- (4) whether he/she is subject to any punishment by the CSRC or any other relevant government department or sanctioned by any securities exchange;
- (5) other information as stipulated by the stock exchange where the shares of the Company are listed and the related listing rules.

Unless the election of directors and supervisors is to be conducted by way of cumulative voting, each candidate for the director or the supervisor shall be proposed in separate resolutions.

Article 66:

After a notice of shareholders' general meeting is given, the shareholders' general meeting shall not be postponed or cancelled, and the proposals set out in the notice of shareholders' general meeting shall not be cancelled without a valid reason. Once the meeting is postponed or cancelled, the convenor shall make an announcement and explain the reasons at least two working days prior to the scheduled meeting date.

Article 67:

A meeting and the resolutions adopted thereat shall not be invalidated as a result of the accidental omission to give notice of the meeting to, or the failure of receiving such notice by, a person entitled to receive such notice when the Company sends notice of the general meeting in the manner required by the relevant stock exchange or regulatory authority in the place where the shares are listed.

Article 68:

All shareholders recorded in the share register on the relevant share registration date shall have the

right to attend the general meeting and exercise the voting rights in accordance with the relevant laws, regulations, the rules of the place where the Company's shares are listed and the Articles of Association.

Any shareholder entitled to attend and vote at a shareholders' general meeting shall have the right to appoint one or more persons (whether such person is a shareholder or not) as his proxies to attend and vote on his behalf. Such proxy may exercise the following rights according to the authorization from that shareholder:

- (1) the shareholder's right to speak at the shareholders' general meeting; and
- (2) to severally or jointly request to vote by ballot; and.
- (3) Unless otherwise stated in applicable listing rules of the place where the Company's shares are listed or other laws and regulations on securities, to exercise the right to vote by a show of hand or ballot. Where there is more than one proxy, the said proxy shall only vote by ballot.

In the event that a shareholder is a recognized clearing house (or proxy thereof), it may, as it sees fit, appoint one or more persons as its proxy to attend and vote at any general meeting or class general meeting. However, in the event that more than one person is so appointed, the power of attorney shall specify the number and class of the shares relating to each such proxy. The power of attorney shall be subject to the signature of the appointer of the recognized clearing house. The persons thus appointed may attend meetings (without certifying their due authorization by show of shareholding certificate, notarized power of attorney and/or further evidence) and exercise rights on behalf of the recognised clearing house (or proxy thereof) as if the said persons were the individual shareholders of the Company.

Article 69:

If individual shareholders attend the meeting in person, he/she shall present his/her ID card or other valid documents, proof or stock account card to identify him/herself; if a proxy is appointed to attend the meeting, he/she shall present valid identity documents and power of attorney of the relevant shareholder.

As for a corporate shareholder, its legal representative or a proxy appointed by such legal representative shall attend the meeting. The legal representative who attends the meeting shall present his/her ID card, and valid certificates which can prove his/her qualification as a legal representative; if a proxy is appointed to attend the meeting, he/she shall present his/her ID card, the written power of attorney legally issued by the legal representative of the corporate shareholder in accordance with the relevant laws.

Article 70:

The power of attorney shall be in writing under the hand of the principal or his proxy duly authorised in writing or, if the principal is a legal person, it shall be under seal or under the hand of a director or a proxy duly authorised.

The power of attorney issued by the shareholder to appoint a proxy to attend the general meeting shall include the following contents:

- (1) Name of the proxy;
- (2) Whether he/she has the right to vote;
- (3) Instructions on voting for or against or abstaining from voting in respect to each matter set out in the agenda of the general meeting;
- (4) Issuing date and validity period of the power of attorney;

- (5) Signature (or stamp) of the principal. If the principal is a corporate shareholder, the power of attorney shall be stamped with the corporate seal of the corporate shareholder;
- (6) The number of shares held by the shareholder who is represented by the proxy;
- (7) If several persons are appointed as the shareholder's proxies, the power of attorney shall specify the number of shares to be represented by each proxy;
- (8) State whether the proxy has voting right as to motion proposed at the general meeting, if so, specific instructions to exercise types of voting right.

Article 71:

The instrument appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote or within 24 hours prior to the specified time of the vote, Where the instrument is signed by another person authorized by the entrusting party, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorizing document shall be placed together with the instrument appointing the voting proxy at the domicile of the meeting.

Where the entrusting party is a legal person, its legal representative or the person authorized by resolution of its board of directors or other decision-making body shall be entitled to attend the Company's shareholders' general meetings as the representative of such legal person.

Article 72:

Any form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies the cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The instrument of appointment shall specify that in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.

The Company has the right to require that the proxies to provide evidence of their identity.

If a legal person shareholder appoints its legal representative or authorized representative to attend the shareholder's general meeting on its behalf, the Company has the right to request such legal representative to provide a copy of evidence of his identity and the notarized resolution of its board of directors or other decision-making body in relation to the appointment of such authorized representative.

Article 73:

Where the entrusting party has died, lost capacity for acts, revoked the proxy or the signed instrument of appointment prior to the voting, or the relevant shares have been transferred prior to the voting, a vote given in accordance with the terms of an instrument of proxy shall remain valid as long as the Company have received a written notice in relation thereto before the commencement of the relevant meeting.

Article 74:

The meeting register for participants shall be made by the Company. The meeting register shall set out various matters, such as the names of the individual participants (or names of the corporate participants), ID card numbers, residential addresses, the number of shares with voting rights held or represented and the names of the individual proxy appointors (or names of the corporate proxy appointors).

Article 75:

The meeting convener and the lawyer employed by the Company shall examine the legitimacy of the shareholders' qualification in accordance with the shareholders' register provided by the securities registration and clearing institution, and register the names of the shareholders and the number of voting shares that they hold. The registration shall be terminated before the chairman announces the number of shareholders and proxies present at the meeting as well as the total number of voting shares they hold.

Article 76:

All directors, supervisors and Board secretary should be presented when convening general meeting; while managers and other senior management should also attend the meeting.

Article 77:

Resolutions of the shareholders' general meeting shall be ordinary resolutions or special resolutions.

Ordinary resolutions of the shareholders' general meeting shall be passed by votes representing more than one-half of the voting rights held by the shareholders (including proxies) present at the meeting.

Special resolutions of the shareholders' general meeting shall be passed by votes representing more than two-thirds of the voting rights held by the shareholders (including proxies) present at the meeting.

The attending shareholders (including proxies thereof) shall declare their affirmative or dissenting votes on every issue to be voted on; if the said shareholders or proxies thereof waive their rights of voting, the voting results representing the shares held by such voters shall be counted as "abstentions". Blank, wrong, illegible or uncast votes shall be deemed as the voters' waiver of their voting rights, and the voting results representing the shares held by such voters shall be counted as "abstentions". Abstentions shall be counted in the votes voted with voting rights when the Company calculates the voting results of an issue.

Article 78:

When shareholders (including proxies) vote at the shareholders' general meeting, they shall exercise their voting rights as are attached to the number of voting shares that they represent. Each share shall carry one vote.

For significant matters affecting the interests of small investors which are under consideration in general meetings; the voting of small investors should be counted separately. And the results of separate counting shall be disclosed publicly on a timely basis.

Shares held by the Company have no voting rights, and such shares will not be included in the total number of shares with voting rights at the general meeting.

Regarding to purchase of shares with voting power by a shareholder in violation of Article 63(1) and (2) of the Securities Law, the voting right of the shares in excess of the prescribed proportion shall not be exercised for a period of thirty-six months after the purchase and such shares will not be included in the total number of shares with voting rights at the general meeting.

The Board, independent directors and shareholders who satisfy the relevant regulations and conditions may publicly solicit voting rights from the shareholders. When soliciting voting rights from the shareholders, information such as specific voting intentions should be fully disclosed to the shareholders being solicited. Soliciting voting rights from the shareholders with compensation or disguised compensation is prohibited. The Company must not set a lowest shareholding percentage when soliciting the shareholder voting rights.

When considering related transactions during the general meeting, the related shareholders must not participate in the voting, and the number of shares with voting rights represented by him/her shall not be included in the total number of valid votes. The announcement on the resolutions shall fully disclose the voting of the nonrelated shareholders.

All votings of the shareholders at the general meetings shall be conducted by open ballot.

Pursuant to the applicable laws and regulations and the listing rules of the place where the Company's shares are listed, whereas any shareholder is required to abstain from voting on any particular resolution or restricted to voting only for or against any particular resolution, any vote cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be tallied.

Article 79:

General meetings shall be voted by registered ballot.

Before shareholders vote on the proposed resolution at the general meeting, two shareholder representatives shall be elected to participate in counting and scrutiny of votes. If the matters under consideration are related to the shareholders, the relevant shareholders and their proxies are not allowed to participate in counting and scrutiny of votes.

When shareholders vote on a proposed resolution at the general meeting, lawyers, shareholder representatives and supervisor representatives shall jointly be responsible for counting and scrutiny of votes, and announce the voting results on the spot, and the voting results for resolutions shall be recorded in the minutes of the meeting.

Shareholders or their proxies who vote through the Internet or other means have the right to check their voting results through the corresponding voting system.

Article 80:

A poll on the election of the presider of the meeting or the adjournment of the meeting shall be taken immediately. A poll for any other matter shall be taken at the time decided upon by the presider and the meeting may then proceed with the discussion of other matters. The result of the poll shall be deemed a resolution passed at that meeting.

Article 81:

When a poll is taken, shareholders (including proxies) having the right to two or more votes need not cast all votes in the same way.

The general meetings shall resolve on all motions separately, appointment of each and every single director candidates shall be resolved as separate motions.

Article 82:

When the number of votes for and against a resolution is equal, no matter by show of hands or by voting, the presider shall have an additional vote.

Article 83:

The following matters shall be resolved by way of an ordinary resolution of the shareholders' general meeting:

- (1) work reports of the board of directors and the Supervisory Committee;
- (2) plans for the distribution of profits and making up of losses drafted by the board of directors;

- (3) removal of a member of the board of directors and a non-employee supervisor, their remuneration and method of payment of their remuneration;
- (4) the Company's annual budget, final accounts;
- (5) the Company's annual report;
- (6) Appointment or dismissal of accounting firm; and
- (7) matters other than those required by laws, administrative regulations, the listing rules of the place where the Company's shares are listed or the Company's Articles of Association to be passed by way of a special resolution.

