



Articles of Association of Guangzhou Automobile Group Co., Ltd.

(Amended on 19 September 2014)

(Note: The English version of these Articles is a translated version of the Chinese version and is for reference only. In case of inconsistency between the two versions, the Chinese version shall prevail)

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GUANGZHOU AUTOMOBILE GROUP CO., LTD. ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

Article 1 To safeguard the legitimate rights and interests of Guangzhou Automobile Group Co., Ltd. (the “Company”), its shareholders and creditors, and to regulate the organization and activities of the Company, the Company formulated the Articles of Association in accordance with the Company Law of the People’s Republic of China (the “Company Law”), the Securities Law of the People’s Republic of China (the “Securities Law”), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (“Mandatory Provisions”), the Guidelines on Articles of Association of Listed Companies (as amended in 2006) (the “Guidelines”), the Listing Rules of the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant requirements under the laws, administrative rules and regulations.

Article 2 The Company, with the approval of General Office of Guangzhou Municipal People’s Government under Sui Fu Ban Han [2005] number 103 and Guangzhou Economic and Trade Commission under Sui Jing Mao [2005] number 233, was converted into a joint stock limited company from the original Guangzhou Automobile Co., Ltd., (廣州汽車集團有限責任公司) (“GAC Limited”) on 28 June 2005 and assumed all the rights and obligations of GAC Limited. The Company registered its changes with Administration for Industry and Commerce of Guangzhou on 28 June 2005. Its Business Licence number is 440101000009080.

The promoters of the Company are Guangzhou Automobile Industry Group Co., Ltd. (廣州汽車工業集團有限公司), Wanxiang Group Corporation (萬向集團公司), China National Machinery Industry Corporation Limited (中國機械工業集團有限公司) (previously known as China Machinery (Group) Company (中國機械裝備(集團)公司)), Guangzhou Iron & Steel Enterprises Group Co., Ltd. (廣州鋼鐵企業集團有限公司) and Guangzhou Chime-Long Hotel Co. Ltd. (廣州市長隆酒店有限公司).

Article 3 Registered name of the Company: in Chinese 廣州汽車集團股份有限公司
in short form: 廣汽集團
in English: GUANGZHOU AUTOMOBILE
GROUP CO., LTD.
in short form: GAC GROUP

Article 4 Address of the Company: 23/F, Chengyue Building, 448–458 Dong Feng Zhong Road, Yuexiu District, Guangzhou
Postal code: 510030
Telephone: (86) 020 83150086
Fax: (86) 020 83150327

Article 5 The Company’s legal representative is the Chairman of the Board of the Company.

Article 6 The Company is a joint stock limited company in perpetual existence.

Article 7 Upon approval by shareholders at the general meeting of the Company by way of special resolution and as amended by resolution of the Board authorized by the general meeting and the opinions of approval and review by the relevant authorities of the People’s Republic of China (“PRC”), these Articles of Association of the Company came into effect after its initial public offering and listing

of its shares, and the original Articles of Association ceased to have effect on the effective date of these Articles of Association.

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

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

In accordance with the Articles of Association, shareholders may sue other shareholders, shareholders may sue the Company, shareholders may sue the Directors, Supervisors, managers and other members of senior management of the Company and the Company may sue shareholders, Directors, Supervisors, managers and other members of senior management of the Company.

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

Article 9 All capital of the Company is divided into shares with same par value per share. The liabilities of the shareholders of the Company are limited to the shares held by them, and the liability of the Company for its debts is limited by its entire assets.

Article 10 The Company may invest in other limited liability companies and joint stock limited companies, to which the Company shall be limited by the amount of its capital contribution.

Article 11 Other members of senior management members under these Articles of Association shall refer to the deputy manager, Secretary to the Board and the chief financial officer of the Company.

CHAPTER 2 PURPOSE AND SCOPE OF OPERATION

Article 12 The purpose of the Company is to develop the Company into a large-scale international conglomerate which is led by modern and scientific development and is highly competitive in both domestic and global markets and to award shareholders with long-term stable investment return and to contribute to the national economic development with the goal of promoting the economic efficiency and realizing the rapid and persistent development while highlighting the corporate culture of "people-oriented" and "team-cooperation" as well as the team effort underlying the entrepreneurship and promoting the structural adjustment and enhancement of the industry as well as strengthening its core businesses.

Article 13 The scope of operation of the Company shall be based on the items approved by the company registration authorities.

The scope of operation of the Company includes: the investment services for automobile industry and ancillary industry; the development, application, sales, technical consultancy and services for automobile engineering technologies and products; the wholesale and retailing of automobiles and parts and components; the exhibition of automobiles; the import and export of goods and technologies (save for the items prohibited by laws and regulations and the import and export of such items should only be conducted upon obtaining the requisite permit); equity investment; property investment and management; and the operation of imported material processing trade.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Section 1 Issue of Shares

Article 14 The Company shall have ordinary shares at all times. It may have other kinds of shares according to needs, upon approval of the company approval authorities that are authorized by the State Council.

Article 15 All the shares issued by the Company shall have a par value which shall be RMB1.00 for each share.

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

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

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

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

Article 18 Overseas listed foreign shares issued by the Company and listed in Hong Kong shall be referred to as H shares. The same type of shares issued by the Company which are listed on a stock exchange in the PRC shall be referred to as A shares.

Article 19 With the approval of company examining and approval authority authorized by the State Council, the Company may issue a total of 3,499,665,555 ordinary shares and the Company issued 3,499,665,555 domestic shares to promoters of the Company at the time it was converted from a limited liability company to a joint stock limited company. With the approval of the extraordinary shareholders’ meeting held in 2009, capital of the Company was increased by the two offerings of GAC shares for subscription by shareholders in proportion to their original shareholding for cash and 435,091,902 GAC shares were issued for subscription. With the said capital increase, the total share capital of the Company was 3,934,757,457 shares and the newly issued shares account for 11.06% of the total ordinary shares available for issue.

Article 20 Subsequent to changing into a joint stock company with limited liability from Guangzhou Automobile Co., Ltd., the Company issued 2,648,392,120 ordinary shares, including 2,213,300,218 overseas listed foreign shares, representing 43.08% of the total number of ordinary shares of the Company.

Prior to the initial public offering of H Shares of the Company, the shareholding of the promoters

of the Company were as follows:

Name of Promoter	Number of shares	Percentage of the total number of shares
Guangzhou Automobile Industry Group Co., Ltd.	3,617,403,529	91.9346%
Wanxiang Group Corporation	156,996,823	3.99%
China National Machinery Industry Corporation Limited	145,227,963	3.6909%
Guangzhou Iron & Steel Enterprises Group Co., Ltd.	7,869,515	0.2%
Guangzhou Chime-Long Hotel Co. Ltd.	7,259,627	0.1845%

Subsequent to the initial public offering of H Shares, the share capital structure of the Company were as follows: 6,148,057,675 ordinary shares, of which 3,934,757,457 domestic shares were held by the promoters, representing 64% of the entire share capital of the Company; 2,213,300,218 shares were held by shareholders of overseas listed foreign shares, representing 36% of the entire share capital of the Company.

The initial public offering of 286,962,422 RMB-denominated ordinary shares to the domestic public on 23 March 2012 by the Company was approved by China Securities Regulatory Commission on 12 January 2012, and such shares were listed on the Shanghai Stock Exchange on 29 March 2012.

Subsequent to the increase in capital by issuing shares to the domestic public referred to in the preceding paragraph, the share capital structure of the Company were as follows: 6,435,020,097 ordinary shares, of which 3,934,757,457 shares are held by the promoters, 286,962,422 shares are held by holders of domestic shares and 2,213,300,218 shares are held by holders of H Shares, representing 61.15%, 4.46% and 34.39% of the total number of ordinary shares, respectively.

Article 21 Upon approval by the securities regulatory authority of the State Council of the Company's proposal for issue of overseas listed foreign shares and domestic shares, the Board of the Company may make implementation arrangements for separate issue.

The Company's proposal for separate issue of overseas-listed foreign shares and domestic shares pursuant to the preceding paragraph may be implemented within fifteen (15) months from the date of approval by securities regulatory authority of the State Council.

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

Article 23 The Company's registered capital is RMB6,148,057,675. Subsequent to the increase in share capital by issuing shares to the domestic public referred to in Article 20, the Company's

registered capital is RMB6,435,020,097.

Article 24 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

For the same class of shares issued in the same tranche, each share shall be issued at the same price and subject to the same conditions. For the shares subscribed by any organization or individual, the price payable for each of such shares shall be the same.

Section 2 Reduction and Increase of Capital and Repurchase of Shares

Article 25 The Company may, based on its requirements for operation and development and in accordance with the relevant laws and regulations and with the resolutions approved by the general meeting, approve an increase of capital in the following manners:

- (1) by public offering of new shares for subscription;
- (2) by non-public issue of shares;
- (3) by allotting bonus shares to its existing shareholders;
- (4) by placing new shares to its existing shareholders;
- (5) by capitalizing its capital reserve;

(6) by any other means which is permitted by the laws, administrative regulations and authorized by the competent authorities of the State.

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

Article 26 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

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

The Company shall notify its creditors within ten (10) days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement at least three (3) times in the newspaper within thirty (30) days from the date of such resolution. A creditor has the right, within thirty (30) days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five (45) days from the date of the first announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

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

Article 27 The Company may, in accordance with the procedures set out in the Articles of Association and with the approval of the department as authorized by the State Council, repurchase its outstanding shares under the following circumstances:

- (1) cancellation of shares for the purpose of reducing its capital;
- (2) merging with another company that holds shares in the Company;
- (3) granting shares to the Company's directors, members of the senior management and other employees as designated by the Board of the Company as incentives;
- (4) acquiring shares held by shareholders who vote against any resolution proposed in any general meeting on the merger or division of the Company upon their request;
- (5) other circumstances as permitted by laws and administrative regulations.

The Company shall not engage in the trading of its shares save for the circumstances specified above.

After the purchase by the Company of its shares pursuant to the circumstances described under the first paragraph of this Article, shares purchased under sub-paragraph (1) shall be cancelled within ten (10) days from the date of acquisition; under the circumstances described in sub- paragraphs (2) and (4), the shares shall be transferred or cancelled within six (6) months.

Shares purchased by the Company under sub-paragraph (3) of the first paragraph of this Article shall not exceed 5% of the total number of shares of the Company in issue; payment by the Company for purchase shall be made out of the after-tax profit of the Company; and the shares purchased shall be transferred to the employees within one (1) year.

Article 28 The Company may, with the approval of the examining and approval department authorized by the State Council for repurchasing its shares, conduct the repurchase in one of the following manners:

- (1) to make an offer of repurchase to all of its shareholders in the same proportion;
- (2) to repurchase shares through public trading on a stock exchange;
- (3) to repurchase through an off-market agreement;
- (4) other means as permitted by the laws, administrative regulations and the examining and approval department authorized by the State Council.

Article 29 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the shareholders at general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive any of its rights thereunder with prior approval by shareholders at general meeting obtained in the same manner.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

The Company shall not assign a contract for repurchasing its shares or any of its rights thereunder.

Article 30 Where the Company has the power to repurchase redeemable shares, repurchases not made through the market or by tender shall be limited to a maximum price; if repurchases are made by tender, invitation for tenders shall be made to all shareholders alike.

Article 31 Shares repurchased in accordance with the laws by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration of the change of its registered capital.

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

Article 32 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:

(1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;

(2) where the Company repurchases its shares at a premium over their par value, payment up to the par value shall be made out of the book balance of distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose. Payment of the portion in excess of the par value shall be effected as follows:

1. if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;

2. if the shares being repurchased were issued at a premium over their par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose, provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's capital reserve account (including the premiums on the fresh issue);

(3) payment by the Company for the following purposes shall be made out of the Company's distributable profits:

1. acquisition of rights to repurchase shares of the Company;
2. variation of any contract for repurchasing shares of the Company;
3. release of its obligation under any contract for repurchasing its shares;

(4) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value portion of the shares repurchased shall be transferred to the Company's capital reserve account.