Article 84:

The following matters shall be resolved by way of a special resolution of the shareholders' general meeting:

- (1) increase or reduction of the share capital and issue of shares, warrants and other similar securities of the Company;
- (2) division, spin off, merger, dissolution, liquidation or change of corporate form of the Company;
- (3) amendment to the Articles of Association of the Company;
- (4) the Company's acquisition or disposal of major assets within one year with the transaction amount exceeding 30% of the total assets of the Company;
- (5) share options incentive schemes and employee share ownership scheme; and
- (6) other issues requiring adoption by special resolution pursuant to the Articles of Association and the listing rules of the place where the Company's shares are listed.

Article 85:

Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may request convening an extraordinary general meeting or class meeting, and shall follow the procedures below:

- (1) Shareholder(s) individually or collectively holding more than 10% of the Company's total voting shares may sign one or several written requests with the same format and content and propose that the Board convene an extraordinary general meeting or class meeting, and specify the topics of the meeting. The Board shall provide a written feedback on whether to agree to convene an extraordinary or class meeting within ten days upon receipt of the aforesaid written request. If the Board agrees to convene an extraordinary or class meeting, it will issue a notice about convening the extraordinary general meeting and the class meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the relevant shareholder. The aforesaid amount of shareholding is calculated as of the day when the relevant shareholder makes the written request.
- (2) If the Board does not agree to convene an extraordinary general meeting or provides no feedback within 10 days after receiving the request, the shareholder who individually or collectively holds more than 10% of the Company's shares has the right to propose convening an extraordinary general meeting and shall make a written request to the Supervisory Committee.

- (3) If the Supervisory Committee approves the request, it will issue a notice about convening the meeting within five days of receiving the request. If the notice modifies the proposed resolution in the original request, relative modifications must be obtained consent from the relevant shareholder.
- (4) If the Board is unable or fails to perform its duties to convene general meetings, the Supervisory Committee shall convene and preside such general meetings; if the deputy chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the chairman of the meeting. If the Supervisory Committee fails to convene and preside the general meetings, the shareholders who individually or collectively hold more than 10% of the total shares of the Company for over 90 consecutive days can convene and preside over the meeting by themselves.

If any general meeting or class meeting is called by the shareholders themselves, the shares held by those shareholders shall not be less than 10% of the total shares of the Company, before announcing the resolutions of the meeting.

If the independent directors or the Supervisory Committee requests to convene an extraordinary general meeting, the following procedures are required to be followed:

- (1) Sign one or more written requests with the same format and contents, which request the Board to hold the extraordinary general meeting and explain the topic of the meeting. Within ten days after receiving the above-mentioned written request, the Board must provide written feedback regarding approval or rejection of the request.
- (2) If the Board approves the request, it shall provide a notice about convening the meeting within five days after passing the resolution. If the notice modifies the original request, consent shall be obtained from the original requester.
- (3) If the Board rejects the request from the independent directors, it shall explain and make a public announcement of the relevant reasons.
- (4) If the Board rejects the request from the Supervisory Committee, or provides no feedback within ten days after receiving the request, the Board shall be deemed to be unable to or will not fulfill the obligations of convening the meeting and the Supervisory Committee can convene and preside over the meeting itself.

If the meeting is convened by the Supervisory Committee or the shareholders themselves, a written notice shall be sent to the Board and kept on file in the branch office of the CSRC where the Company is situated and in the relevant stock exchange(s). The Supervisory Committee and the meeting convener shall submit relevant supporting documents to the branch office of the CSRC where the Company is situated and the relevant stock exchange(s) when issuing the notice regarding convening the meeting, as well as an announcement about the resolution of the meeting.

Where the Supervisory Committee or the shareholders convene a general meeting, the Board and secretary to the Board shall provide necessary assistance. The Board shall provide the register of the shareholders as recorded on the relevant registration date. The Company shall assume the necessary costs of the meeting where it is convened by the Supervisory Committee or the shareholders.

Article 86:

The general meeting shall be convened by the Board, and the chairman of the Board shall act as the presider of the meeting. If the chairman is unable or fails to perform his duties, the deputy chairman shall convene and act as the presider of the meeting. In the event that the deputy chairman is unable or fails to perform his duties, more than half of the directors may elect a director to convene and act as the presider of the meeting.

If the Board cannot or fails to convene a general meeting, the Supervisory Committee shall duly convene and preside; if even the Supervisory Committee cannot or fails to convene and preside over a general meeting, the shareholders individually or jointly holding more than 10% of the Company's shares for more than 90 consecutive days may by themselves convene and preside over a general meeting.

A general meeting convened by the Supervisory Committee itself shall be presided over by the chief supervisor. Where the chief supervisor cannot or fails to fulfil the duty thereof, the majority of the supervisors shall jointly elect a supervisor to preside.

A general meeting convened by the shareholders themselves shall be presided over by a representative elected by the convener. In the event that no presider is so elected, the attending shareholders shall elect one person to act as presider of the meeting; if for any reason the shareholders cannot elect a presider, the shareholder (including proxy thereof) holding the most voting shares among the attending shareholders shall preside over the meeting.

During the general meeting, if the presider breaches any procedure rules such that the general meeting is unable to continue, the general meeting may elect a person to serve as the presider for continuing with the meeting upon obtaining consent of more than 50% of the shareholders present at the meeting who have the voting rights.

Article 87:

The Company shall establish procedure rules of the general meeting and stipulate in detail the procedures for convening and voting at the meeting, including issuing notices, registration, review of resolutions, voting, counting of votes, announcement of voting results, reaching meeting resolutions, meeting minutes, signing meeting minutes and issuing announcement, as well as the principles for giving authorisation to the Board. The procedure rules of the general meeting shall be appended to the Articles of Association, and shall be prepared by the Board and approved by the general meeting.

Article 88:

At the annual general meeting, the Board and the Supervisory Committee shall report on the work of the past year. Each independent director shall also prepare a work report on the exercise of his/her duties.

Article 89:

The directors, supervisors and senior executives shall answer and provide explanations in response to the shareholders' inquiries and suggestions at the general meeting.

Article 90:

Before voting, the chairman of the meeting shall announce the number of shareholders and proxies present at the meeting, as well as the total number of shares with voting rights. The exact number of shareholders and proxies attending the general meeting and the total number of shares with voting rights shall be based on the meeting registration record.

Article 91:

The on-site general meeting shall not end before the meeting being conducted online or via other means. The chairman of the meeting shall announce the voting and poll result of each resolution, and determine whether a resolution has been passed pursuant to the voting results.

Before the voting results are officially announced, the companies, vote counters, scrutineers, major shareholders and internet service providers involved at the on-site general meeting, the online meeting or any other voting means shall be obliged to keep the voting results confidential.

Where the resolutions are not passed or the general meeting has revised a resolution reached at the previous general meeting, it should be specifically noted in the voting results announcement of the general meeting.

Article 92:

Where the shareholders' general meeting passes a proposal regarding the distribution of cash dividends, share granting or conversion of common reserve fund into share capital, the Company shall implement the detailed plan for such proposals within two months from the end of the shareholders' general meeting.

Article 93:

For the same right to vote, it is only allowed to choose one of the on-site, internet or other voting modes. In case of repeated votes of the same vote right, the first vote shall prevail.

If the presider has any doubt as to the result of a resolution which has been put to vote at the general meeting, he may have the ballots counted. If the presider has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the presider may, immediately after the declaration of the voting result, demand that the ballots be counted and the presider shall have the ballots counted immediately. If ballots are counted at a general meeting, the counting result shall be recorded in the meeting minutes.

Article 94:

The general meeting shall file resolutions as minutes, which should be the responsibility of the secretary to the Board. The directors, supervisors, secretary to the Board, meeting convener or his/her representative and the presider of the meeting present at the meeting shall sign the meeting minutes and ensure that the contents are true, accurate and complete. Meeting minutes, together with the signature register of attending shareholders and power of attorney of attending proxies, shall be kept at the domicile of the Company for at least 10 years.

The meeting minutes shall include the following contents:

- (1) Meeting time, address, agenda, names of the meeting conveners;
- (2) Name of the chairman of the meeting as well as the directors, supervisors and senior executives who attended the meeting;
- (3) Number of shareholders and their proxies who attended the meeting, number of shares with voting rights and its percentage as to the total number of shares in the Company;
- (4) Review process, key points and voting results of each proposed resolution;
- (5) Inquires or proposals of the shareholders and the replies and explanations;
- (6) Names of the lawyers, vote counters and scrutineers;
- (7) Other contents as may be required to be included in the meeting minutes under the Articles of Association.

Article 95:

The meeting convener must ensure that the general meeting continues until the final decisions are made. If the general meeting is suspended due to special reasons such as force majeure or decisions cannot be made, necessary measures should be taken as soon as possible to re-convene the meeting or end the present meeting, and make an announcement promptly. Meanwhile, the meeting convener shall report to the local office of the CSRC where the Company is situated and the relevant stock exchange.

Article 96:

Except for the cumulative voting system, the general meeting will vote the resolutions one by one. If there are different resolutions for the same matter, voting shall be conducted in accordance to the time sequence of the resolutions. Except for cases where the general meeting is suspended or decisions cannot be made due to special reasons such as force majeure, the meeting shall not be set aside or make no votes for such resolution.

When considering the proposed resolutions, the general meeting shall not make any modifications. Otherwise, the relevant modifications shall be regarded as a new resolution, which cannot be subject to voting at the present meeting.

Article 97:

Shareholders may examine photocopies of the minutes of meetings during the Company's office hours without charge. If any shareholder requests for a photocopy of relevant minutes of meetings from the Company, the Company shall send such photocopy within seven days after receiving payment of reasonable charges.

CHAPTER 9: SPECIAL PROCEDURES FOR VOTING BY DIFFERENT CLASSES OF SHAREHOLDERS

Article 98:

Holders of different classes of shares are class shareholders.

Class shareholders shall enjoy rights and fulfil obligations pursuant to the laws, administrative regulations and the Articles of Association. In appropriate circumstances, the Company shall ensure enough voting rights for preferred shareholders.

If the share capital of the Company includes shares without voting rights, then the said shares shall be specified as "Without Voting Right". If the share capital includes shares with different voting rights, then each class of shares (except those with most preferential voting right) shall be specified as "Restricted Voting Right" or "Limited Voting Right".

Article 99:

If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by a special resolution of the shareholders' general meeting and by a separate shareholders' general meeting convened by the shareholders of that class in accordance with Articles 101 to 105.

Article 100:

The rights attaching to a particular class of shares shall be deemed to have been changed or abrogated in the following conditions:

- (1) increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) change of all or part of the shares of such class into shares of another class, conversion of all or part of the shares of another class into share of such class or the grant of the right to such change;
- (3) removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) reduction or removal of preferential rights attached to shares of that class to receive a dividends or to asset distribution during liquidation of the Company;
- (5) addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights or rights to acquire securities of the Company attached to shares of such class;
- (6) removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) issuance of rights to subscribe for, or convert into, shares of such class or another class;
- (10) increase in the rights and privileges of shares of another class;
- (11) restructuring of the Company causes disproportion distribution of obligations between shareholders of various classes during the restructuring; and
- (12) amendment to or cancellation of the provisions of this chapter.

Article 101:

In relation to classes of shareholders who are affected, irrespective of whether they have the right to vote at shareholders' general meetings, they shall have the right to vote at class meetings of shareholders in respect of matters referred to in items (2) to (8) or (11) to (12) of Article 100, except that interested shareholders shall not have the right to vote at such class meetings.

For the purposes of the preceding paragraph, the term "interested shareholders" shall have the following meanings:

- (1) in case of a repurchase of shares by way of public dealing on a securities exchange in accordance with Article 25 hereof, the controlling shareholders as defined in Article 53 hereof shall be "interested shareholders";
- (2) in case of a repurchase of shares by way of an off-market agreement in accordance with Article 25 hereof, holders of shares in relation to such agreement shall be "interested shareholders";
- (3) under a restructuring proposal of the Company, shareholders who will bear liability in a smaller proportion than that of the liability borne by other shareholders of the same class, or shareholders who have an interest in a restructuring proposal of the Company that is different from the interest in such restructuring proposal of other shareholders of the same class shall be "interested shareholders".

Article 102:

Resolutions of a class general meeting shall be approved by votes representing more than two-thirds of the voting rights of shareholders of that class present at the meeting who, in accordance with Article 101, are entitled to vote at the meeting.

If any shareholder shall disclaim his voting right or be limited just to vote for or against appointed special resolutions on some resolutions of a class of shareholders according to the Hong Kong Listing Rules, any vote from them or their proxies that disobey the regulation or limitation shall not be count as a vote which has a voting right.

Article 103:

When the Company is to hold a class meeting, it shall by way of public announcement and issue a written notice within the time limit set out in Article 61 of this Articles of Association informing all the registered shareholders of that class of the matters to be examined at the meeting as well as the date and place of the meeting.

Article 104:

Notice of a class meeting need only be delivered to the shareholders entitled to vote thereat.

The procedures according to which a class meeting is held shall, be as similar as possible, follow the procedures according to which a general shareholders' meeting is held. Provisions of the Articles of Association of the Company relating to procedures for the holding of a shareholders' general meeting shall be applicable to class meetings.

Article 105:

Apart from the holders of other classes of shares, holders of Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares shall be deemed to be holders of different classes of shares.

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

- (1) where, upon the approval by a special resolution of the shareholders' general meeting, the Company issues, either separately or concurrently, Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares once every 12 months, not more than 20 percent of the existing issued of the respective classes;
- (2) where the plan for issuance of Onshore-Listed Domestic-Invested Shares and Overseas-Listed Foreign-Invested Shares upon the establishment of the Company is completed within 15 months from the date of approval by the State Council Securities Commission;
- (3) Shares (including domestic and foreign shares) already issued but not listed of the Company, after approval from the securities regulatory authority under the State Council, are converted to overseas listed shares.

CHAPTER 10: BOARD OF DIRECTORS

Article 106:

Directors shall be elected at general meetings for a term of three years, which is renewable upon re-election when it expires. Before the expiration, the general meeting cannot terminate their services without cause which is subject to Article 113 of this Articles of Association.

The chairman and vice chairman shall be elected and removed by more than half of all the directors, shall serve a term of three years, is eligible for re-election.

The term of office of the directors is calculated from the date of appointment to the expiration of this session of the Board. In cases where the tenure expires and the reelection is not conducted promptly, the existing original directors shall, before the newly elected directors take office, perform their duties in accordance with the relevant laws, administrative regulations, departmental rules and the Articles of Association.

Senior executives may also serve as directors. The number of directors also serving as senior executives or employee representatives shall not be more than one half of the total number of directors of the Company.

Directors need not hold shares of the Company.

Article 107:

The candidates for directors shall generally be proposed by the Board of the Company at the general meetings. The shareholders and the Supervisory Committee of the Company are entitled to nominate candidates for director pursuant to the Articles of Association.

A notice of the intention to nominate a person as director and a notice by that person indicating his acceptance of such nomination shall be given to the Company at least seven days in advance; the deadline for giving the said notice shall be calculated from the second day after Company issues the notice of election meeting and shall not be later than seven days before convening of the meeting.

The notice of the meeting shall carry full information about the resume of the director candidates, reasons for election of them and the candidates' attitudes toward the nomination.

Article 108:

In cases where a director, without reasons, has not attended the Board meeting without prior approval of the Board twice consecutively, and did not appoint another director to attend the meeting on his/her behalf, such director is deemed to be unable to perform his/her duties. The Board shall propose to dismiss such director at the general meeting.

Article 109:

A director may resign prior to the expiration of his term by tendering a written resignation to the Board. The Board shall disclose the relevant information within two days.

If the number of directors of the Board falls below the quorum as a result of any resignation, such resignation shall not become effective until the vacancy resulting from such resignation is filled up by a succeeding director. The remaining directors shall convene an extraordinary general meeting as soon as possible to elect a director to fill the vacancy caused by the said resignation.

Article 110:

In cases where a director resignation takes effect or his/her tenure expires, he/she shall complete the handing-over procedures with the Board. His/her duty of loyalty owed to the Company and the shareholders shall not be relieved absolutely after the tenure expires and shall remain valid for three years after the resignation takes effect or after his/her tenure expires.

Article 111:

Without the authorisation stipulated under the Articles of Association or of the Board, any director shall not act in his/her own name on behalf of the Company or the Board. In cases where a director is acting in his/her own name and the third party may reasonably believe that the director is acting on behalf of the Company or the Board, the director shall declare his/her position and capacity in advance.

Article 112:

In cases where the directors have breached the relevant laws, administrative regulations, department rules or the Articles of Association when exercising their duties and causes the Company to incur a loss, they shall be liable to compensate accordingly.

Article 113:

Any director who has left his office without authorization before his term of office expires and thereby caused the Company to incur a loss shall be liable for compensation to the Company.

A general meeting may dismiss a director (including a director serving concurrently as general manager or other director) within his term of office by an ordinary resolution provided that the relevant laws and administrative regulations are observed (however, the said director's claim for compensation under any contract shall not be affected).

Article 114:

If the term of office of a director expires but reelection is not made responsively or if any director resigns during his term of office so that the membership of the Board falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations and the Articles of Association until a new director is elected.

Article 115:

Independent directors are directors who do not hold any position in the Company other than as director, member or chairman of the special committee of the Board and do not maintain with the Company or its substantial shareholders a connection which may possibly hamper their independent and objective judgments. Independent directors must make up at least a third of the Board and must consist of at least three members. The Company shall have at least one independent director who shall have appropriate professional qualifications or have appropriate accounting or related financial management expertise.

Article 116:

An independent director shall meet the qualifications and requirements on independence as stipulated in laws, regulations and the listing rules of the place where the Company's shares are listed.

Article 117:

An independent director may resign before his term of office expires.

If at any time the Company's independent director does not comply with the number, qualifications or requirements on independence as stipulated in the listing rules of the place where the Company's shares

are listed, the Company shall notify the securities regulatory authorities of the place where the Company's shares are listed responsively, give relevant reasons and details in the form of public announcements, and appoint enough independent directors to meet the requirements of the listing rules of the place where the Company's shares are listed within three months after the said incompliance.

Article 118:

An independent director shall perform his duties pursuant to laws, regulations and the listing rules of the place where the Company's shares are listed.

Article 119:

The Company formulates a working system for independent directors, which specifies their qualifications, nomination, election and replacement and rights and obligations and is subject to the approval of general meetings.

Article 120:

Matters regarding independent directors and not specified herein shall be governed by relevant requirements on directors in laws, regulations, the listing rules of the place where the Company's shares are listed and the Articles of Association.

Article 121:

The Company shall have a board of directors. The board of directors shall be composed of no more than 15 directors.

Independent directors may directly report to the general meeting, CSRC and other relevant regulatory authorities.

Article 122:

The board of directors shall be accountable to the shareholders' general meeting and shall exercise the following functions and powers:

- (1) to be responsible for convening shareholders' general meetings and to report on its work to the shareholders' general meeting;
- (2) to implement the resolutions of shareholders' general meetings;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the proposed annual financial budgets and final accounts of the Company;
- (5) to formulate the plans for profit distribution and making up losses of the Company;
- (6) to formulate plans for the increase or reduction in the registered capital of the Company and for the issue of Company bonds or other securities or Company's shares will be listed;
- (7) to prepare plans on the Company's substantial acquisition or acquisition of the Company's shares or the Company's merger, division or dissolution or change of corporate form of the Company;
- (8) within the scope of authorization from the general meeting, to resolve on external investment, acquisition or disposal of assets, pledge of assets, external guarantee, entrusted wealth management or connected transactions of the Company etc.;
- (9) to decide on the structure of the Board and the internal management structure of the Company;

- (10) to appoint or renew the manager of Company and the secretary to the board of directors, and, on the nomination of the manager, to appoint or dismiss the deputy manager, chief financial officer and other senior management staffs;
- (11) to decide on the remuneration and payment methods of the manager, financial director and other senior management staffs of Company;
- (12) to formulate remuneration and allowance standards and rewards for directors and supervisors of Company;
- (13) to work out the basic management system of the Company;
- (14) to formulate the plan for any amendment to the Articles of Association;
- (15) to manage information disclosure of the Company;
- (16) to manage the internal report of material information of the company;
- (17) to manage the registration of Company's insider;
- (18) propose to the general meeting to appoint or replace the accounting firm which conduct auditing for the Company;
- (19) listen to the work report of the general managers and inspect the tasks managed by the general managers;
- (20) To exercise other functions and powers as stipulated by laws, regulations and the listing rules of the place where the Company's shares are listed or conferred by the general meetings and the Articles of Association.