Section 3 Share Transfer

Article 33 Upon approval from the security regulatory authorities of the State Council, the holders of domestic shares of the Company may transfer its shares to overseas investors for listing and dealing on the overseas stock exchanges. The listing of transferred shares on overseas stock exchanges shall comply with the regulatory procedures, regulations and requirements of such overseas stock exchanges. The listing and dealing of the transferred shares on overseas stock exchanges is not subject to voting by separate class shareholder meetings.

Unless otherwise provided by the laws, administrative regulations and relevant requirements of the securities regulatory authorities in the place where the Company's shares are listed, the shares of the Company may be transferred freely without any lien being attached. Transfer of overseas listed foreign shares listed in Hong Kong is required to be registered by the share registrar in Hong Kong entrusted by the Company.

Article 34 Overseas listed foreign shares listed on the Hong Kong Stock Exchange which were fully paid can be transferred freely pursuant to the Articles of Association. However, unless the transfer complies with the following conditions, the Board may refuse to process with transfer documents without stating any reasons therefor:

(1) the transfer documents and other documents relating to or affecting the title to any shares shall be registered and the fee levied pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") is paid to the Company;

(2) the transfer documents relate only to the overseas listed foreign shares listed on the Hong Kong Stock Exchange;

(3) the stamp duty payable on the transfer documents had been paid according to legal requirements of Hong Kong;

(4) the provision of the relevant share certificate(s) and the evidences for having the right to transfer shares as reasonably required by the Board;

(5) if the share is to be transferred to joint owners, the number of the joint owners shall not exceed four (4); and

(6) the share is free from all liens.

If the Board refuses to register the transfer of shares, the Company shall deliver a notification related to the refusal of transfer of shares to the transferor and transferee within two (2) months from the date of the formal application for transferring the shares.

Article 35 All overseas listed foreign shares listed in Hong Kong shall be transferred by an instrument in writing in any usual or common form or any other form which the Board may approve. The instrument of transfer of any share may be executed by hand. If the shareholder is a recognized clearing house as defined in the Securities and Futures Ordinance of Hong Kong ("Recognized Clearing House") or its nominee, the share transfer form may be executed in mechanically-printed form.

Article 36 The Company shall not accept any shares of the Company as the subject of a pledge.

Article 37 Shares issued prior to the Company's initial public offering are not transferable within one (1) year from the date on which the Company's shares are listed on the domestic stock exchange.

The Directors, Supervisors and members of senior management of the Company shall report to the Company their shareholdings and changes therein and shall not transfer more than 25% of the total number of shares held by them in each year during their tenure. The shares held by them shall not be transferred within one (1) year from the date the shares of the Company being listed and traded on the stock exchange(s) and the aforesaid person(s) shall not transfer the shares of the Company held by them within six (6) months commencing from the termination of their service, except otherwise mandatorily enforced by the court.

Article 38 Any gains from sale of shares in the Company by any Directors, Supervisors, members of senior management or shareholders holding 5% or more of the shares in the Company within six (6) months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six (6) months after sale of the same shall be paid to the Company. The Board shall forfeit such gains from the abovementioned parties. However, if a securities firm holds 5% or more shares by buying the remaining shares pursuant to an underwriting arrangement, the six (6) month limitation for selling the said shares shall not apply.

If the Board does not observe the provisions of the preceding paragraph, the shareholders shall be entitled to request the Board to effect the same within thirty (30) days. If the Board of the Company fails to do so within the aforesaid time limit, the shareholders may directly initiate court proceedings in their own name for the interests of the Company.

Should the Board fail to comply with the requirements set out in the first paragraph, the responsible Director(s) shall assume the relevant liabilities under the law.

CHAPTER 4 FINANCIAL ASSISTANCE FOR ACQUISITION OF THE COMPANY'S SHARES

Article 39 The Company or its subsidiaries shall not, by any means and at any time, provide any kind of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly assumes any obligations due to the acquisition of shares of the Company.

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

This provision does not apply to the circumstances stated in Article 41 of this Chapter.

Article 40 The financial assistance referred to in this Chapter includes (without limitation) the following means:

(1) gift;

(2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), or compensation (other than compensation arising from the Company's own default) or release or waiver of any rights;

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

(4) any other form of financial assistance given by the Company when the Company is insolvent or has no net assets or when its net assets would be reduced to a material extent.

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

Article 41 The following activities shall not be deemed to be activities as prohibited in Article 39 of this Chapter:

(1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose of giving the financial assistance is not for the acquisition of shares of the Company, or the giving of the financial assistance is an incidental part of certain master plan of the Company;

(2) the lawful distribution of the Company's assets as dividend;

(3) the allotment of bonus shares as dividends;

(4) a reduction of registered capital, a repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with the Articles of Association;

(5) the lending of money by the Company within its scope of operation and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company);

(6) the provision of money by the Company for contributions to share schemes of employees (provided that the net assets of the Company are not thereby reduced or that, to the extent that the net assets are thereby reduced, the financial assistance is provided out of the distributable profits of the Company).

CHAPTER 5 SHARE CERTIFICATES AND REGISTER OF MEMBERS

Article 42 Share certificates of the Company shall be in registered form.

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

The Company may issue overseas listed foreign shares in form of foreign depository receipts or other derivative means of shares in accordance with the laws and the practice of registration and depository of securities in the place of listing.

Article 43 The share certificates shall be signed by the Chairman. Where the stock exchange on which the shares of the Company are listed requires the share certificates to be signed by the Company's manager or other senior management, the share certificates shall also be signed by such manager or other senior management.

The share certificates shall take effect after being affixed with the seal of the Company or the securities seal of the Company. The share certificates shall only be affixed with the Company's seal or the securities seal of the Company under the authorization of the Board. The seal may be affixed in printed form.

The signatures of the Chairman of the Company or other relevant senior management on the share certificates may also be in printed form.

Other requirements of the securities regulatory authorities in the place of listing of the shares of the Company shall apply in case the shares of the Company are issued and transacted in a paperless

manner.

Article 44 The Company shall keep a register of shareholders which shall contain the following particulars:

- (1) the name, address (domicile), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which a person is registered as a shareholder;
- (6) the date on which a person ceases to be a shareholder.

The Company shall establish the register of shareholders with the information provided by the securities registration organization. The register of shareholders shall be sufficient evidence of the holding of the Company's shares by a shareholder, unless there is evidence to the contrary.

Article 45 The Company may, in accordance with the mutual understanding and agreements made between securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign shares outside the PRC and appoint overseas agent(s) to manage such register. The original register of holders of overseas listed foreign shares listed in Hong Kong shall be maintained in Hong Kong.

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

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

Article 46 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following:

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

Article 47 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

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

Article 48 Transfers may not be entered in the register of shareholders within thirty (30) days prior to the date of a general meeting or within five (5) days before the record date set by the Company for the purpose of distribution of dividends.

Article 49 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall decide on a date for the determination of rights attaching to shares in the Company. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company entitled to take part in the aforesaid activities.

Article 50 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

Article 51 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his share certificates (the “original certificates”) are lost, apply to the Company for a replacement share certificate in respect of such shares (the “relevant shares”).

If a holder of domestic shares loses his share certificates and applies for their replacement, it shall be dealt with in accordance with the Company Law.

If a holder of overseas-listed foreign shares loses his share certificates and applies for their replacements, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is maintained.

The issue of replacement share certificates to holders of H shares shall comply with the following requirements:

(1) The applicant shall submit an application to the Company in prescribed form accompanied by a notarization document or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as declaring that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.

(2) No declaration has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company came to a decision to issue the replacement share certificate.

(3) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the Board. The announcement shall be made at least once every thirty (30) days for a period of ninety (90) days.

(4) The Company shall have, prior to the publication of its announcement of intention to issue a replacement certificate, delivered to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from such stock exchange that the announcement has been exhibited at the premises of the

stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety (90) days. In case an application to issue a replacement share certificate has been made without the consent of the registered holder of the relevant shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

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

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

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

Article 52 Where the Company issues a replacement share certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 53 The Company shall not be liable for any loss suffered by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

CHAPTER 6 SHAREHOLDERS AND MEETING

Section 1 Shareholders

Article 54 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

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

When two or more persons are registered as joint holders of any shares, they shall be deemed to be joint owners of such shares and subject to constraints of the following terms:

(1) the Company shall not register more than four (4) persons as joint holders for any shares;

(2) the joint holders of any shares shall assume the joint liability to pay for all amounts payable for the relevant shares;

(3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right to demand a death certificate of such shareholder which it deems appropriate for the purpose of altering the register of shareholders ;

(4) for joint holding of any shares, only the joint holder whose name appears first in the register of shareholders is entitled to receive the certificate for the relevant shares, receive the Company's notices, and to attend and exercise all the voting rights in the general meetings of the Company. Any notice served on the above persons shall be deemed to have been served on all joint holders of the relevant shares.

Article 55 The ordinary shareholders of the Company shall be entitled to the following rights:

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

(2) the right to propose, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise the corresponding voting right thereat in accordance with laws and the Articles of Association;

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

(4) the right to transfer shares held by them in accordance with the laws, administrative regulations, the relevant requirements of the securities regulatory authority in the place of listing of the shares of the Company and the provisions of the Articles of Association;

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

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

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

(i) all parts of the register of shareholders;

(ii) personal particulars of each of the Company's Directors, Supervisors, managers and other senior management, including:

a) present name and alias and any former name and alias;

b) principal address (domicile);

c) nationality;

d) profession and all other part-time occupations;

e) identification document and its number.

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

(iv) the special resolutions of the Company;

(v) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;

(vi) copies of the latest annual application form submitted to Administration for Industry and Commerce of the PRC or other competent authority for registration;

(vii) minutes of general meetings;

(viii) the latest audited financial reports and reports of auditors, the Board and Supervisory Committee;

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

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

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

Article 56 Upon the payment of reasonable fee, shareholders are entitled to photocopy the document listed in (i) to (v) under sub-paragraph (5) of Article 55. Shareholders demanding inspection of the relevant information or copies of the materials shall provide to the Company written notice and documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Article 57 The Company shall protect the legal interests of shareholders and treat all shareholders equally. Whenever necessary, the Company shall ensure that preference shareholders have sufficient voting rights.

Whenever their legal interests are infringed, shareholders are entitled to initiate litigation or arbitration under the laws and administrative rules of the PRC and the Articles of Association for demanding the termination of the infringement and the compensation of loss.

The Company shall not exercise any power against any person who fails to disclose any of his direct or indirect interest in the Company for the purpose of freezing or otherwise damaging the interest of such person as attached to shares.

Article 58 The ordinary shareholders of the Company shall assume the following obligations:

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

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

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

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

(5) shareholders of the Company who abuse their shareholder's rights and thereby cause loss on the Company or other shareholders shall be liable for indemnity according to the law;

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

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

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

Article 59 Where a shareholder holding 5% or more voting shares of the Company pledges any shares in his possession, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 60 The controlling shareholder and the de facto controller of the Company shall have fiduciary duties towards the Company and its other shareholders. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the law. The controlling shareholder shall not do harm to the lawful interests of the Company and its other shareholders through means such as profit distribution, asset restructuring, foreign investment, possession of capital and lending guarantees and shall not make use of its controlling status against the interests of the Company and other shareholders.

The controlling shareholder and the de facto controller of the Company shall not use their connected relationship to act in detriment to the interests of the Company. If they have violated this provision and caused damage to the Company, they shall be liable for such damages.