Unless the relevant laws and regulations, these Articles or any other internal systems of the Company stipulate otherwise, resolutions by the board of directors on matters referred to in the preceding paragraph may be passed by the affirmative vote of a simple majority of the directors other than the resolutions on matters referred to in items (6), (7), (14) and (20), which shall require the affirmative vote of more than two-thirds of the directors. The directors shall perform their duties in accordance with laws and administrative regulations of the state, the listing rules of the place where the Company's shares are listed, the Articles of Association and resolutions of general meetings.

Article 123:

The Board shall establish procedure rules for the Board to ensure that it implements the resolutions of the general meeting, improve the working efficiency and ensure scientific decision-making.

Article 124:

In cases when the Company makes investment to other enterprises or provides guarantees to others, the Board is responsible for making decisions unless otherwise specified in the Articles of Association, laws, regulations or listing rules of place where the Company's shares are listed. The Board shall determine the limitation of authority for external investment and external guarantee, establish a stringent review and decision-making procedure, and report to the general meeting for approval. Subject to the Articles of Association, laws and regulations, and relevant listing rules of the place where the Company's shares are listed, the general manager or the operating management of the Company are entitled to review and decide on external investment and external guarantee within their scope of limitation of authority in accordance with the authorization by the Board and the relevant management systems of the Company. However, if the Company provides guarantee for the Company's shareholders or actual controllers, it shall be resolved at the general meeting.

Shareholders regulated in above articles or controlled by the actual controller being subject to above articles shall not participate in the voting of matters regulated in above articles. The voting should be made by the majority of other shareholders present.

Article 125:

The Board shall not dispose of or agree to dispose of any fixed assets without approval by the general meeting if the sum of the expected value of the fixed assets to be disposed of and the value derived from the disposal of fixed assets within four months before such proposal to dispose of the fixed assets exceeds 33% of the value of the fixed assets as shown on the latest audited balance sheet considered and approved by the general meeting.

Disposals of the fixed assets mentioned herein include transfer of certain asset interests, but do not include guarantee provided by pledge of fixed assets.

The effectiveness of the Company's disposal of the fixed assets shall not be affected by any breach of the foregoing provisions in Paragraph 1 herein.

Article 126:

The chairman of the board shall exercise the following functions and powers:

- (1) to preside over general meetings and to convene and preside over board meetings;
- (2) to supervise and examine the implementation of the resolutions of the Board;
- (3) to sign material documents of the Board;
- (4) in the event of a force majeure event such as a huge natural disaster, exercise the special power to dispose of the company's affairs in accordance with the provisions of law and the interests of the company and report to the Board and the general meeting of shareholders afterwards;
- (5) to exercise other functions and powers conferred by the Board or the listing rules of the place where the Company's shares are listed.

If the chairman is unable to perform his duties, such duties shall be performed in proxy by the vice chairman designated by the chairman.

Article 127:

Board meetings include regular meetings and provisional meetings. Board meetings shall be held at least four times a year and shall be convened by the chairman. Where the chairman is unable to or fails to perform his duties, the shareholders' general meeting shall be presided over by the director who is jointly elected by the majority of all the directors. Notice of the regular meeting of the Board shall be given at least 14 days in advance and that of a provisional meeting shall be given at least five days in advance. Notice deadlines of the said meetings may be exempted upon the consent of directors of the Company. Where a provisional board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting.

The chairman shall convene and preside over a board meeting within 10 days after receipt of the resolution, if:

- (1) proposed by shareholders representing more than 10% of the voting rights;
- (2) jointly proposed by more than one-third of the directors;

- (3) proposed by the Supervisory Committee;
- (4) deemed necessary by the chairman of the Board;
- (5) jointly proposed by more than half of the independent directors
- (6) proposed by the general manager;
- (7) other situation as required by these Articles, the Company Law or the listing rules of the place where the Company's shares are listed.

Article 128:

The Board shall send the notice of a regular or provisional meeting by personal delivery, mail, fax or telephone.

Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he has not received the notice of meeting.

Any regular or provisional meeting of the Board may be held by telephone conference, video conference or similar communication equipment so long as all directors present at the meeting can clearly hear and communicate with each other. All directors who have attended the meeting in such ways shall be deemed to be personally present at the meeting.

Save otherwise specified by laws and regulations or the listing rules of the place where the Company's shares are listed, the Board may pass written resolution(s) in lieu of board meeting. A written motion shall be deemed as having been adopted upon affixing of signature by directors reaching the quorum of the properly constituted and convened Board as stipulated by laws, regulations and the Articles of Association. Such written motions shall be filed together with meeting minutes of the Board and other archives of the Company and shall have the same binding effect and validity as the resolutions made by directors attending board meetings in person.

Article 129:

Unless otherwise provided herein, board meetings shall be held only if more than half of the directors (including directors attending the meeting on behalf of others pursuant to Article 130 of the Articles of Association) are present.

Every director shall have the right to one vote. Unless otherwise provided in the Articles of Association, a resolution of the Board must be passed by the majority of the directors of the Company. If pros and cons are equal, the chairman shall be entitled to an additional vote.

Article 130:

Directors shall attend board meetings in person. In the event that a director is unable to attend a meeting for any reason, he may appoint another director by a written power of attorney to attend the meeting on his behalf. The power of attorney shall set out the scope of the authorization.

The director attending the meeting as proxy shall exercise rights within the scope of authorization. Where a director is not present at a board meeting and fails to authorize a proxy to act on his behalf, the said director shall be deemed to have waived his rights to vote at the meeting.

Article 131:

The Board and any committee thereof shall file resolutions of meetings as minutes and record in detail the matters considered and the decisions arrived at the meetings, including any questions or objections

raised by the directors. After conclusion of a board meeting, the initial and finalized meeting minutes shall be sent to all the directors in due time, with the initial ones to be commented on by the directors and the final ones to be recorded.

Minutes shall be signed by all attending directors and the person taking the minutes. The meeting minutes shall be kept for at least 10 years. The directors shall be responsible for the resolutions passed at board meetings. Any director who votes for a resolution which runs counter to the relevant laws, administrative regulations or the Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation. A director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

The independent directors' opinions shall be set out in the resolutions of board meetings.

CHAPTER 11: SECRETARY TO THE BOARD OF DIRECTORS

Article 132:

The Company shall have a secretary to the Board. The secretary to the Board shall be a member of the senior management staff of the Company. The secretary shall be for a term of three years, which is renewable upon expiry.

Article 133:

The secretary to the Company's Board shall be a natural person who has the requisite professional knowledge and experience, shall be appointed or removed by the Board, and shall be accountable to the Board. The major duties of the secretary shall be:

- (1) to be responsible for the public release of company information, coordinate the information disclosure affairs, organize and formulate the management system of information disclosure affairs, supervise and urge the company and the relevant information disclosure obligors to comply with the relevant provisions on information disclosure;
- (2) responsible for investor relationship management, coordinating information communication between Company and securities regulatory authorities, investors, securities service institutions, media, etc.;
- (3) organize the preparation for the meeting of the Board and the general meeting of shareholders; attend the meeting of the general meeting of shareholders, the meeting of the Board, the meeting of the supervisory committee and the relevant meeting of senior management; take charge of the minutes of the meeting of the Board and sign them;
- (4) responsible for the management and preservation of the register of shareholders of Company, keeping of the company seal, to ensure that qualified shareholders receive timely information and materials disclosed by Company;
- (5) responsible for consulting services, coordinate and deal with related affairs between Company and shareholders, as well as shareholders' daily reception and letters and visits.
- (6) responsible for company information disclosure and investor relations management; and
- (7) to perform other duties as required by the laws, administrative rules and these Articles.

Article 134:

Directors or other senior management staff of the Company may concurrently hold the office of secretary to the board of directors. No accountant of the accounting firm or lawyer of the law firm hired

by the Company may concurrently hold the office of secretary to the board of directors.

If the office of secretary to the board of directors is held by a director of the Company and a certain act is to be done by the board of directors and the secretary to the board of directors separately, the person who concurrently holds the offices of director and secretary to the board of directors may not perform such act in dual capacity.

CHAPTER 12: GENERAL MANAGER

Article 135:

“Senior executives” as defined in this Article include general manager, vice general manager, secretary to the Board, personnel in charge of financial affairs and other staff appointed by the Board as senior management staff.

The Company shall have one general manager, who shall be appointed and dismissed by the Board, several vice general managers and one chief financial officer, who shall be appointed or dismissed by the Board as nominated by the general manager.

Upon approval of the Board of the Company, a director may serve concurrently as senior executives.

Senior executives shall serve a term of three years and may be reappointed for consecutive terms if re-elected.

Article 136:

The general manager of the Company shall be accountable to the board of directors and shall exercise the following functions and powers;

- (1) To be in charge of the production, operation and management of the Company and to organize the implementation of the resolutions of the board of directors;
- (2) to organize the implementation of the Company’s annual business plans and investment plans;
- (3) to prepare the plan for the internal management setup of the Company;
- (4) to draft the Company’s basic management system;
- (5) to formulate the basic rules and regulations of the Company;
- (6) to propose to appoint or dismiss the vice general manager, chief financial officer and other senior executives of the Company;
- (7) to appoint or dismiss executives other than those appointed or dismissed by the Board; and
- (8) other functions and powers conferred by the Company’s Articles of Association and the board of directors.

Article 137:

The manager shall formulate the rules of working of the manager and report them to the Board for approval and implementation.

Article 138:

The rules of working of the manager includes the following.:

- (1) Conditions, procedures and participants of the managers' meeting;
- (2) the specific responsibilities of the manager and other senior management staff and their segregation of duties;
- (3) the use of the Company's funds and assets, the authority to enter into major contracts, and the reporting system to the Board and the Supervisory Committee;
- (4) Such other matters as the Board may deem necessary.

Article 139:

The manager may resign before the expiry of his term of office. The specific procedures and methods for the resignation of the manager are set out in the employment contract between the manager and the Company.

Article 140:

Senior management assist the manager in all aspects of the Company's work and are led by and accountable to the manager.

Article 141:

The general manager shall attend meetings of the board of directors, but if he does not hold the office of director concurrently, he shall not have the right to vote at such meetings.

Article 142:

In the exercise of his functions and powers, the general manager shall perform his duties honestly and diligently and in accordance with laws, administrative regulations and the Company's Articles of Association.

CHAPTER 13: SUPERVISORY COMMITTEE

Article 143:

The Company shall have a supervisory committee. The supervisory committee is a standing supervisory body and is responsible for supervising directors, board of directors, general manager and other senior management personnel.

Article 144:

The supervisory committee shall be composed of 3 persons, one of them shall be the chairman of the supervisory committee. The term of office of a supervisor shall be 3 years and may serve consecutive terms.

The appointment and removal of chairman of the supervisory committee shall be voted by more than two third of the supervisors.

The term of office of chairman of the supervisory committee shall be 3 years and is eligible for reelection and may serve consecutive terms.

Article 145:

The supervisory committee shall be composed of 2 shareholders' representatives and 1 representative of the Company's employees. The supervisors from shareholders' representatives shall be elected or removed by the general meeting, and the supervisors from the representatives of the Company's employees shall be democratically elected or removed by the Company's employees.

Article 146:

The Company's directors and senior management may not serve concurrently as supervisors.

Article 147:

Meetings of the Supervisory Committee include regular meetings and provisional meetings. Regular meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened and presided over by the chairman of the Supervisory Committee. Any supervisor may propose that a provisional meeting of the Supervisory Committee be held. If the chairman of the Supervisory Committee fails to or is unable to perform and exercise his functions and powers, a meeting of the Supervisory Committee shall be convened and presided over by a supervisor jointly nominated by more than half of all supervisors.

Article 148:

The Supervisory Committee shall be accountable to the shareholder's general meeting and exercise the following functions and powers according to laws:

- (1) to examine the regular reports of the company as prepared by the board of directors and giving its examination opinions in writing;
- (2) to examine the Company's financial affairs;
- (3) to supervise the acts of violation of laws, administrative regulations or these Articles of directors and senior officers in performing their duties, and propose the removal of directors and senior officers who violate laws, administrative rules, these Articles or resolutions made by the shareholders' general meeting;
- (4) to require a director or senior management staff of the Company to rectify an act if such act is harmful to the Company's interests;
- (5) to propose to convene a shareholders' extraordinary general meetings, convene and preside over the shareholders' general meeting where the board of directors fails to fulfill such duties;
- (6) to represent the Company in negotiating with or instituting legal proceedings against director or senior management personnel;
- (7) to conduct investigation of abnormal situations as soon as they are found in the Company; if necessary, retain such professional institutions as accounting firms, law firms and otherwise for assistance, at the expense of the Company;
- (8) to propose motions to the shareholder's general meeting;
- (9) other functions and powers specified in laws, administrative regulations, departmental rules and these Articles.

Supervisors are entitled to attend, present suggestions on or make inquiries meetings of the board of directors.

Article 149:

The Supervisory Committee shall formulate rules of procedures for the Supervisory Committee to clarify the manner in which the Supervisory Committee conducts its business and its voting procedures to ensure the efficiency of the Supervisory Committee and scientific decision-making.

Article 150:

The resolutions of the Supervisory Committee shall be passed by votes and such resolutions must be in writing. Each supervisor has one vote.

The resolutions shall be passed by the affirmative vote of more than two third of supervisors.

Article 151:

Records shall be made for all meetings of the Supervisory Committee. Minutes shall be signed by all attending supervisors and the person taking the minutes. The meeting minutes of the Supervisory Committee shall be kept as archives of the Company by an ad hoc person designated by the chairman of the Supervisory Committee. The meeting minutes shall be kept for at least 10 years.

Article 152:

The reasonable expenses incurred by the supervisory committee in engaging of professionals such as lawyers, registered accountants, practicing auditors etc. in the exercise of its functions and powers shall be borne by the Company.

Article 153:

Supervisors shall faithfully perform their supervisory duties in accordance with laws, administrative regulations and the Company's Articles of Association. Any supervisor who, in the course of carrying out his/her duty, runs counter to the relevant laws, administrative regulations, binding documents or the Articles of Association, thereby causing losses to the Company, shall be liable for compensation.

CHAPTER 14: QUALIFICATIONS AND DUTIES OF THE COMPANY'S DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT STAFF

Article 154:

None of the following persons may serve as a director, supervisor or senior management staff of the Company:

- (1) persons without capacity or with limited capacity for civil acts;
- (2) persons who were sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order where five years have not lapsed following the serving of the sentence, or persons who were deprived of their political rights for committing a crime where five years have not lapsed following the serving of the sentence;
- (3) directors, or factory directors or managers who bear personal liability for the bankruptcy or liquidation of their Companies or enterprises where three years have not lapsed following the date of completion of such bankruptcy or liquidation;
- (4) the legal representatives of Companies or enterprises that had their business licenses revoked shut down for breaking the law, where such representatives bear individual liability therefor and three years have not lapsed following the date of revocation of such business licenses;
- (5) persons with relatively heavy individual debts that have not been settled upon maturity;
- (6) persons whose cases have been established for investigation by the judicial authorities as a result of violation of the criminal law, and have not been closed;
- (7) persons who may not act as leaders of enterprises by virtue of laws and administrative regulations;

- (8) non-natural persons;
- (9) persons ruled by a relevant organization in charge to have violated securities-related regulations, where such violation involved fraudulent or dishonest acts and five years have not lapsed following the date of the ruling;
- (10) subject to a securities market entry restriction imposed by the CSRC which the restriction period not yet expired;
- (11) any other content required by law, administrative regulations or departmental rules.

Article 155:

The validity of an act of a director, senior management staff of the Company on behalf of the Company towards a bona fide third party shall not be affected by any irregularity in his current position, election or qualifications.

Article 156:

In addition to duties imposed by laws, administrative regulations or listing rules of the place where the Company's shares are listed, the Company's directors, supervisors, general manager and other senior management staff shall own a duty to each shareholder in the exercise of the functions and powers extracted to them by the Company:

- (1) not to cause the Company to act beyond the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to deprive the Company's property in any way, including (but not limited to) any opportunities that are favorable to the Company; and
- (4) not to deprive shareholders of their individual rights or interests, including (but not limited to) rights to distributions and voting rights, unless pursuant to a restructuring of the Company submitted to and adopted by the shareholders' general meeting in accordance with the Articles of Association of the Company.

Article 157:

The Company's directors, supervisors and senior management staff shall have an obligation, in the exercise of their rights or discharge of their duties, to exercise such due care, diligence and skill that a reasonably and prudent person would exercise under similar circumstances.

Article 158:

The Company's directors, supervisors and senior management staff must, in the exercise of their duties, abide by the principles of honesty and creditability and shall not place themselves in a position where there is a conflict between their personal interests and their duties. This principle shall include (but not limited to) the fulfillment of the following duties:

- (1) to act honestly in the best interests of the Company;
- (2) to exercise powers within the scope of their functions and powers and not to act beyond such powers;
- (3) to personally exercise the discretion vested in him, not to allow himself to be manipulated by another person and, not to delegate the exercise of his discretion to another party unless

permitted by laws and administrative regulations or with the consent of the shareholder's general meeting that has been informed;

- (4) to be impartial to shareholders of the same class and of different classes;
- (5) not to conclude a contract or enter into a transaction or arrangement with the Company except as otherwise provided for in the Articles of Association of the Company;
- (6) not to use Company property for his own benefit in any way without the consent of the shareholders' general meeting that has been informed;
- (7) not to use his functions and powers as a means to accept bribes or other forms of illegal income, and not to illegally expropriate Company property in any way, including but not limited to, any opportunities that are favorable to the Company;
- (8) not to accept commissions in connection with Company transactions without the consent of the shareholders' general meeting that has been informed;
- (9) to abide by the Articles of Association of the Company, perform his duties faithfully, protect the interests of the Company and not to seek personal gain with his position, functions and powers in the Company;
- (10) not to compete with the Company in any way without the consent of the shareholders' general meeting that has been informed;
- (11) not to embezzle Company funds or lend them to others, not to deposit Company assets in accounts opened in his own or in another's name, and not to use Company assets as security for the debts of Company shareholders or other individuals; and
- (12) not to disclose confidential information relating to the Company that has been acquired by him during his office without the consent of the shareholders' general meeting that has been informed, and not to use such information except in the interests of the Company; however, such information may be disclosed to the court or other government authorities if :
 - (a) provided for by law;
 - (b) required for the public interest; or
 - (c) required for the own interest of such director, supervisor or senior management staff of the Company.

Article 159:

A director, a supervisor or senior management staff of the Company may not direct the following persons or organizations ("connected persons") to do what such director, supervisor or senior management staff may not do:

- (1) The spouse or minor child of such director, supervisor or senior management staff of the Company;
- (2) The trustee of a director, supervisor or senior management staff of the Company or of any person referred in item (1) hereof;
- (3) The partner of a director, supervisor or senior management staff of the Company or of any person referred in items (1) and (2) hereof;

- (4) The company over which a director, supervisor or senior management staff of the Company, alone or jointly with any person referred to in items (1), (2) and (3) hereof or any other director, supervisor or senior management staff of the Company, has actual control; and
- (5) A director, a supervisor or senior management staff of a company being controlled as referred to in item (4) hereof.

Article 160:

The fiduciary duties of the Company's directors, supervisors and senior management staff do not necessarily cease with the termination of their office. Their confidentiality obligation in relation to the Company's trade secrets shall remain upon termination of their office. The term for which other duties shall continue shall be decided upon in accordance with the principle of fairness, depending on the time lapse between the termination and the occurrence of the matter as well as the circumstances and conditions under which the relationship with the Company terminates.

Article 161:

A director, a supervisor or senior management staff of the Company may be relieved from liability for a specific breach of duties with the informed consent given at the shareholders' general meeting, except in circumstances as specified in Article 52.

Article 162:

If a director, a supervisor or senior management staff of the Company has direct or indirect vested material interest in a contract, transaction or arrangement concluded or planned by the Company (except for his employment contract with the Company), he shall disclose the nature and extent of his interest to the board of directors at the earliest opportunity, whether or not the matter is normally subject to the approval of the board of directors.

Unless the interested director, supervisor or senior management staff of the Company has disclosed such interest to the board of directors as required under the preceding paragraph hereof and the matter has been approved by the board of directors at a meeting in which he was not counted as part of the quorum and had refrained from voting, the contract, transaction or management is violable by the Company, except the other party is a bona fide party acting without knowledge of the breach of obligation by the interested director, supervisor or senior management staff.

A director, a supervisor or senior management staff of the Company shall be deemed to have an interest in any contract, transaction or arrangement in which a connected person of that director, supervisor or senior management staff has an interest.

Article 163:

If a director, a supervisor or senior management staff of the Company gives a written notice to the board of directors before the conclusion of the contract, transaction or arrangement is first considered by the Company, stating that due to the contents of the notice, he has an interest in the contract, transaction or arrangement that may subsequently be made by the Company, such director, supervisor or senior management staff of the Company shall be deemed for the purposes of the Article 162 of the Articles of Association to have declared his interest, insofar as attributable to the scope stated in the notice.