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

(1) to relieve a Director or Supervisor of his duty to act honestly in the best interests of the Company;

(2) to approve the deprivation by a Director or Supervisor (for his own benefit or for the benefit of another person), by any means, of the Company's assets, including (without limitation) opportunities beneficial to the Company;

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

Article 61 The term "controlling shareholder" referred to in the preceding Article means a person who satisfies any one of the following conditions:

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

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

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

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

“Acting in concert” under this Article shall refer to two or more person who act in the same way in the voting of the Company for the purpose of extending its proportionate control over the shares of the Company or consolidating its controlling position through agreement (whether oral or written) or cooperation.

“Act in the same way” in the preceding paragraph refers to the situation of proposing resolution, nominating Directors jointly or exercising the voting rights of proxy where no indication is specified but not including the public collection of proxy.

The “de facto controller” under the Articles of Association shall refer to the persons who, not being a shareholder of the Company, is able to exercise control over the acts of the Company through an investment relationship, agreement or other arrangement.

Article 62 The controlling shareholders shall strictly comply with laws, administrative regulations, rules and relevant regulations of the securities regulatory authorities of the place where the shares of the Company are listed as well as the conditions and procedures defined by the Articles of Association when they nominate the candidates for the Director and the Supervisor of the Company. The candidates for Director and Supervisor nominated by the controlling shareholders shall have the relevant professional knowledge as well as the decision-making and supervision capacity.

The controlling shareholders shall not directly or indirectly interfere with the decision-making of the Company and operation activities conducted in accordance with laws and shall not impair the rights and interests of the Company and other shareholders.

Section 2 General Meeting

Article 63 The general meeting is the organ of authority of the Company, and may exercise its functions and powers in accordance with law.

The general meeting may exercise the following functions and powers:

- (1) to determine on the operating policies and investment plans of the Company;
- (2) to elect and replace Directors and determine on matters relating to the remuneration of Directors;
- (3) to elect and replace the Supervisors who are representatives of shareholders and determine on matters relating to the remuneration of Supervisors;
- (4) to examine and approve reports of the Board;
- (5) to examine and approve reports of the Supervisory Committee;
- (6) to examine and approve the Company’s proposed annual financial budgets and final accounts;
- (7) to examine and approve the Company’s profit distribution plans and plans for making up

losses;

(8) to resolve on increases or reductions in the Company's registered capital;

(9) to resolve on matters such as merger, division, dissolution, liquidation or the change of the form of the Company;

(10) to resolve on the proposal on the issue of bonds and other marketable securities and their listing by the Company ;

(11) to resolve on the repurchase of the Company's shares;

(12) to resolve on the Company's appointments, dismissals or non-reappointments of accountants' firms;

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

(14) to examine and approve the Company's share incentive schemes;

(15) to amend the Articles of Association;

(16) to examine the proposals submitted by shareholders individually or jointly holding not less than 3% of the Company's voting shares;

(17) to examine and approve matters relating to guarantee under Article 64;

(18) to examine and approve matters relating to changes in the use of proceeds;

(19) other matters required by laws, administrative regulations, departmental rules, the relevant requirements of the securities regulatory authority in the jurisdiction in which the shares of the Company are listed and the provisions of the Articles of Association to be resolved by the general meeting.

Article 64 The following guarantees provided to third parties by the Company are subject to review and approval at the general meeting:

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

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

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

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

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

Article 65 The rules of procedures for the general meetings shall be formulated by the Company,

which shall stipulate the detailed procedures for convening the general meetings and voting thereat, including notice, registration, consideration and approval of proposals, voting, vote counting, announcement of voting results, formulation of resolutions of the meeting, minutes of the meeting and its signature and the principle and content of the authorization granted to the Board by the general meeting. The rules of procedures of the general meetings shall be appended to the Articles of Association, which shall be proposed by the Board and approved at the general meeting.

Article 66 Unless prior approval is obtained in a general meeting, the Company shall not enter into any contract with any party other than the Directors, Supervisors, managers and other senior management pursuant to which such party shall be responsible for managing the whole or any substantial part of the Company's business.

Article 67 General meetings comprise annual general meetings and extraordinary general meetings. A general meeting shall in general be convened by the Board. The annual general meeting shall be held once every year within six (6) months after the end of the previous accounting year.

The Board shall hold an extraordinary general meeting within two (2) months upon the occurrence of one of the following circumstances:

(1) the number of Directors is less than the number required by the Company Law or less than two-thirds of the number required by the Articles of Association;

(2) the uncovered losses are in excess of one-third of the Company's total share capital;

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

(4) the Board considers it necessary;

(5) the Supervisory Committee proposes to hold such a meeting;

(6) two or more independent Directors propose to hold such a meeting;

(7) such other circumstances as provided for by laws, administrative regulations or departmental rules or the Articles of Association.

The shareholding of the shareholders making the written request referred to in preceding sub-paragraph(3) shall be calculated on the date of making such written request.

Article 68 When convening a general meeting, the Company shall give written notice to all shareholders in the register forty-five (45) days prior to the convening of the meeting to inform them of the matters to be considered in the meeting as well as the date, time and venue of the meeting. The venue of the general meeting shall be the Company's address or a place designated by the Board. Shareholders who intend to attend the general meeting shall reply the Company in writing that they will attend the meeting twenty (20) days prior to the convening of the meeting.

Article 69 When the Company convenes a general meeting, the Board, the Supervisory Committee and shareholders individually or jointly holding over 3% of the total issued shares of the Company with voting rights are entitled to propose new motions to the Company in writing.

Contents of motions shall fall within the terms of reference of a general meeting, cover specific topics for discussion and specific issues to be resolved, and comply with the requirements of laws,

administrative regulations and the Articles of Association.

Shareholders individually or jointly holding over 3% of the shares of the Company are entitled to propose extraordinary motions to the Company and submit them in writing to the convener ten (10) days before the convening of the general meeting. The convener shall issue supplementary notice of the general meeting to announce the content of the extraordinary motions within two (2) days after receiving the proposed motions.

Except as stipulated above, the convener shall not alter the motions listed in the notice of general meeting or add new motions after the notice of general meeting has been published.

Article 70 The Company shall calculate the number of shares with voting rights represented by the shareholders planning to attend the general meeting based on the written replies received twenty (20) days before the meeting is convened. In the event that the number of shares with voting rights represented by the shareholders planning to attend reaches more than half of the total number of shares with voting rights, the Company may hold the general meeting. If this requirement is not met, the Company shall again inform the shareholders of the matters to be deliberated and the date and venue within five (5) days in the form of an announcement before the general meeting may be convened. After making the related announcement, the general meeting may be held.

The Company shall arrange for the venue for a physical meeting to be held.

The proposals that have not been set out in the notice of the general meeting or the supplementary notice or that are not in line with the preceding Article, shall not be voted or resolved on at the shareholders' meeting.

Article 71 The notice of a general meeting shall meet the following criteria:

- (1) is made in writing;
- (2) specifying the venue, date and time of the meeting;
- (3) setting out the matters and motions to be considered at the meeting;

(4) providing shareholders with such information and explanation as necessary for them to make informed decisions on the matters to be considered. This principle includes (but not limited to) where a proposal is made to merge the Company with another, to repurchase shares, to restructure the share capital, or to reorganize the Company in any other way, the terms of the proposed transaction must be provided in detail together with copies of the proposed agreement, if any, and the cause and effect of the such proposal shall be properly explained;

(5) disclosing the nature and degree of the material interest of any Director, Supervisor, manager and other senior management in the matters to be considered. In case that the impact of the matters to be considered on such Director, Supervisor, manager and other senior management as a shareholder is different from that on other holders of the same class of shares, the difference shall be stated;

- (6) setting out the full text of any special resolution proposed to be approved at the meeting;

(7) containing a prominent written statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his behalf and that a proxy need not be a shareholder;

(8) specifying the time and place for delivery of the authorization letter for proxy voting of the meeting;

(9) specifying the record date for registration of shareholders entitled to attend the general meeting;

(10) specifying the name and phone number of the regular contact person for the meeting.

The notice of general meeting (or any supplemental notice) shall thoroughly and completely disclose the specific contents of all proposals. In the event that independent Directors are required to express their views on the matters to be discussed, the notice of general meeting (or any supplemental notice) shall also disclose the views of the independent Directors and the reasons for forming such views.

If a general meeting adopts voting by internet or other means, the voting time and methods for voting by internet or other means should be clearly stated in the notice of a general meeting. The commencement time of voting by internet and other means shall not be earlier than 3:00 pm of the day before the meeting and shall not be later than 9:30 am on the day of the meeting. The closing time of voting by internet and other means shall not be earlier than 3:00 pm on the day of the meeting.

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

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

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

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

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

Article 72 The notice of the general meeting shall be served on all shareholders (whether or not such shareholder is entitled to vote at the general meeting) by personal delivery or by pre-paid mail. The address of the recipient shall be the registered address as shown in the register of members. For holders of domestic shares, the notice of shareholders' general meeting may be published by way of an announcement.

The announcement as mentioned above shall be published in one or more newspapers designated by the securities authority of the State Council within the interval between 45 days and 50 days prior to the date of the meeting; all holders of domestic shares shall be deemed to have received notice of the relevant general meeting upon the publication of announcement.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company may also send or dispatch the aforesaid notices of general meeting to the holders of overseas listed foreign shares through the Company's website or electronically, instead of sending or dispatching the same in the manner prescribed in the preceding two paragraphs of this article and Article 68 of the Articles of Association.

The Company shall issue a notice, so that holders of overseas listed foreign shares whose

registered addresses are in Hong Kong may have sufficient time to exercise their rights or to take actions in accordance with the terms of the notice.

After the notice of the shareholders' general meeting is dispatched, the Board shall not change the time of the general meeting, unless due to force majeure or other accidental events, etc.. If the time of the general meeting is required to be changed due to force majeure, the shareholding record date shall not be altered.

Article 73 Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed at the meeting.

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

Article 74 The Board of the Company and other conveners shall take necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant departments for investigation any acts of disturbing the general meeting, stirring up fights and causing troubles, or infringing upon shareholders' legal rights and interests.

Article 75 Any shareholder entitled to attend and vote at the general meeting shall have the right to appoint one (1) or several persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

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

(2) the right to demand a poll alone or jointly with others;

(3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

If the said shareholder is a recognized clearing house (or its nominee) under the Securities and Futures Ordinance (Cap 571, the laws of Hong Kong), the shareholder may authorize one (1) or more suitable person to act as its representative at any general meeting or at any class meeting; however, if more than one (1) person are authorized, the power of attorney shall clearly indicate the number and types of the shares each representative is authorized to represent. The persons so authorized may represent the recognized clearing house or its nominee to exercise the rights, as if they were the individual shareholders of the Company.

Article 76 The instrument appointing a proxy must be in writing under the hand of the shareholder or his attorney duly authorized in writing; for a corporate shareholder, the proxy must be affixed with the common seal or signed by its legal representative or Director or attorney duly authorized in writing. The letter of authorization shall specify the number of the shares to be represented by the attorney. If several persons are authorized as the attorney of the shareholder, the letter of authorization shall specify the number of the shares to be represented by each attorney.

Individual shareholders attending the meeting in person shall present their personal identity cards or other valid identification documents or stock account card. Proxies attending the meeting shall

present their valid personal identification documents and the authorization letters from the shareholders.

Corporate shareholders shall be represented by their legal representatives or proxies authorized by the legal representatives. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove their identities as legal representatives. Proxies authorized to attend the meeting shall present their personal identity cards, the authorization letters lawfully issued by the corporate shareholders.

Article 77 Letters authorizing proxies shall, at least 24 hours before convening the relevant meeting or at least 24 hours before the designated voting time, be delivered to the Company's address or any other places specified in the notice convening the meeting. For authorization letters signed by other representatives of the shareholders, the letters authorizing the representative to sign or other documents of authorization shall be notarized. Such notarized authorization letters or other documents of authorization shall, along with the letters authorizing proxies, be placed at the Company's address or any other places specified in the notice convening the meeting.

Should the shareholder be a legal person, it should be represented at the general meeting by its legal representative or persons authorized by its board of directors or other decision-making bodies.

Article 78 The authorization letter issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

- (1) the name of the proxies;
- (2) whether the proxies have the right to vote;
- (3) instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting;
- (4) the signing date and the effective period of the authorization letter;
- (5) signature (or seal) of the shareholders who appoint the proxies. For authorization letters from corporate shareholders, the seal of the corporate entity shall be affixed.

Article 79 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote for or against or abstain from voting separately in respect of each resolution to be voted at the meeting. Such letter of authorization shall specify that in the absence of instructions by the shareholder, his proxy may vote as he thinks fit.

Article 80 Where the appointer has deceased, incapacitated to act, withdrawn the appointment or the power of attorney under which the proxy was appointed, or where the relevant shares have been transferred prior to the voting, a vote given in accordance with the letter of authorization shall remain valid as long as no written notice of such event has been received by the Company prior to the commencement of the relevant meeting.

Article 81 A registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending units), their identity card numbers, residential address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.

Article 82 The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of members provided by the securities

registration and clearing authority, and shall register the names of the shareholders as well as the number of their shares with voting rights. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting in person and the total number of their shares with voting rights held.

Article 83 Two(2) or more independent Directors have the right to propose the Board to convene extraordinary general meetings. The Board shall reply in written form regarding the acceptance or refusal to convene an extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations, rules and the Articles of Association.

If the Board agrees to convene extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the Board resolved to do so. If the Board does not agree to convene extraordinary general meeting, reasons shall be explained and announced in writing.

Article 84 The Supervisory Committee has the right to request the Board to convene extraordinary general meetings in writing. The Board shall reply in writing regarding the acceptance in writing or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request in accordance with requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene the extraordinary general meeting, notice convening the meeting shall be issued within five (5) days after the Board reached the resolution to do so. Should there be amendments to the original proposals in the notice, consent has to be obtained from the Supervisory Committee.

If the Board does not agree to convene the extraordinary general meeting or does not reply within ten (10) days upon receiving the request, the Board will be considered as unable or refused to fulfill the obligation to convene general meetings and the Supervisory Committee may convene and preside over the meeting on its own.

Article 85 Shareholders individually or jointly holding over 10% of shares of the Company shall be entitled to requests and demand the Board to convene extraordinary general meetings and shall make written request to the Board. The Board shall reply in writing regarding the acceptance or refusal to convene the extraordinary general meeting within ten (10) days upon receiving the request in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board agrees to convene an extraordinary general meeting, notice convening the general meeting or class meeting shall be issued within five (5) days after the Board has resolved to do so. Should there be amendments to the original requests in the notice, consent has to be obtained from the related shareholders.

If the Board does not agree to convene an extraordinary general meeting or does not reply within ten (10) days upon receiving the request, shareholders individually or jointly holding over 10% of shares have the right to request the Supervisory Committee to convene the extraordinary general meeting.

If the Supervisory Committee agrees to convene the extraordinary general meeting, notice convening the extraordinary general meeting or class meeting shall be issued within five (5) days upon receiving the request. Should there be amendments to the original requests in the notice, consent has to be obtained from the related shareholders.

If the Supervisory Committee does not issue notice of the general meeting within the required period, it will be considered as not going to convene and preside over the general meeting, and shareholders individually or jointly holding over 10% of the shares of the Company for 90 consecutive days have the right to convene and preside over the meeting on their own.

Article 86 Supervisory Committee or shareholders, if decided to convene general meetings on their own, shall inform the Board in writing and make filing with the appointed organization of the CSRC in the locality of the Company for record.

Article 87 The Board and the secretary to the Board should cooperate with the Supervisory Committee or shareholders convening general meetings on their own. The Board shall provide the register of members as of the share registration record day.

Article 88 The Company will bear all the costs for the general meeting convened by the Supervisory Committee or shareholders.

Article 89 The general meeting convened by the Board shall be chaired by the Chairman. In the event the Chairman is unable to perform his duties or he does not perform his duties, the vice chairman who has been elected by more than half of the Directors shall chair the meeting, and when the vice chairman is unable to perform his duties or he does not perform his duties, a Director elected by more than half of the Directors shall chair the meeting.

The general meeting convened by the Supervisory Committee by its own shall be chaired by the chairman of the Supervisory Committee. In the event the chairman of the Supervisory Committee is unable to perform his duties or he does not perform his duties, a Supervisor elected by more than half of the Supervisors shall chair the meeting.

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

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

Article 90 During the general meeting, all of the Company's Directors, Supervisors and the secretary to the Board shall attend the meeting, the managers and other senior management shall attend as observers.

Article 91 At the annual general meeting, the Board and the Supervisory Committee shall report to the general meeting their work in the past year. Each independent Director shall also report on their work.

Article 92 Directors, Supervisors, senior management shall offer clarifications and explanations to the inquiries and proposals made by shareholders at the general meeting.

Article 93 Prior to voting, the chairman of the general meeting shall announce the number of shareholders and proxies present and the total number of shares with voting rights held by them. The number of shareholders and proxies present and the total number of shares with voting rights held by them shall be such number as stated in the registration of the meeting.

Article 94 The secretary to the Board shall be responsible for taking minutes of the general meetings. The minutes shall record the following information:

- (1) the time, venue, agenda and the name of the convener of the meeting;
- (2) the name of the chairman of the general meeting, and the names of the Directors, Supervisors, managers and other senior management who attend or observe in the meeting;
- (3) the number of shares carrying voting rights held respectively by holders of domestic shares (including their proxies) and holders of overseas listed foreign shares (including their proxies) attending the meeting, and the percentage of the total number of shares of the Company they represent;
- (4) the discussions in respect of each motion, highlights of the speeches and the voting results;
- (5) the inquiries and proposals raised by shareholders and the corresponding answers or explanations;
- (6) the names of the lawyer, vote taking officer and scrutineer;
- (7) other details that are required by the Articles of Association to be recorded in the minutes.

Article 95 The convener shall ensure the truthfulness, accuracy and completeness of the meeting minutes. Directors, Supervisors, the secretary to the Board, the convener or his representative and the chairman of the meeting who attend the meeting shall sign on the meeting minutes. The minutes shall be kept together with the signature book of shareholders attending the meeting, the authorization letter of proxies as well as all valid materials of voting for no less than ten (10) years.

Article 96 The convener shall ensure that the general meeting is held continuously until final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, measures shall be adopted to resume the meeting as soon as possible or the meeting shall be concluded immediately, and an announcement shall be promptly made accordingly. The convener shall also report the same to the local authority of the securities regulatory department of the State Council of the place where the Company is domiciled.

Section 3 Resolutions of the General Meeting

Article 97 The resolutions of the general meeting shall be classified as ordinary resolutions and special resolutions.

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

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

Article 98 The following resolutions shall be adopted as ordinary resolutions at a general meeting:

- (1) operation direction and major investment plans of the Company;
- (2) working reports of the Board and the Supervisory Committee;

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

(4) election and removal of Directors, Supervisors who are representatives of shareholders, and determination of their emoluments;

(5) annual financial budgets, final accounts, balance sheets and profit and loss accounts and other financial statements of the Company;

(6) the appointment and removal of the accountants' firm and determination of its emolument;

(7) annual report of the Company;

(8) other matters unless otherwise required to be adopted as special resolutions in accordance with the applicable laws and administrative regulations or the Articles of Association.

Article 99 The following resolutions shall be adopted as special resolutions at a general meeting:

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

(2) division, merger, dissolution and liquidation or change in corporate form of the Company;

(3) issuance of debentures of the Company;

(4) amendments to the Articles of Association;

(5) the major assets purchased and sold by the Company or the guaranteed amount within one year reaching or exceeding 30% of the latest period's audited total assets;

(6) share incentive scheme;

(7) examine and approve matters relating to changes in the use of proceeds;

(8) other matters approved by ordinary resolution of the general meeting as being potentially affecting the Company to a material extent and need to be approved by special resolution;

(9) other matters to be approved by special resolution pursuant to the laws, administrative regulations, relevant listing rules or the Articles of Association or approved by ordinary resolution of the general meeting as being potentially affecting the Company to a material extent and need to be approved by special resolution.

Article 100 A shareholder (including proxy) when voting at a general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote and each share shall have one vote.

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

Article 101 When the general meeting resolves on a connected transaction of the Company, the connected shareholders shall refrain from voting and the number of voting shares that they represent shall not be counted as part of the total number of valid voting shares. Announcement of resolutions approved at the general meeting shall fully disclose the details of the voting.

Article 102 Where any shareholder is, under the listing rules of the place of listing of foreign shares, required to abstain from voting on a particular resolution or restricted to voting only in favour of or against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

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

Article 103 The Company shall, while assuring legality and effectiveness of the general meeting, through different methods and channels (including the provision of modern information technology methods such as the internet voting platform) provide convenience to shareholders attending the general meeting.

Article 104 The list of candidates for Director and Supervisor shall be proposed to the general meeting for voting.

The candidates of the first session of the Directors and Supervisors of the Company are nominated by the promoters of the Company; while the candidates of the next session of Directors and Supervisors are nominated by the Board and the Supervisory Committee of the previous session and shareholders who hold more than 5% of total shares with voting rights.

When voting on the election of Directors and Supervisors, the general meeting may implement accumulative voting system according to these Articles of Association or the resolution of the general meeting.

Accumulative voting system referred to in the preceding paragraph means a system whereby each share, in an election of or Supervisors at a general meeting, carries the number of voting rights equivalent to the number of the Directors or Supervisors to be elected, and a shareholder may concentrate his voting rights.

The Board shall make available to the shareholders the resume and general information of the candidates for Directors and Supervisors.

Article 105 Other than the accumulative voting system, the general meeting will vote on all motions one by one, and for the different motions on the same matter, voting will be proceeded according to the order of the time at which these motions are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the general meeting shall not put aside the motions or leave them unvoted.

Article 106 When considering a motion at the general meeting, no change shall be made thereto. Otherwise, such related change shall be treated as a new motion which shall not be processed for voting at the general meeting.

Article 107 At any general meeting, a resolution shall be decided on a show of hands unless a poll is required by the listing rules of the places where the shares of the Company are listed or a poll is demanded by the following persons before or after deciding on a show of hands:

- (1) the chairman of the meeting;
- (2) at least two (2) shareholders entitled to vote or their proxies; or

(3) one (1) or more shareholders (including proxies) individually or jointly holding 10% or more of the voting shares represented by all shareholders present at the meeting.

Unless otherwise required by the listing rules of the place(s) where the shares of the Company are listed or a poll is demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect recorded in the minutes of the meeting, shall be conclusive evidence of the fact without proof of the number or proportion of the votes in favour of or against such resolution at the meeting.

The demand for a poll may be withdrawn by the person who makes such demand.

Article 108 A poll demanded on such matters as the election of chairman or the adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may decide, and the meeting may proceed to discuss other matters, while the results of the poll shall still be deemed to be a resolution of that meeting.

Article 109 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 110 When the number of votes for and against a resolution is equal, whether the vote is taken by raising hands or by poll, the chairman of the meeting shall have one casting vote.

Article 111 Before voting on motions in the general meeting, two shareholder representatives shall be recommended to participate in vote counting and scrutiny. Should any shareholder have interests in the matters to be considered, the related shareholders and their proxies shall not participate in vote counting and scrutiny.

Article 112 During the vote on a motion in the general meeting, vote counting and scrutiny shall be carried out jointly by lawyer, shareholder representatives and Supervisor representatives, and the result of the vote shall be announced on the spot.

Shareholders or their proxies of listed company who vote via the internet or other means have the right to check the results of their votes in the corresponding voting system.

Article 113 The chairman of the meeting shall announce the voting circumstances and results of each resolution pursuant to the requirements of the Articles of Association. He shall also announce whether the resolutions have been passed according to the voting results.