Article 164:

The Company may not in any manner pay tax on behalf of its directors, supervisors and senior management staff, except for individual income tax withheld and paid in accordance with the relevant national regulations.

Article 165:

The Company may not directly or indirectly provide a loan or loan security for its directors, supervisors, senior management staff, those of its parent company, or connected persons of the above-mentioned persons.

The provisions of the preceding paragraph shall not apply to the following circumstances:

- (1) The provision of a loan or loan security by the Company for a subsidiary of the Company;
- (2) The provision of a loan or loan security or other funds by the Company to a director, a supervisor or senior management staff of the Company under an employment contract approved by the shareholders' general meeting, so as to enable him to pay the expenses incurred for the sake of the Company or for the performance of his duties for the Company; and
- (3) The provision of a loan or loan security by the Company to a relevant director, a supervisor or senior management staff of the Company or to a connected person thereof on normal commercial terms, if the ordinary business scope of the Company includes the lending of money or the provision of loan security.

Article 166:

A loan provided by the Company in violation of the Article 165 shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 167:

The Company may not be forced to provide a loan guarantee provided by the Company in violation of the first paragraph of Article 165(1), except:

- (1) When the loan is provided to a connected person of a director, a supervisor or senior management staff of the Company in violation of the Company or its parent company, the loan provider is not aware of the condition; and
- (2) The collateral provided by the Company has been lawfully sold by the loan provider to a bona fide purchaser.

Article 168:

For the purposes of the preceding Articles of this chapter, a "guarantee" shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of duties by an obligor.

Article 169:

If a director, a supervisor or senior management staff of the Company breaches his duties to the Company. The Company shall, in addition to any rights and remedies provided for by laws and administrative regulations, have a right to:

- (1) require the relevant director, supervisor or senior management staff to compensate for the losses sustained by the Company as a consequence of his breach of duty;
- (2) rescind any contract or transaction concluded by the Company with the relevant director, supervisor or senior management staff and contracts or with a third party (where such third party is aware or should be aware that the director, supervisor or senior management staff representing the Company was in breach of his duties to the Company);

- (3) require the relevant director, supervisor or senior management staff to surrender the gains derived from the breach of his duties;
- (4) recover any funds received by the relevant director, supervisor or senior management staff that should have been received by the Company, including (but not limited to) commissions; and
- (5) require the relevant director, supervisor or senior management staff to return the interest earned or may have been earned on the funds that should have been given to the Company.

Article 170:

The Company shall conclude a written contract with each director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the shareholders' general meeting before it is entered into. The above-mentioned emoluments shall include:

- (1) Emoluments in respect of his service as a director, supervisor or senior management staff of the Company;
- (2) Emoluments in respect of his service as a director, supervisor or senior management staff of a subsidiary of the Company;
- (3) Emoluments otherwise in connection with the management of the Company or any subsidiary thereof; and
- (4) Funds as compensation for his loss of office or retirement to the aforementioned directors and supervisors.

A director or supervisor may not sue the Company for benefits due to him on the basis of the above-mentioned matters, except under a contract as mentioned above.

Article 171:

The Company shall specify in the contract concluded with a director or supervisor of the Company concerning his emoluments that in the event of a takeover of the Company, a director or supervisors of the Company shall, subject to prior approval of the shareholders' general meeting, have the right to receive the compensation or other funds obtainable for loss of office or retirement.

For the purposes of the preceding paragraph, the term "a takeover of the Company" shall refer to any of the following circumstances:

- (1) Anyone makes a general offer to all the shareholders; or
- (2) Anyone makes a general offer so that the offer becomes a controlling shareholder as defined in Article 53 of the Articles of Association hereof.

If the relevant director or supervisor has failed to comply with this Article, any fund received by him shall belong to those persons that have sold their shares as a result of their acceptance of the above-mentioned offer, and the expenses incurred in distribution of such fund on a pro rata basis shall be borne by the relevant director or supervisor and may not be paid out of such fund.

CHAPTER 15: FINANCIAL AND ACCOUNTING SYSTEMS AND DISTRIBUTION OF PROFITS

Article 172:

The Company shall formulate its own financial and accounting systems in accordance with laws, administrative regulations and the PRC's accounting standards formulated by the State Council's

department in charge of finance.

Article 173:

The Company shall prepare an annual financial and accounting report within four months from the end of the previous financial year, prepare a semi-annual financial and accounting report within two months from the end of the first six months of the present financial year, prepare quarterly financial and accounting reports within one month from the end of the first three months and the first nine months respectively of the present financial year, and submit them to the relevant regulatory authorities in accordance with the relevant laws.

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

The fiscal year of the Company is Gregorian calendar year, i.e. from 1 January to 31 December every year. The Company shall use Renminbi as the recording currency and the accounts shall be written in Chinese.

Article 174:

The board of directors of the Company shall place before the shareholders at each annual general meeting such financial reports as relevant laws, administrative regulations and directions promulgated by the local government and the authorities-in-charge require the Company to prepare.

Article 175:

The financial reports of the Company shall be made available for inspection by shareholders 20 days prior to an annual general meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Part.

The Company shall, at least 21 days before convening of the annual general meeting, send by prepaid mail to all holders of overseas listed foreign shares the aforesaid reports or directors' reports and the balance sheet (including each document required by laws and regulations to be attached to the balance sheet) and income statement or income and expenditure statement; and the addresses of addressees shall be those recorded in the shareholders' register.

Article 176:

The financial statements of the Company shall be prepared in accordance with the PRC's accounting standards, laws and regulations and may also be prepared in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in notes appended to such financial statements. For purposes of the Company's distribution of after-tax profits in a given fiscal year, the smaller amount of after-tax profits shown in the above-mentioned two kinds of financial statements shall be adopted.

The Company shall implement the internal audit system and equip such with full-time auditors to undertake internal audit and supervision over the financial receipts, expenditures and the economic activities of the Company. The Company's internal audit system and the duties of the auditors shall be implemented only after approved by the board of directors. The person in charge of the audit shall be responsible to and report work to the board of directors.

Article 177:

Interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC's accounting standards, laws and regulations and may also be prepared in

accordance with international standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed.

Article 178:

The Company shall publish two financial reports every fiscal year, namely an interim financial report within 60 days after the end of the first six months of each fiscal year and an annual financial report within 120 days after the end of each fiscal year.

If the place where the Company's shares are listed has other provisions, such provisions shall prevail.

Article 179:

The Company may not keep any account books other than statutory account books. The assets of the Company are not held in any personal account.

When the Company distributes its profit after taxation for the year, 10% of the profits shall be withdrawn and included in the Company's legal reserve. If the accumulated amount of the Company's legal reserve is at least 50% of the registered capital of the Company, it may not be withdrawn.

Where the Company's legal reserve is insufficient to cover losses of previous years, the profits of the year shall be used to cover the losses before the legal reserve is withdrawn in accordance with the preceding paragraph.

After the Company has withdrawn the legal reserve from its profit after taxation, it may also withdraw any provident fund from its profit after tax by resolution of the general meeting.

Any profit after taxation remaining after the Company has made up its losses and withdrawn its reserves shall be distributed in proportion to the shares held by the shareholders, except where these Articles of Association provide that the distribution shall not be made in proportion to the shares held.

If a general meeting in breach of the preceding paragraph, the shareholder must return the profits distributed in contravention of provision before the company makes up for its losses and before the withdrawal of the legal reserve.

The shares held by the Company do not participate in the distribution of profits.

Article 180:

The capital common reserve fund shall include the following:

- (1) the premiums on shares issued at a premium price; and
- (2) other revenue required by the State Council's department in charge of finance to be included in the capital common reserve fund.

Article 181:

The common reserve fund of the Company shall be used as follows:

- (1) compensating loss;
- (2) expending the capacity of operation and production; and
- (3) increasing capital by converting common reserve fund into capital upon approval by a shareholders' resolution. When such conversion takes place, the Company shall either distribute new shares in proportion to the existing shareholders' number of shares, or increase the par value

of each share provided that the balance of the statutory common reserve fund may not be less than 25% of the registered capital.

The dividends may be distributed twice a year, the shareholders' general meeting shall authorize the board of directors by way of ordinary resolution to declare and pay the interim and final dividends.

Article 182:

The Board, the Supervisory Committee and the general meeting shall consider the opinions of the independent non-executive directors, external supervisors and minority shareholders when determining and evaluating the Company's profit distribution policy.

The Company shall implement continuous, stable, scientific and proactive profit distribution policies, and attach importance to the provision of reasonable return to shareholders and ensure the continuity and stability of profit distribution policy.

(I) The Company's profit distribution policy:

1. The Company may use cash, shares, combination of cash and shares or other forms as permitted by the laws and regulations in making profit distribution, and give priority to the provision of cash dividends. Profit distribution shall not exceed the cumulative distributable profit or damage the Company's continuous operation capability;
2. Subject to the prevailing laws and regulations as well as any regulatory rules, the profit distributed by the Company in the form of cash every year shall be not less than 10% of the distributable profit realized in that year;
3. While ensuring its normal business development, the Company adheres to the principle of giving priority to the provision of cash dividends when making profit distribution; no share dividends may be distributed if no cash dividends were made during the year. The Board is obliged to put forward a cash dividend proposal and it should explain the proposed use or the principles for using the distributable profit realized but not distributed in the current year;
4. In the event that the Board fails to put forward a cash dividend proposal due to major investment plans or major cash expenditures or other reasons, it must explain the reasons and the specific use of the retained profits in the profit distribution proposals;
5. If the Board believes that the Company has relatively good future growth potential, relatively high net asset value per share, and that the Company's share price does not match its share capital or that distributing share dividends conforms to the overall interests of all shareholders, it may draw up share dividend distribution proposals subject to compliance with its cash dividend policies;
6. The Company generally distributes profits annually; the Board may also put forward interim profit distribution proposals in accordance with the Company's profit conditions and funding needs.

(II) The Company's differentiated cash dividend policy. The Board shall distinguish the following situations and put forward differentiated cash dividend policies in accordance with the procedures specified by the Articles of Association, by comprehensively considering the Company's industry features, development stage, mode of operation, profit level and any arrangement on major capital expenditure:

1. In the case where the Company is at a mature stage of development and there is no major capital expenditure arrangement, cash dividends shall account for at least 80% of the current profit distribution;
2. In the case where the Company is at a mature stage of development and there is major capital expenditure arrangement, cash dividends shall account for at least 40% of the current profit

distribution;

3. If the Company is at the growth stage and there is major capital expenditure arrangement, cash dividends shall account for at least 20% of the current profit distribution.