Before officially announcing the voting results, all parties related to the voting present at the meeting, through internet or other voting methods, including the Company, counting officers, scrutinizers, major shareholders and the internet service provider, have a duty to keep confidential.

Article 114 Shareholders attending the general meeting shall express one of the following views during the voting of a resolution: for, against or abstain.

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

Article 115 In the event that the chairman of the meeting has any doubt as to the result of a resolution put forward to the vote, he may have the votes counted. In the event that the chairman of the

meeting does not have the votes counted, any shareholder present in person or by proxy objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the voting result, the chairman of the meeting shall have the votes counted immediately.

In the event that the votes are counted at the general meeting, the counting results shall be recorded in the minutes of the meeting. The minutes of the meeting together with the attendance book for shareholders' signing and the proxy forms for proxies attending the meeting shall be kept at the domicile of the Company.

Article 116 Where a proposal has not been adopted or the resolution of any previous general meeting is modified in the current general meeting, a special reminder shall be given in the resolutions of the general meeting.

Article 117 Where the proposals on the election of Directors and Supervisors have been adopted at the general meeting, the new Directors and Supervisors shall be appointed from the date of the general meeting on which the resolution is adopted.

Article 118 All resolutions passed by the general meeting shall comply with the relevant requirements of the laws, administrative regulations of the PRC and the Articles of Association.

Article 119 Subject to the compliance of Article 56, copies of the minutes of the meeting shall be available for inspection during business hours of the Company by any shareholder without charge. If a shareholder demands from the Company a copy of such minutes, the Company shall send a copy to him within seven (7) days after receipt of reasonable charges.

Article 120 The system of witnessing by lawyers is implemented for the general meeting. The Company shall, when convening of a general meeting, engage lawyers to issue legal opinions in respect of the following matters and make relevant announcements accordingly:

- (1) whether the procedures relating to the convening and the holding of such meeting comply with the laws, administrative regulations and the Articles of Association;
- (2) the legality and validity of the qualifications of the attendees and the convener of the meeting;
- (3) the legality and validity of the voting procedures, results of the voting and contents of the resolutions of the meeting;
- (4) legal opinions issued on other related matters as requested by the Company.

Article 121 The resolutions of the general meeting shall be announced in a timely manner, and the announcement shall indicate the number of shareholders and proxies that attended the meeting, the total number of shares carrying voting rights and its proportion to the total share capital carrying voting rights of the Company, and the voting method, voting results of each resolution and detailed contents of each resolution passed.

CHAPTER 7 SPECIAL PROCEDURES FOR THE VOTING OF CLASS SHAREHOLDERS

Article 122 Shareholders holding different classes of shares are referred to as "class shareholders".

Class shareholders enjoy rights and bear responsibilities according to the requirements of laws, administrative regulations and the Articles of Association of the Company.

Article 123 The Company's proposition to amend or cancel rights of class shareholders shall be subject to prior approval by way of a special resolution in general meetings and approval by the shareholders of the class affected in class meetings convened in accordance with the requirements of the Articles 125 to 129. Amendment or cancellation of rights of class shareholders resulting from the changes of domestic and foreign laws and regulations and the listing rules of the place of listing of shares of the Company and the decisions of the domestic and foreign regulatory authorities is not subject to approval from the shareholders' meeting or class meeting.

Article 124 The following circumstances shall be deemed to be a variation or abrogation of the rights of certain class shareholders:

(1) the increase or decrease in the number of shares of such class, or the increase or decrease in the number of shares of a class having equal or additional voting rights, distribution rights or other privileges;

(2) to convert all or part of a class of shares into another class, or to convert all or part of another class of shares into that class of shares, or to grant such conversion right;

(3) the removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;

(4) the reduction or removal of preferential rights to dividend or distribution of assets upon liquidation of the Company attached to shares of such class;

(5) the increase, removal or reduction of conversion rights, options, voting rights, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;

(6) the removal or reduction of rights to receive amounts payable by the Company in particular currencies attached to shares of such class;

(7) the creation of a new class of shares having equal or additional voting rights, distribution rights or other privileges;

(8) the imposition of restrictions or additional restrictions on the transfer of ownership of the shares of such class;

(9) the issue of rights to subscribe for, or convert into, shares of such class or another class;

(10) the increase in rights or privileges of shares of another class;

(11) the restructuring of the Company which will result in shareholders of different classes bearing a disproportionate liability in such proposed restructuring; and

(12) the variation or abrogation of the provisions of this Chapter.

Article 125 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) to (12) of Article 124, but interested shareholder(s) shall not be

entitled to vote at class meetings.

The meaning of “interested shareholder(s)” as mentioned in the preceding paragraph of this Article is as follows:

(1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on the stock exchange according to Article 28, a controlling shareholder within the meaning of Article 61 of these Articles of Association;

(2) in the case of a repurchase of shares by an off-market agreement outside of the stock exchange under Article 28 of these Articles of Association, a shareholder to whom the proposed agreement relates; or

(3) in the case of a restructuring of the Company, a shareholder within a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of other shareholders of that class.

Article 126 Resolutions of a class meeting shall be passed by votes representing two-thirds or more of the voting rights of shareholders of that class attending the class meeting who have the right to vote at the meeting according to Article 125.

Article 127 When convening a class meeting, the Company shall give written notice to all shareholders whose names appear in the register of shareholders of such class forty-five (45) days prior to the convening of the meeting to inform them of the matters proposed to be considered and the date and venue of the meeting. Shareholders who intend to attend the meeting shall serve written reply to the Company twenty (20) days prior to the convening of the meeting.

If the number of voting shares represented by the shareholders who intend to attend the meeting reaches more than half of the Company’s total number of shares of that class at the meeting, the Company may hold the class meeting; if not, the Company shall again notify the shareholders within five (5) days by announcement of the matters to be transacted at and the date and venue for, the meeting. After making the related announcement, the general meeting may be held. The Company shall comply with any other special requirements (if any) of the place where its shares are listed.

Quorum for the separate class meeting (except adjourned meeting) which is held for considering revising the rights of any shares of a class, shall be at least one-third of the holders of the issued shares of such class.

Shareholders who request a class meeting shall comply with the following procedures:

(1) two or more shareholders who together hold 10% (inclusive) or more of the shares carrying the right to vote at the proposed meeting can request the Board to convene a class meeting by signing one or several copies of written request(s) in the same form and content, and stating the motions and resolutions proposed. The Board shall convene the class meeting as specified in the request as soon as possible. The amount of shareholdings referred to above shall be calculated as at the date of the request made.

(2) If no notice of convening a general meeting was issued within thirty (30) days after the Board receiving the abovementioned written request(s), the shareholders making the request(s) can convene a meeting by themselves within four (4) months after the Board receiving the abovementioned written request(s), and the procedures for convening such meeting shall follow the procedures of the general meeting convened by the Board as much as possible.

All reasonable expenses incurred for such meeting convened by the shareholders as a result of the failure of the Board to convene a meeting as required by the above request(s) shall be borne by the Company and be set off against sums owed by the Company to the defaulting Directors.

Article 128 Notice of a class meeting shall be served exclusively on shareholders entitled to vote at such meeting.

Save as otherwise required by the Articles of Associations, the procedures of any class meeting shall be conducted in a similar manner as any general meeting as far as possible. Provisions in the Articles of Associations which relate to any general meeting shall apply to any class meeting.

Article 129 Apart from holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares shall be regarded as holders of different classes of shares. The special procedures for voting by a class shareholder shall not apply in the following circumstances:

(1) any proposed issue of domestic shares and overseas-listed foreign shares by the Company in every twelve (12) months, whether separate or concurrent, if such proposed issue of domestic shares and overseas-listed foreign shares are approved by the shareholders in a general meeting by way of special resolution, and the number of domestic shares and overseas-listed foreign shares proposed to be issued by the Company does not exceed 20% of the shares of such class in issue;

(2) where the Company's plan to issue domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen (15) months from the date of approval of the securities regulatory authority of the State Council.

CHAPTER 8 BOARD OF DIRECTORS

Section 1 Directors

Article 130 The Directors of the Company are natural persons and shall not be required to hold shares of the Company. The Directors shall possess qualifications as required by the laws, administrative regulations and rules.

Article 131 Directors shall be elected or replaced at general meeting. The term of office of the Directors shall be three (3) years. Upon maturity of the current term of office, a Director shall be eligible to offer himself for re-election and reappointment.

The period of notice to the Company in relation to nomination of a person to be appointed as Director and the acknowledgment by such person of his acceptance of the nomination shall both be at least seven (7) days, commencing after the date of notice of the meeting by the Company regarding the re-election and ending on or before a day which is no later than seven (7) days inclusive prior to the date of the meeting.

The term of office of Directors shall commence from the date of appointment up to the expiry of the current term of office of the Board. In the event that the term of Directors expires while new members of the Board have not yet been re-elected, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and these Articles of Association until the re-elected Directors assume their office.

Directors may concurrently serve as general manager or other members of senior management, provided that the aggregate number of the Directors who concurrently serve as general manager or other

members of senior management and the Directors who are representatives of employees shall not exceed one half of all the Directors of the Company.

Article 132 Directors shall comply with the laws, administrative regulations and these Articles of Association, and shall owe to the Company the following fiduciary duties:

(1) not to accept bribe or other illegal income by using their authority nor infringe the property of the Company;

(2) not to appropriate the capital of the Company;

(3) not to deposit the property or capital of the Company in an account under their or other persons' names;

(4) not to lend the capital of the Company or provide guarantee to other persons secured by the property of the Company in violation of the provisions of these Articles of Association or without consent from the general meeting or by the Board;

(5) not to enter into any contract or transaction with the Company in violation of the provisions of these Articles of Association or without consent from the general meeting;

(6) not to take advantage of their authority to obtain for themselves or other persons business opportunities originally belonging to the Company or carry on business similar to that of the Company by themselves or for other persons without consent from the general meeting;

(7) not to receive commissions in transactions with the Company;

(8) not to disclose secrets of the Company without permission;

(9) not to prejudice the interests of the Company by using their relationships and connections;

(10) to perform other fiduciary duties as required by the laws, administrative regulations and rules and these Articles of Association.

Any income received by a Director from violating the provisions of this Article shall belong to the Company and any losses incurred by the Company therefrom shall be borne by such Director.

Article 133 Directors shall comply with the laws, administrative regulations and these Articles of Association, and shall owe to the Company the following duties of diligence:

(1) exercise the power granted by the Company with prudence, conscientiousness and diligence to ensure the business activities of the Company are in compliance with the State law, administrative regulations and requirements of various State economic policies and business activities of the Company are within the scope under its business license;

(2) treat all members of the Company fairly;

(3) understand promptly the business operation and administration of the Company;

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

(5) provide to the Supervisory Committee with circumstances and information and not hinder the Supervisory Committee or Supervisors in exercising their authorities;

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

Article 134 A Director will be deemed to have failed to perform his duties if he fails to attend the meetings of the Board in person twice consecutively and does not appoint other Directors to attend the meetings on his behalf. The Board shall make recommendations to the general meeting to replace such Director.

Article 135 Directors may resign before expiry of their terms of office. The Directors who resign shall submit to the Board a written report in relation to their resignation. The relevant information shall be disclosed within two (2) days by the Board.

In the event that the resignation of any Director during his term of office results in the number of members of the Board being less than the statutory minimum requirement, the existing Directors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Directors assume their office.

Save for the circumstances referred to in the preceding paragraph, the resignation of a Director shall become effective upon submission of his resignation report to the Board.

Any person appointed by the Board to fill a casual vacancy or an additional Director shall hold office until the forthcoming annual general meeting of the Company and shall then be eligible for re-election and re-appointment.

Article 136 Upon resignation taking effect or expiration of his term of office, a Director shall complete his hand-over procedures with the Board. The fiduciary duties of a Director to the Company and the shareholders do not necessarily cease upon the termination of his tenure of office and shall remain valid within one (1) year after the end of his tenure of office; where his obligation of confidentiality of the Company's secret shall remain in force after his tenure of office until such secret comes into the public domain.