In the case where the Board believes that it is not easy to distinguish the Company's development stages but there is major capital expenditure arrangement, provisions in the preceding paragraphs shall apply.

(III) The Company's review procedures on profit distribution:

1. The Board shall formulate a profit distribution plan;
2. The profit distribution plan approved by the Board shall not be implemented until it is approved at the general meeting;
3. In the case where the Board fails to make a cash dividend plan or its cash dividend distribution plan does not comply with the Company's Articles of Association, the Board must explain the reasons and the use of retained profits in its periodic report, the independent nonexecutive directors shall provide their independent opinions in this regard;
4. The Supervisory Committee shall supervise the profit distribution plans formulated by the Board. It has the right to require the Board to make rectifications if the Board fails to make cash dividend distribution plans in accordance with the Company's Articles of Association or the cash dividend distribution plans made by the Board do not comply with the Company's Articles of Association;
5. If it is necessary to adjust profit distribution policies due to any major change to the business environment or the Company's internal operating conditions, the Board shall formulate new profit distribution policies and the independent directors shall give their opinions in this regard. The new profit distribution policies formulated by the Board shall be submitted to the general meeting for review and shall not be implemented until it is approved by more than 2/3 of the voting rights held by the shareholders who attend the general meeting. Voting at the general meeting shall be conducted in the form of on-site vote and online vote to facilitate the minority shareholders' participation in the formulation or modification of the profit distribution policies.

The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Onshore-Listed domestic shares in Renminbi. The Company shall calculate, declare and pay dividends and other amounts which are payable to holders of Overseas-Listed Foreign-Invested Shares in Renminbi, and shall pay such amounts in currency of the place where these Overseas-Listed Foreign-Invested Shares are listed. (or, if there is more than one such place, of the place where the Overseas-Listed Foreign-invested shares maintain a primary listing as determined by the Board.)

The payment of dividends and other payments to holders of Overseas-Listed Foreign-Invested Shares shall be made in accordance with the PRC laws and regulations on foreign exchange control. If there is no applicable regulation, the exchange rate shall be the average closing rate for the relevant foreign currency as announced by the People's Bank of China one week before the announcement of payment of dividends and other payments.

Where power is taken to retrieve unclaimed dividends, that power shall only be exercised after the expiration of the applicable limitation period.

Article 183:

The Company shall appoint receiving agents for holders of Overseas-Listed Foreign-Invested Shares to collect on behalf of the relevant shareholders the dividends declared and other payments in respect of Overseas-Listed Foreign-Invested Shares.

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

The receiving agents appointed by the holders of Overseas-Listed Foreign-Invested Shares listed in Hong Kong shall be a company registered as a trust company under the Trustee Ordinance (Chapter 29 of the laws of Hong Kong) of Hong Kong.

The Company shall have the right to stop sending dividend coupons by post to a holder of overseas listed foreign shares when the dividend coupons are not cashed for two consecutive times. However, the Company may also exercise such a right when the dividend coupons are returned after they are sent to the addressee for the first time.

Regarding exercise of right to issue warrants to anonymous holders, the Company shall not issue any new warrant to replace the lost one, unless it is sure beyond reasonable doubt that the original warrant has been destroyed.

The Company shall have the right to sell the shares of the holders of overseas listed foreign shares who cannot be reached in a manner deemed as appropriate by the Board, but it shall comply with the following conditions:

- (1) Dividends have been distributed for the said shares for at least three times in 12 years, but are not claimed in the said period; and
- (2) Upon expiry of the 12-year period, the Company shall announce its intent to sell the shares in one or more newspapers at the place where the Company's shares are listed, and notify the stock exchange on which the said shares are listed.

Provided that the relevant PRC laws and regulations are observed, the Company may exercise the right to seize dividends not collected, but the said right shall not be exercised before expiry of the applicable validity period.

Monies paid for any shares before dunning shall have dividends, but the holders of shares are not entitled to dividends announced later for the said monies.

CHAPTER 16: APPOINTMENT OF AN ACCOUNTING FIRM

Article 184:

The Company shall appoint an independent accounting firm which complies with the relevant State regulations to audit the annual financial reports and review other financial reports of the Company.

Article 185:

The term of appointment of an accounting firm appointed by the Company shall be between the conclusion of this annual general meeting of the Company and the conclusion of the next annual meeting.

Article 186:

An accounting firm appointed by the Company shall have the following rights:

- (1) the right of access at all times to the account books, records or vouchers of the Company and the right to require directors and senior management staff of the Company to provide relevant information and explanations;
- (2) the right to require the Company to take all reasonable measures to obtain from its subsidiaries the information and explanations necessary for the accounting firm to perform its duties; and

- (3) the right to attend shareholders' general meetings, receive a notice or other information concerning any meetings of or concerning which shareholders have a right to receive a notice or other information, and to be heard at any shareholders' general meetings on any matter which relates to it as the accounting firm of the Company.

Article 187:

If the position of accounting firm becomes vacant, the Company should convene an extraordinary general meeting as soon as possible to appoint an accounting firm to fill the vacancy. However, if there are other accounting firms holding the position of accounting firm of the Company while such vacancy still exists, such accounting firms may continue to act.

Article 188:

The shareholders' general meeting may, by means of an ordinary resolution, remove any accounting firm prior to the expiration of its term of appointment, notwithstanding provisions in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any to claim damages from the Company in respect of such removal.

Article 189:

The remuneration or method of remuneration of an accounting firm shall be decided upon by the shareholder's general meeting.

Article 190:

The appointment, removal or non reappointment of an auditor shall be decided upon by the shareholders' general meeting and be filed with the State Council authorities in charge of securities.

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

- (1) A copy of the proposal shall be sent before notice of meeting is given to the shareholders to the person proposed to be appointed or the auditor proposing to leave from his post or the auditor who has left from his post.

Leaving from his post includes dismissal, resignation and retirement;

- (2) If the auditor leaving his post makes representations in writing and requests their notification to the shareholders, the Company shall (unless the representations are received too late):
 - (a) in any notice of the resolution given to shareholders, state the fact of the representations having been made; and
 - (b) Send to the shareholders entitled to receive the notice of general meetings a copy of the statement as an attachment to the notice in the form specified in the Articles of Association.
- (3) If the auditor's representations are not sent under paragraph (2) above the auditor may (in addition to his right to be heard) require that the representations be read out at the meeting and may make further submissions.
- (4) An auditor who is leaving his post shall be entitled to attend:
 - (a) the general meeting at which his term of office would otherwise have expired;

- (b) any general meeting at which it is proposed to fill the vacancy caused by his dismissal; and
- (c) any general meeting convened as a result of his resignation.

An auditor who is leaving his post shall also be entitled and to receive all notices of, and other communications relating to, any such meeting, and to be heard at any such meeting which he attends on any part of the business of the meeting which concerns him as former auditor of the Company.

Article 191:

When the Company removes or does not reappoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views before the shareholders' general meeting. Where an accounting firm tenders its resignation, it shall inform the shareholders' general meeting of whether there is any irregularity in the Company.

An auditor may resign his office by depositing at the Company's registered address a notice in writing which will take effect on the date of despatch of the notice or on the date specified in the notice whichever is later. The notice shall contain:

- (a) a statement that there are no circumstances in connection with his resignation which he considers should be brought to the notice of the shareholders or creditors of the issuer; or
- (b) a statement of any such circumstances which are required to be accounted for.

The Company shall within 14 days of receipt of the above mentioned notice, under this Article, send a copy of the notice to the competent authority. If the notice contained a statement referred to in (b) above, a copy of the notice shall also be sent to every shareholder who is entitled to a report of the Company's financial status report and a copy shall be kept at the Company's address for inspection by the shareholders.

The Company shall also send a copy of the abovementioned notice by announcement or postage prepaid mail to every member entitled to a copy of the Company's financial statement at the recipient's address shown in the register of shareholders.

If the notice of resignation of the certified public accountants contains the statement of any such information to be disclosed mentioned herein, the certified public accountants may require the Board to convene an extraordinary general meeting to listen to their explanation about the resignation.

CHAPTER 17: MERGER AND DIVISION OF THE COMPANY

Article 192:

The merger or division of the Company shall require the preparation of a proposal by the board of directors. After such proposal has been approved in accordance with the procedures specified in the Articles of Association of the Company, relevant examination and approval procedures shall be carried out according to law. Shareholders who object to such proposal on the merger or division of the Company shall have the right to require the Company or shareholders who are in favor of such proposal to purchase their shares at a fair price. The contents of resolutions approving the merger or division of the Company shall be compiled in a special document for inspection by shareholders.

The abovementioned document shall be delivered to every shareholder of Overseas-Listed Foreign-Invested Shares by prepaid mail at the recipient's address shown in the register of shareholders.

Article 193:

Merger of the Company may take the form of merger by absorption and merger by establishment of a

new company.

In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the merger resolution is passed and publish on the newspaper within 30 days from that date. The creditor may, within thirty days from the date of receipt of the notice, or within forty-five days from the date of publication if no notice has been received, demand that the Company settle the debt or provide a corresponding guarantee.

Upon completion of the merger, the company that survives or the newly established company shall assume the rights in relation to debtors and indebtedness of the parties to the merger.

Article 194:

If the Company is to be divided, its property shall be divided accordingly.

In the event of a division of the company, the parties to the division shall enter into a division agreement and prepare a balance sheet and a property list. The Company shall notify its creditors within a period of 10 days from the date on which the division resolution is passed and publish newspaper announcements on the division within 30 days from that date.

Debts owed by the Company prior to the division are the joint and several liability of the companies in existence after the division, unless otherwise agreed in writing between the Company and its creditors prior to the division in respect of the settlement of debts.

Article 195:

Where a change arises as a result of the merger or division of the Company the company shall apply for change in its registration with the company registry according to law. Where the Company is dissolved, it shall apply for cancellation of its registration according to law. Where a new company is established, it shall apply for registration thereof according to law.

CHAPTER 18: DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 196:

The Company shall be dissolved and liquidated according to law:

- (1) The expiration of the period of business provided for in these Articles or the occurrence of any other cause of dissolution provided for in these Articles of Association;
- (2) The general meeting has resolved to dissolve the Company by a two-thirds majority of the votes held by the shareholders present at the general meeting;
- (3) Merger or division of the Company entails dissolution;
- (4) The business license is revoked according to law, or the Company is ordered to close or is cancelled;
- (5) If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10% of the total voting rights of the Company may request the a court with jurisdiction to dissolve the Company.