Article 137 No Directors shall act, in their personal capacity, on behalf of the Company or the Board unless lawfully authorized under the Articles of Association or by the Board. The Director shall, when acting in his personal capacity, state his standings and identities in advance if a third party has reasons to believe that the said Director is acting on behalf of the Company or the Board.

Article 138 Any Director who violates any law, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation.

Article 139 Apart from the general authority vested in and exercisable by the Directors under the Company Law and other laws, administrative regulations, departmental rules and the Articles of Association, the independent Directors have the following special authorities:

(1) power of prior approval for major connected transactions;

(2) power of recommendation and prior approval for the appointment and removal of accountants' firms;

(3) special powers such as the giving of independent opinion on the major matters of the Company;

(4) power to recommend the convening of extraordinary general meetings, Board meetings and meetings solely for independent Directors;

(5) power to publicly collect voting rights from Shareholders prior to the convening of general meetings, and special authorities such as the appointment of intermediary service providers for specific matters.

Article 140 The Company and its senior management should proactively cooperate with the independent Directors in the performance of their duties.

(1) All expenditure reasonably incurred by the independent Directors in the performance of their duties shall be borne by the Company;

(2) If the independent Directors encounter difficulties in the performance of their duties, they may inform the Board of the situation and demand the cooperation of senior management and/or the secretary of the Board;

(3) If the independent Directors consider that the content of the matters resolved by the Board is unclear or not specific or does not have sufficient supporting materials, they may demand the Company to provide supplementary information or make further explanation. If two or more independent Directors consider that the content of the matters resolved by the Board meeting does not have sufficient supporting materials or clear proofs, they may make a recommendation to the Board jointly in writing to convene the Board meeting or to resolve the relevant matters at a later date, and the Board should accept such recommendation;

(4) The independent Directors have the right to demand the Company to disclose the proposals which have been proposed but not accepted by the Company and the reason for the non-acceptance.

Article 141 Independent Directors shall perform in accordance with the laws, administrative regulations and departmental rules, the listing rules in the place where the shares of the Company are listed and other relevant requirements.

Section 2 Board of Directors

Article 142 A Board of Directors shall be established by the Company and accountable to the general meeting.

The Board shall comprise fifteen (15) Directors, with one Chairman, two Vice-chairmen and twelve (12) Directors. The Chairman and the Vice-chairmen shall be elected and dismissed by the majority of all the Directors, with tenure of office of three (3) years and eligible for re-election. There shall not be less than five (5) independent Directors, of which at least one shall be from the financial or accounting profession.

Article 143 There shall be a strategic committee, an audit committee, a nomination committee and a remuneration and evaluation committee under the Board. The Board may, if needed, set up other special committees or adjust existing special committees. The special committees under the Board shall be accountable to the Board and provide professional opinion to the Board or decide upon professional matters in accordance with the power authorized by the Board.

Article 144 Operational rules and duties of each special Board committee shall be formulated by the Board.

Article 145 There shall be a board office under the Board responsible for the convening, preparation of documents and minutes of general meetings, Board meetings and meetings of each special Board committee, information disclosure, investor relationship management and other ordinary businesses of the Board and each special Board committee.

Article 146 The Board shall report to the general meeting and exercise the following powers:

- (1) to convene general meetings and report its work to the general meeting;
- (2) to implement the resolutions of the general meetings;
- (3) to decide on the business plans and investment plans of the Company;
- (4) to formulate the mid-term and long-term development plans of the Company;
- (5) to formulate the plans on annual financial budgets and final accounts of the Company;
- (6) to formulate the profit distribution plans and plans on making up losses of the Company;
- (7) to formulate proposals for increase or reduction of the registered capital of the Company and issue and listing of bonds or other securities of the Company;
- (8) to formulate plans for major acquisitions, purchase of shares of the Company or plans for merger, division, dissolution or alteration of corporate form of the Company;
- (9) to decide on the Company's external investments, sale and purchase of assets, pledge of assets, provision of external guarantees, loans, appointment of financial management, disposal of assets and connected transactions etc., excluding matters which have to be decided by the Company in general meeting pursuant to the laws, regulations, the Articles of Association and other constitutional documents;
- (10) to determine the establishment of the Company's internal management structure and manpower deployment;
- (11) to appoint or remove the general manager and the secretary to the Board based on the nomination by the Chairman of the Board; to appoint or remove the deputy general manager and other senior management (including the chief financial officer) of the Company based on the nomination by the general manager and to determine their remunerations and rewards and penalties;
- (12) to formulate the basic management system of the Company;
- (13) to formulate proposals for amendment to the Articles of Association;
- (14) to formulate the information disclosure system of the Company and to manage information disclosure of the Company;
- (15) to propose the appointment or removal of the Company's auditors to the general meeting;

(16) to receive the work report and inspect the work of the general manager of the Company;

(17) to formulate share incentive schemes;

(18) to decide on other matters which shall be decided by the Board pursuant to the laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

The abovementioned exercise of power by the Board or any transactions or arrangements of the Company shall be proposed for consideration and approval in the general meeting should the listing rules of the place where the shares of the Company are listed so require.

Except for the Board resolutions in respect of the matters specified in paragraphs (7), (8), (13) and (17) of this Article which shall be passed by not less than two-thirds of the Directors, the Board resolutions in respect of all other matters may be passed by the a simple majority of the Directors voting for the relevant resolution.

Article 147 In cases where the expected value of fixed assets proposed for disposal by the Board, when aggregated with the value of fixed assets disposed of within four (4) months before the proposed disposal, exceeds 33% of the fixed assets value set out in the latest balance sheet considered by the general meetings, the Board shall not dispose of or consent to dispose of such fixed assets without prior approval by the shareholders at general meeting.

The term “fixed assets disposal” referred to in this Article includes (among others) transferring certain interests in assets, but does not include provision of guarantees by way of fixed assets.

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

Article 148 The Board shall explain to the general meeting for any non-standardized audit opinion on the financial report of the Company prepared by a registered accountant.

Article 149 The Board shall formulate Board meeting procedures to ensure the implementation of resolutions passed in general meeting and to enhance work efficiency and secure well-founded decisions.

Article 150 The Chairman of the Board shall exercise the following powers:

- (1) to preside over general meetings and to convene and preside over Board meetings;
- (2) to supervise and check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates, corporate bonds and other equity securities issued by the Company;
- (4) to sign important documents of the Board and other documents that require signing by the Company’s authorized representative/ Chairman of the Board;
- (5) to exercise the power of authorized representative;
- (6) to propose to convene work meeting with general manger;

(7) to examine and approve plans of the Company for the application of funds of the Board;

(8) to exercise the special disposal power to handle corporate affairs in compliance with the law and the Company's interests in cases of emergency caused by natural disasters or other force majeure, and report to the Board and general meeting thereafter;

(9) to examine and approve donations and sponsors in the annual budget each in an amount not exceeding RMB2 million and in aggregate not exceeding RMB3 million;

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

Article 151 The Company's Vice-chairman shall assist the Chairman in work. If the Chairman is unable to or does not perform his duties, the Director jointly elected by not less than half of the members of the Board shall perform the duties of the Chairman; where the Vice-chairman is unable to or does not perform his duties, a Director jointly elected by not less than half of the members of the Board shall perform the duties of the Vice-chairman.

Article 152 Regular meetings of the Board shall be held at least twice every year and shall be convened by the Chairman of the Board. All of the Directors and Supervisors shall be notified about the meeting ten (10) days in advance.

Article 153 Extraordinary Board meetings may be convened when proposed by the shareholders representing not less than 10% of the voting rights and not less than one-third of the Directors or Supervisors. The Chairman of the Board shall convene and chair the Board meeting within ten (10) days after the proposal is received.

Notice convening an extraordinary meeting shall be made within a reasonable period.

Article 154 The Board meeting shall be held with the presence of not less than half of the Directors. Resolutions of the Board shall be passed by more than half of all Directors.

Each Director shall have one vote when voting on a Board resolution. In the case of equal votes in favour of and against the resolution, the Chairman of the Board shall have a casting vote.

Article 155 Where a Director is interested in any matter to be resolved at a Board meeting, such Director shall not vote on such resolution, whether on his own or as the proxy of another Director. Such Board meeting shall not be held unless attended by a majority of Directors having no interest in such matter, and any resolution made thereon shall be passed by a majority of Directors having no interest in such matter voting for the resolution. Where there are less than three (3) Directors having no interest in such matter attend the meeting, the matter shall be submitted to the general meeting for consideration and approval.

Article 156 Resolutions of Board meetings are voted by a show of hands or on poll.

On the premise that the Directors are able to sufficiently express their opinions, extraordinary Board meeting may be held and resolutions thereof may be made by way of telephone, facsimile, video conference, etc. and such resolutions shall be signed by the Directors present.

Article 157 Directors shall attend Board meetings in person. Where a Director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and the period of the validity of the power of attorney, which shall be signed

or officially sealed by the authorizing party. A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting (including attending in person or via electronic communication) and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Article 158 The Board shall keep minutes of resolutions passed at Board meetings. The minutes shall be signed by the Directors present at the meeting. The Directors shall be liable for the resolutions of the Board meeting. If a resolution of the Board meeting violates the laws, administrative regulations or the Articles of Association and the Company suffers serious losses as a result thereof, the Directors who participated in the passing of such resolution are liable to compensate the Company. However, if it can be proved that a Director expressly objected to the resolution when the resolution was put to vote, and that such objection was recorded in the minutes of the meeting, such Director may be excluded from such liability.

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

Article 159 The minutes of Board meetings shall include the following:

- (1) the date, venue and name of the convener of the meeting;
- (2) the names of attending Directors and Directors appointed as proxies to attend the meeting;
- (3) the agenda of the meeting;
- (4) the main points of speech of each Director during the meeting;
- (5) the voting method and results of each resolution (the number of votes for, against and abstain shall be specifically indicated).

Section 3 Secretary to the Board

Article 160 The Company shall have a secretary to the Board, who shall be appointed or dismissed by the Board. The secretary to the Board shall be a member of senior management of the Company and report to the Board, with tenure of office for 3 years and eligible for re-appointment.

Article 161 Secretary to the Board of the Company shall be a natural person with the requisite professional knowledge and experience, and shall be appointed by the Board. His primary duties include:

- (1) to ensure that the Company has complete constitutional documents and records;
- (2) to ensure that the Company prepares and delivers the reports and documents required by competent authorities in accordance with the law;
- (3) to ensure that the Company's register of shareholders is properly maintained, and that persons entitled to have access to the relevant records and documents are furnished with such records and documents without delay;
- (4) to perform other duties appointed by the Board and any other duties as required by the domestic or foreign listing rules of the place where the shares of the Company are listed.

Article 162 Directors or other members of senior management of the Company, save for manager and the chief financial officer, may concurrently hold the post of the secretary to the Board. Supervisors of the Company and accountants of the certified public accountants' firm appointed by the Company shall not concurrently hold the post of the secretary to the Board.

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

CHAPTER 9 GENERAL MANAGER AND OTHER MEMBERS OF SENIOR MANAGEMENT

Article 163 The Company shall have one general manager, who shall be appointed dismissed by the Board. The Company shall have several deputy general managers, who shall be appointed dismissed by the Board.

Article 164 The term of office of the general manager shall three (3) years and shall be eligible for re-appointment. In case the general manager is replaced during his tenure, the successor's tenure shall be the remaining term of office.

Article 165 The general manager of the Company shall be accountable to the Board and exercise the following powers:

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

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

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

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

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

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

(7) to decide on the appointment or dismissal of management personnel and staff other than those required to be appointed or dismissed by the Board;

(8) to propose the convening of extraordinary Board meeting;

(9) to examine and approve donations and sponsors in the annual budget each in an amount not exceeding RMB1 million and in aggregate not exceeding RMB2 million;

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

The general manager may attend Board meetings.

Article 166 The general manager shall formulate detailed working rules of the general

manager, which shall be submitted to the Board for approval before implementation.

Article 167 The general manager may resign prior to the expiration of his term of office. The specific procedures and formalities of the said resignation shall be provided in the employment contract between the general manager and the Company.

Article 168 The general manager and deputy general manager(s) who are not Directors may attend Board meeting but shall have no voting rights.

Article 169 In exercising the duties, the general manager, deputy general manager(s) and the chief financial officer shall not alter the resolutions of the general meeting and the Board or act beyond their scope of authority.

Article 170 The general manager, deputy general manager(s) and the chief financial officer in performing their functions, shall act honestly and diligently and in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

Article 171 The general manager, deputy general manager(s) and the chief financial officer who violate any of the laws, administrative regulations, departmental rules or the Articles of Association during the course of performing their duties and cause losses to the Company shall be liable for compensation to any loss caused to the Company.

A person who serves a function in the controlling shareholder and de facto controlling person of the Company other than as director shall not be eligible to assume a senior management position of the Company.

CHAPTER 10 SUPERVISORS AND SUPERVISORY COMMITTEE

Section 1 Supervisors

Article 172 The Directors, general manager and other senior management of the Company shall not assume the position of Supervisors.

Article 173 The Supervisors shall observe the laws, administrative regulations and these Articles of Association and owe the fiduciary and diligence duties to the Company, shall not accept bribe or other illegal income by using their power or infringe the property of the Company.

Article 174 The term of office of Supervisors shall be three (3) years and shall, upon expiration, be eligible for re-election and re-appointment.

Article 175 In the event that the term of office of Supervisors expires while new members of the Supervisory Committee have not yet been re-elected, or the resignation of any Supervisor during his term of office results in the number of members of the Supervisory Committee falling below the statutory minimum requirement, the existing Supervisors shall continue to perform their duties in accordance with the laws, administrative regulations, departmental rules and the Articles of Association until the re-elected Supervisors assume their office.

Article 176 The Supervisors may attend Board meetings and make inquiries or suggestions regarding resolutions at Board meetings, but shall have no voting rights.

Article 177 The Supervisors shall not use their relationship to prejudice the Company's interests and shall be liable for indemnity to the Company if the Company suffers any loss as a result

thereof.

Article 178 Any Supervisor who violates any laws, administrative regulations, departmental rules or the Articles of Association during the course of performing his duties and causes losses to the Company shall be liable for compensation.

Section 2 Supervisory Committee

Article 179 The Company shall have a Supervisory committee comprising five (5) Supervisors of which three (3) are external Supervisors. One of the members of the Supervisory Committee shall act as the chairman of the Committee, the appointment and dismissal of which shall be passed by not less than two-thirds of its members. The chairman of the Supervisory Committee shall convene and preside over Supervisory Committee meetings. In the event that the chairman of the Supervisory Committee is incapable of performing or not performing his duties, a Supervisor nominated by the majority of Supervisors shall convene and preside over Supervisory Committee meetings.

The Supervisory Committee shall include representatives of the shareholders and an appropriate proportion of representatives of the Company's staff and workers, provided that the proportion of representatives of the Company's staff and workers shall not be less than one-third. Representatives of the Company's staff and workers in the Supervisory Committee shall be democratically elected by the Company's staff at the staff representative assembly, general staff meeting or otherwise.

Article 180 The Supervisory Committee shall exercise the following powers:

(1) to examine the Company's financial affairs;

(2) to monitor the Directors, general manager and other senior management in performing their duties to the Company and to propose dismissal of Directors and senior management who violate any laws, administrative regulations, the Articles of Association or resolutions of general meetings;

(3) to demand rectification from a Director and any other senior management when the acts of such persons are harmful to the interests of Company';

(4) to examine the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board to the general meetings and, should any queries arise, to engage, in the name of the Company, certified public accountants and practising auditors to conduct re-examination;

(5) to propose the convening of a extraordinary general meetings and to convene and preside over the general meetings when the Board fails to perform such duties under the Company Law;

(6) to put forward proposals to the general meeting;

(7) to commence actions against Directors and senior management pursuant to Article 152 of the Company Law;

(8) to conduct investigations whenever unusual conditions of operation of the Company arises and if necessary, to engage professional institutions such as firms of accountants and lawyers to assist in the investigations at the expense of the Company;

(9) to exercise other powers specified under the laws, administrative regulations and rules and the Articles of Association.

Article 181 The Supervisory Committee shall formulate the rules of procedures of the Supervisory Committee and voting procedures so as to ensure the work efficiency and scientific decision-making of the Supervisory Committee.

Article 182 Meeting of the Supervisory Committee shall be convened at least once every six (6) months. Supervisors may propose to convene extraordinary Supervisory Committee meeting.

Notice period of the meeting of the Supervisory Committee shall be ten (10) days before the date of meeting for regular meetings and one (1) day before the date of meeting for extraordinary meetings.

Resolutions of Supervisory Committee meeting shall be passed by no less than two-thirds of all Supervisors.

Article 183 All reasonable expenses incurred in respect of the engagement of professionals such as lawyers or certified public accountants as are required by the Supervisory Committee in discharging its duties shall be borne by the Company.

Article 184 A Supervisor shall carry out his duties honestly and faithfully in accordance with the laws, administrative regulations and the Articles of Association.

Article 185 Minutes shall be prepared for the decisions on the proposal put forward to the meeting for consideration, on which the Supervisors present at the meeting shall sign.

Each Supervisor is entitled to request that his statements made with elaborations at the meeting be noted in the minutes. The minutes of Supervisory Committee meetings shall be kept for record as Company files for record for a minimum period of ten (10) years.

Article 186 The notice of Supervisory Committee meetings shall contain the followings:

- (1) the date, venue and duration of the meeting;
- (2) the subject and agenda;
- (3) the date the notice was issued.

CHAPTER 11 QUALIFICATIONS AND DUTIES OF THE DIRECTORS, SUPERVISORS, MANAGERS AND OTHER MEMBERS OF SENIOR MANAGEMENT

Article 187 A person may not serve as a Director, Supervisor, general manager, or any other member of senior management of the Company if any of the following circumstances applies:

- (1) having no or restricted legal capacity;
- (2) having committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the social economic order and has been punished because of committing such offence; or who has been deprived of his political rights, in each case where less than five (5) years have elapsed since the date of the completion of implementation of such punishment or deprivation;

(3) being a former director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation due to poor operation and management and being personally liable for the insolvency of such company or enterprise, where less than three (3) years have elapsed since the date of the completion of the insolvency and liquidation of the company or enterprise;

(4) being a former legal representative of a company or enterprise of which the business licence has been revoked due to violation of the law and having incurred personal liability in relation thereto, where less than three (3) years have elapsed since the date of the revocation of the business licence;

(5) having a relatively large amount of debts due and outstanding;

(6) being subject to investigation by judicial body for violation of criminal law where the said investigation has not yet been concluded;

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

(8) not being a natural person;

(9) having been convicted of contravention of provisions of relevant securities regulations by a relevant competent authority, and such conviction involves a finding that he has acted fraudulently or dishonestly, where less than five (5) years have elapsed since the date of the conviction;

(10) being subject to a penalty of prohibition from engaging in stock market activities imposed by the securities regulatory authority of the State Council, where the term of the penalty has not yet expired;

(11) any other circumstances as prescribed by the laws, administrative regulations and rules.

Article 188 The validity of an act of a Director, manager, and any other member of senior management member on behalf of the Company vis-a-vis a bona fide third party is not affected by any irregularity in his office, election or qualification.

Article 189 In addition to obligations imposed by the laws, administrative regulations or listing rules of the stock exchanges on which the Company's shares are listed, each of the Company's Directors, Supervisors, managers, and other members of senior management owes the following duties to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

(1) not to cause the Company to carry out any business outside the scope of business stipulated in its business licence;

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

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

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

Article 190 Each of the Company's Directors, Supervisors, managers, and other members of

senior management owes a duty, in the exercise of his powers and discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 191 Each of the Company's Directors, Supervisors, managers and other members of senior management shall exercise his powers or carry out his duties in accordance with the principle of honesty and shall not put himself in a position where his duty and his interest may conflict. Such principle includes (without limitation) discharging the following obligations:

(1) to act honestly in the best interests of the Company;

(2) to exercise powers within the scope of his authorities and not to exceed those authorities;

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

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

(5) except in accordance with the Articles of Association or with the informed consent of shareholders given in general meeting, not to enter into any contract, transaction or arrangement with the Company;

(6) without the informed consent of shareholders given in general meeting, not to use the Company's property for his own benefit by any means;

(7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property by any means, including (without limitation) opportunities advantageous to the Company;

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

(9) to abide by the Articles of Association, faithfully execute his duties and protect the Company's interests, and not to exploit his position and power in the Company to advance his own private interests;

(10) not to compete with the Company in any form unless with the consent of shareholders given in general meeting;

(11) not to misappropriate the Company's funds or to lend the Company's funds to others, not to open accounts in his own name or other names for the deposit of the Company's assets and not to provide guarantee obligations of the shareholder(s) of the Company or other individual(s) secured by the Company's assets;

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

1. disclosure is made pursuant to the law;

2. the interests of the public require disclosure;

3. the interests of the relevant Director, Supervisor, manager and other members of senior management require disclosure.

Article 192 Each Director, Supervisor, manager and other members of senior management of the Company shall not cause the following persons or entities (“associates”) to do what he or it is prohibited from doing:

(1) the spouse or minor child of that Director, Supervisor, manager, and other members of senior management;

(2) a person acting in the capacity of trustee of that Director, Supervisor, manager, and other members of senior management or any person referred to in paragraph (1) of this Article;

(3) a person acting in the capacity of partner of that Director, Supervisor, manager, and other members of senior management or any person referred to in paragraphs (1) and (2) of this Article;

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

the Directors, Supervisors, managers, and other members of senior management of the controlled company referred to in paragraph (4) of this Article.

Article 193 The fiduciary duties of the Directors, Supervisors, managers, and other members of senior management of the Company do not necessarily cease with the termination of their tenure. The duty of confidence in relation to trade secrets of the Company survives the termination of their tenure. Other duties may continue for such period as fairness may require depending on the time lapse between the termination of tenure and the occurrence of the event concerned and the circumstances under which the relationships between them and the Company are terminated.

Article 194 Except for circumstances prescribed in Article 60 of the Articles of Association, a Director, Supervisor, manager, and other members of senior management of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

Article 195 Where a Director, Supervisor, manager, and other members of senior management of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement made or proposed to be made with the Company (other than his contract of service with the Company), he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal therefor is otherwise subject to the approval of the Board. A Director shall not vote nor shall be counted in the quorum on any resolution approving any contract, arrangement or any other proposal in which he or any of his associates has a material interest.

Unless the interested Director, Supervisor, manager, and other members of senior management has disclosed his interests in accordance with the preceding paragraph of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested Director, Supervisor, general manager, and other members of senior management is not counted in the quorum and refrained from voting, the Company is entitled to rescind the contract, transaction or arrangement in

which that Director, Supervisor, manager, and other members of senior management is materially interested except as against a bona fide party thereto acting without notice of the breach of duty by the interested Director, manager, and other members of senior management.

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

Article 196 Where a Director, Supervisor, manager, and other member of senior management of the Company gives to the Board a general notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of any description which may subsequently be made by the Company, such notice shall be deemed for the purposes of the preceding paragraph of this Article to be a sufficient declaration of his interests, so far as the relevant content has been stated in such notice, provided that such general notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

Article 197 The Company shall not in any manner pay taxes for or on behalf of its Directors, Supervisors, managers, and other members of senior management.

Article 198 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with the making of a loan to, a Director, Supervisor, manager, and other members of senior management of the Company or of the Company's parent company or any of their respective associates.