In the case of (1) of the preceding paragraph, the Company may survive by amending these Articles. If the Company is dissolved by reason of (1), (2), (4), (5) of the preceding paragraph, a liquidation team shall be established within 15 days after the reasons for the dissolution occur. The liquidation team shall be established by the directors or persons approved by the general meeting. If no liquidation team is established after the said timeframe, the creditors may apply to a competent court for appointment of relevant persons to establish a liquidation team to commence liquidation.

Article 197:

If the board of directors decides that the Company should be liquidated (except for liquidation as a result of company's declaration of bankruptcy), the notice of the shareholders' general meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the position of the Company and that the board holds the opinion that the Company can pay its debts in full within 12 months after the commencement of liquidation.

The functions and powers of the board of directors shall terminate immediately after the shareholders' general meeting has adopted a resolution to carry out liquidation.

The liquidation committee shall take instructions from the shareholders' general meeting, and not less than once a year make a report to the shareholders' general meeting on the committee's income and expenditure, the business of the Company and the progress of the liquidation. It shall make a final report to the shareholders' general meeting when the liquidation is completed.

Article 198:

The liquidation group shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days. The creditors shall declare their creditor's rights to the liquidation group within 30 days after receipt of the notice or within 45 days after announcement if the creditors have not received the notice. To declare their creditor's rights, the creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation group shall register the creditor's rights according to law. During the reporting period, the liquidation group is not allowed to pay off creditors.

Article 199:

The liquidation committee shall exercise the following functions and powers during liquidation:

- (1) thoroughly examine the property of the Company and prepare a balance sheet and property list respectively;
- (2) notify creditors by a notice or public announcement;
- (3) dispose of and liquidate relevant unfinished business of the Company;
- (4) pay all outstanding taxes in full and taxes existence during the liquidation progress;
- (5) clear up claims and debts;
- (6) dispose of the property left after full payment of the Company's debts; and
- (7) participate in civil litigation on behalf of the Company.

Article 200:

After the liquidation committee has thoroughly examined the Company's property and prepared a balance sheet and property list, it shall formulate a liquidation plan and submit such plan to the shareholders' general meeting or relevant authorities in charge for confirmation.

Payment of debts out of Company property shall be made in the legal order of priority; if there is no applicable law, the order of priority shall be determined by the liquidation group.

Company property left after full payment in accordance with the provisions of the preceding paragraph under this Article shall be distributed to the Company's shareholders according to the class and proportion of their shareholding.

During liquidation, the Company may not engage in business activities in dependent of the liquidation.

Before liquidation as specified in the preceding paragraphs under this Article, the assets of the Company shall not be distributed to shareholders.

Article 201:

If the Company is liquidated due to dissolution and the liquidation committee, having thoroughly examined the Company's property and prepared a balance sheet and property list, discovers that the Company's property is insufficient to pay its debts in full, it shall immediately apply to a competent court for a declaration of insolvency.

After the People's Court has ruled to declare the Company insolvent, the Company's liquidation committee shall refer the liquidation matters to a competent court.

Article 202:

Following the completion of liquidation, the liquidation committee shall formulate a liquidation report, a revenue and expenditure statement and financial account books in respect of the liquidation period and, after verification thereof by an accountant registered in the PRC, submit the same to the shareholders' general meeting or the relevant authorities in charge for confirmation.

Within 30 days from the date of confirmation of the above-mentioned documents by the shareholders' general meeting or the relevant authorities in charge, the liquidation committee shall deliver the same to the company registry, apply for cancellation of the Company's registration and publicly announce the Company's termination.

CHAPTER 19: PROCEDURES FOR AMENDING THE COMPANY'S ARTICLES OF ASSOCIATION

Article 203:

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

The procedure of amending of Articles of Association shall be as follows:

- (1) a proposal is made by the board of directors,
- (2) the aforesaid proposal is provided to the shareholders in writing and the shareholders' general meeting is convened; and
- (3) approved by a resolution passed by more than two-third of the voting rights represented by the shareholders present at the general meeting.

Article 204:

Where an amendment to the Company's Articles of Association involves matters of company registration, application for a change in the registration shall be made according to law.

Article 205:

The notice of the Company may be served as follows:

- (1) By personal delivery;
- (2) By post;
- (3) By fax or email;
- (4) By announcement on the website designated by the Company, the securities regulatory authorities and the stock exchange where the Company's shares are listed in accordance with the laws, administrative regulations and listing rules of the place there;
- (5) By bulletin;
- (6) By other means specified beforehand by the Company or the recipient or approved by the recipient after receiving the notice;
- (7) By other means approved by the relevant regulatory authority at the place where the Company's shares are listed or stipulated in the Articles of Association.

The Company issues announcements and makes disclosures to A Shares shareholders in media and websites that meet the requirements set by the CSRC. Unless otherwise provided, any notice or report required by these Articles to be given on the Stock Exchange of Hong Kong Limited in accordance with the Hong Kong Listing Rules shall at the same time be disclosed by the Company on the domestic market. The Company shall give notice and make announcement to the shareholders of Overseas-Listed Foreign-Invested Shares in the manner and on the website as provided in these Articles and according to the Hong Kong Listing Rules.

Save as otherwise specified in the Articles of Association, if the Company sends the notice to the holders of H shares by announcement, it shall, according to the requirements of the Hong Kong Listing Rules, submit an electronic version that can be immediately published to the Hong Kong Stock Exchange via the electronic publication system of the Hong Kong Stock Exchange on the same day, so

that it can be published on the website of the Hong Kong Stock Exchange, or publish the announcement in the newspapers and periodicals according to the requirements of the Hong Kong Listing Rules (including publishing ads in newspapers and periodicals). The announcement shall also be published on the Company's website. Moreover, save as otherwise specified in the Articles of Association, the notice shall be served by personal delivery or prepaid mail to the addresses of all the holders of overseas listed foreign shares in the shareholders' register, so that the shareholders are fully notified and have sufficient time to exercise their rights or act as per the notice.

The holders of overseas listed foreign shares of the Company may choose in written form to obtain (by email or by post) the information of the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. They may also change the method for receiving the aforesaid information and the language version to be received as per appropriate procedures by sending a written notice to the Company in advance within a reasonable period.

If any shareholder or director wants to prove he/she has sent any notice, document, information or written statement to the Company, he/she shall provide evidence proving that the relevant notice, document, information or written statement has been served in a usual way or by prepaid mail to the correct address within the specified time.

Although the preceding paragraph specifies that the Company shall provide and/or send the information of the Company to the shareholders in written form, regarding the method used by the Company to provide and/or send information of the Company to the shareholders according to the requirements of the listing rules of the place where the Company's shares are listed, if the Company has obtained the shareholders' prior written consent or implied consent according to the relevant laws and regulations and the listing rules of the place where the Company's shares are listed amended from time to time, the Company may send or provide the information of the Company to its shareholders in an electronic way or by announcement on its website. Information of the Company includes but is not limited to: circular, annual report, interim report, notice of a general meeting and other information set out in the listing rules of the place where the Company's shares are listed.

Article 206:

If the notice is sent by post, it is only required to specify the address and prepaid postage and put the notice in the envelope, and putting the envelope enclosing the said notice into the mailbox shall be deemed as sending out the notice, and the notice shall be deemed as served 48 hours after it is sent out.

CHAPTER 20: SETTLEMENT OF DISPUTES

Article 207:

The Company shall abide by the following principles for dispute resolutions:

- (1) if any dispute or claim concerning the Company's business on the basis of the rights or duties provided for in the Articles of Association of the Company or in the Company Law or other relevant laws or administrative regulations arises between a holder of Overseas-Listed Foreign-Invested Shares and the Company, between a holder of Overseas-Listed Foreign-Invested Shares and a director, a supervisor or senior management staff of the Company or between a holder of Overseas-Listed Foreign-Invested Shares and a holder of Domestic-Invested Shares, the parties concerned shall submit the dispute or claim for arbitration. When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons (being the Company or shareholders, directors, supervisors or senior management staff of the Company) that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by arbitration.

Disputes concerning the definition of shareholders and the register of shareholders shall not be required to be settled by means of arbitration;

- (2) a dispute or claim submitted for arbitration may be arbitrated, at the option of the arbitration applicant, by either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International Arbitration Center in accordance with its securities arbitration rules. After the arbitration applicant has submitted the dispute or claim for arbitration, the other party must carry out arbitration in the arbitration institution selected by the applicant.

If the arbitration applicant opts for arbitration by the Hong Kong International Arbitration Center, either party may request arbitration to be conducted in Shenzhen in accordance with the securities arbitration rules of the Hong Kong International Arbitration Center;

- (3) unless otherwise provided by laws or administrative regulations, the laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred to in item (1); and
- (4) the award of the arbitration institution shall be final and binding upon each party.

CHAPTER 21: SUPPLEMENTARY

Article 208:

The phrases “more than”, “within” and “less than” as mentioned in the Articles of Association are inclusive while “exceeding” and “beyond” are exclusive.

Article 209:

In the Articles of Association, the term “accounting firm” used herein shall have the same meaning as ascribed to the term auditor, and the term “independent director(s)” used herein shall have the same meaning as ascribed to the term “independent non-executive director(s)”.

Article 210:

All the circulars or other documents that the Company shall submit to the Hong Kong Stock Exchange shall be compiled in English or attached with a signed and certified English version.

The Articles of Association shall be executed in Chinese. In the event of any conflict between the Chinese version and other language versions, the Chinese version shall prevail.

If the provisions of the Articles of Association are inconsistent with relevant laws, regulations, binding document and the listing rules of the place where the Company’s shares are listed, the latter shall prevail.

Any matters not covered herein shall be handled in accordance with the relevant laws, regulations, binding documents, the listing rules of the place where Company’s shares are listed.

Article 211:

Unless otherwise provided, the Company shall, where it is making a public announcement in prescribed or approved manner, issue or deliver any notice or announcement in at least one national newspaper which has been approved by the State Council authorities and, where possible, to publish such notice or announcement in a major Chinese and a major newspaper in Hong Kong receptively.

Article 212:

The power of interpretation of this Articles of Association is vested in the Board of the Company. This Articles of Association has been approved in the general meeting of the Company and becomes effective.