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

(1) the provision by the Company of a loan or a guarantee for a loan to a company which is a subsidiary of the Company;

(2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its Directors, Supervisors, managers, and other members of senior management to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting; and

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

Article 199 A loan made by the Company in breach of the above provisions shall be forthwith repayable by receiving the loan regardless of the terms of the loan.

Article 200 A loan guarantee provided by the Company in breach of paragraph (1) of Article 196 shall be unenforceable against the Company, except that:

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

the security provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

Article 201 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking or property provided to secure the performance of obligations by the obligor.

Article 202 In addition to any rights and remedies provided by the laws and administrative regulations, where a Director, Supervisor, manager, and other member of senior management of the Company is in breach of his duties to the Company, the Company has a right to:

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

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

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

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

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

Article 203 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a Director or Supervisor wherein his emoluments are stipulated, including;

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

(2) emoluments in respect of his service as Director, Supervisor or member of senior management of any subsidiary of the Company;

(3) emoluments in respect of the provision of other services in connection with the management of the affairs of the Company or any of its subsidiaries;

(4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

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

Article 204 The contract for emoluments entered into between the Company and its Directors or Supervisors should provide that in the event of a takeover of the Company, the Directors and Supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to

receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:

(1) a takeover offer made by any person to all shareholders; or

(2) an offer made by any person with a view to rendering the offeror a “controlling shareholder” within the meaning of Article 61.

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

CHAPTER 12 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 205 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC accounting standards formulated by the finance regulatory department of the State Council.

Article 206 The Company shall prepare a financial report upon expiration of each financial year and submit it for examination and verification in accordance with the law. The financial year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 207 The Company shall submit an annual financial report to the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 4 months from the date of the end of each financial year; and shall submit a half-year financial report to the agency of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within 2 months from the date of the end of the first six months of each financial year; and shall submit a quarterly financial report to the agency of the China Securities Regulatory Commission and the Hong Kong Stock Exchange within one month from the date of the end of first three months and first nine months of each financial year respectively.

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

Article 208 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by local government and competent department to be prepared by the Company.

Article 209 The Company shall deposit its financial reports at the Company for inspection by the shareholders at least 20 days before the convening of the annual general meeting of shareholders. Each shareholder of the company is entitled to obtain financial reports mentioned in this chapter.

The Company shall send the balance sheet (including documents to be annexed as required by the laws), income statement or income and expenditure statement and financial summary report, together with the report of the board of directors to each holder of overseas listed foreign shares by prepaid mail at least 21 days before the convening of the annual general meeting of shareholders. The address of the recipient shall be the registered address as shown on the register of members.

Without violating the laws and regulations or listing rules of the places where the shares of the

Company are listed, the Company may also send or dispatch the aforesaid reports to each holder of overseas listed foreign shares through the Company's website or electronically instead of sending or dispatching the same in the manner prescribed in the preceding paragraph of this article.

Article 210 The financial statements of the Company shall be prepared in accordance with PRC accounting standards or the accounting standards applicable to the place where the Company's shares are listed. If there is any material difference between the financial statements prepared by different accounting standards, explanations shall be made accordingly. When the Company is to distribute its after-tax profits for that financial year, the lower of the after-tax profits as shown in the aforementioned financial statements shall be adopted.

Article 211 The interim results or financial information published or disclosed by the Company may be prepared in accordance with the PRC accounting standards or the accounting standards applicable to the place of listing of the Company's shares.

Article 212 The Company shall not keep accounts other than those provided by law.

Article 213 When distributing each year's after-tax profits, the Company shall set aside 10% of its after-tax profits for the Company's statutory surplus reserve fund. When the aggregate balance in the statutory surplus reserve fund has reached 50% or more of the Company's registered capital, the Company needs not make any further allocations to that fund.

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

Subject to a resolution being passed at a general meeting, after allocation has been made to the Company's statutory reserve fund from its after-tax profits, the Company may set aside funds for the discretionary reserve fund.

The remaining profit after taxation, after recovery of losses and appropriation of reserve funds shall be distributed to shareholders in proportion to their shareholdings.

No profit shall be distributed in respect of the shares of the Company which are held by the Company.

Article 214 No profit shall be distributed in dividend or in any other form as bonus before making up losses and being made to the Company's statutory reserve fund.

Article 215 Capital reserve fund includes the following items:

(1) premium received when shares are issued at a premium over their par value; and

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

Article 216 The reserve funds of the Company can only be used for the following purposes:

(1) making up losses (provided that capital reserve shall not be used for making up the losses sustained by the Company);

(2) expansion of the Company's production and operation;

(3) increasing the capital of the Company. The Company may convert its reserve funds into capital upon a resolution being passed at a general meeting and issue new shares to existing shareholders in proportion to their respective shareholdings, provided, however, that when the statutory reserve fund is converted into capital, the balance of the statutory reserve fund shall not fall below 25% of the Company's registered capital.

Article 217 The profit distribution policy of the Company is as follows:

(1) Principle for profit distribution: The Company implements a sustainable and stable profit distribution policy. The profit distribution by the Company shall focus on investors' reasonable investment returns as well as the sustainable development of the Company;

(2) Mode of profit distribution: The Company adopts an active cash and/or share distribution policy;

(3) Cash dividend conditions: When the conditions of cash dividend are met, the Company shall distribute profit in cash. The conditions for cash dividends are:

1. The distributable profit realised (ie. the profit after tax after deducting compensation for loss and withdrawal of provident fund by the Company) and accumulated undistributed profit of the Company for the year are positive;
2. The auditors issuing a standard auditor's report without qualified opinion on the financial report of the Company for the year.

(4) Cash dividend ratio: The Company should maintain the continuity and stability of its profit distribution policy. When the conditions of cash dividend are met, the Company shall distribute no less than 10% of its distributable profit realised for the year in cash;

The Board of the Company shall collectively consider factors such as the characteristics of the industry, phase of development, its own operation model, profit level and whether there is material capital expenditure to identify the following scenarios and propose different cash dividend policies according to the procedures provided in the Articles of Association:

1. If the Company's development is in the phase of maturity and no material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 80%;
2. If the Company's development is in the phase of maturity and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 40%;
3. If the Company's development is in the phase of growth and material capital expenditure has been arranged, the minimum ratio of cash dividend in that profit distribution shall be 20%;

If it is difficult to identify the Company's phase of development but material capital expenditure has been arranged, it can proceed according to the previous provision.

(5) Decision-making process and mechanism of profit distribution of the Company:

1. The annual profit distribution budget of the Company is proposed and drafted by the Strategy Committee of the Board, combined with the requirements of the Articles of Association, profitability and capital demand. It is to be submitted to the general meeting for consideration and approval after it is considered and approved by the Board with the approval of over half of the independent directors. Independent directors and supervisors shall review the profit distribution budgets submitted to general meeting for consideration and approval and issue a written opinion;
2. When considering a specific cash dividend proposal, the Board shall carefully study and establish matters such as the timing, conditions and minimum ratio, conditions for adjustment and requirements for decision-making process. Independent directors shall express a clear opinion. Independent directors can collect the views from minority shareholders and make a proposal for dividend distribution and directly submit it to the Board for consideration and approval;
3. While considering a specific cash dividend proposal at the general meeting, active communication and exchange with shareholders, especially medium-sized and minority shareholders, through various channels (including but not limited to online voting and inviting medium-sized and minority shareholders to meetings) are encouraged in order to fully collect views and demands of medium-sized and minority shareholders. The concerns of medium-sized and minority shareholders shall also be addressed and replied to promptly;
4. When the conditions for cash dividends are met in that year and the Board does not propose a budget with profit distribution in cash or distribute profit with a cash dividend ratio lower than required by the Articles of Association, the reasons shall be provided and disclosed in the annual report. Independent directors shall individually express their opinion. While convening the general meeting, the Company shall also provide other approaches such as online voting for the convenience of medium-sized and minority shareholders in participating in the voting in the general meeting;
5. The Supervisory Committee shall supervise the implementation of the Company's profit distribution policy by the Board and management and the planning and decision-making process of shareholders' return. When profit distribution budget has not been proposed for the profit for the year, it shall also express its review opinion after reviewing relevant policies and implementation;
6. The general meeting shall vote on the profit distribution budget proposed by the Board according to law and regulations and the provisions in the Articles of Association.

(6) Adjustment of profit distribution policy of the Company: The Company adjusts its profit distribution policy based on factors including production operation conditions, investment planning, and long-term development needs. Resolutions for the adjustment in profit distribution policy shall be

proposed by the Board based on the actual condition and submitted to the general meeting for consideration and approval and passed with a two-third majority of shareholders attending the general meeting. The adjusted profit distribution policy shall focus on protecting the interests of shareholders and shall not contravene the relevant requirements of CSRC and stock exchange. The resolution in relation to the adjustment of profit distribution policy requires the consent of the Supervisory Committee and over half of the independent directors respectively in order to be submitted to the Board and general meeting for approval. The relevant proposal submitted to the general meeting shall detail the reasons for modifying the profit distribution policy. In adjusting the profit distribution policy, the Company shall provide approaches such as online voting for the convenience of public shareholders in participating in the voting in the general meeting.

Article 218 Dividend shall be distributed on a pro rata basis proportional to the respective shareholdings of the shareholders.

Apart from the distribution of annual dividend, the board of directors may be authorized at a general meeting to distribute interim dividend, unless otherwise resolved by a general meeting of the shareholders. The amount of interim dividend shall not exceed 50% of the interim net profits of the Company, unless otherwise required by the laws or administrative regulations. The Company may distribute the interim dividend in cash.

Article 219 The Company may distribute dividends in the following manners:

Cash;

Shares.

Article 220 The Company shall pay cash dividends and other amounts to holders of domestic shares in Renminbi within two months after the profit distribution plan has been resolved at general meeting. The Company shall calculate and declare cash dividends and other payments which are payable to holders of overseas listed foreign shares in Renminbi, and shall pay such amounts in Hong Kong dollar within two months after the profit distribution plan has been resolved at general meeting.

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

Article 221 Any amount paid upon any shares before a call is made shall bear interest thereon. However, the shareholder is not entitled to any dividends of such pre-paid share capital declared subsequently. Any dividend unclaimed upon expiry of the applicable relevant effective period may be forfeited by the Company.

Article 222 When distributing dividends to its shareholders, the Company shall, in accordance with the tax law of the PRC, withhold and pay on behalf of shareholders the taxes payable on their dividend income.

Article 223 The Company shall appoint receiving agents on behalf of the holders of overseas listed foreign shares to receive on behalf of such shareholders dividends declared and all other monies owing by the Company in respect of such shares.

The receiving agents appointed by the Company shall satisfy the relevant requirements of the laws

of the place and relevant regulations of the stock exchange where the Company's shares are listed.

The receiving agents appointed on behalf of holders of overseas-listed foreign shares shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Article 224 The Company may exercise the power to cease sending dividend warrants by post if such warrants have been left uncashed on two consecutive occasions, provided that the Company may do so on the first occasion on which such undelivered warrants are returned.

Article 225 The Company may exercise the power to sell the shares of a shareholder who is untraceable only upon fulfilling the following requirements:

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

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

Article 226 The Company shall implement an internal audit system, and shall engage professional auditors to conduct internal audit of its finances, income and expenditure and economic activities.

Article 227 The internal audit system and duties of the internal auditors of the Company shall be implemented upon approval by the Board. The chief auditor shall be accountable and report to the Board.

CHAPTER 13 APPOINTMENT OF ACCOUNTANTS' FIRM

Article 228 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial statements and review the Company's other financial reports.

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

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

Article 229 The accountants' firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting of shareholders.

Article 230 The accountants' firm appointed by the Company shall have the following rights:

(1) the right to inspect at any time the books, records and vouchers of the Company, and to require the Directors, managers and other members of senior management of the Company to provide

any relevant information and explanation thereof;

(2) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are necessary for the performance of duties of such accountants' firm; and

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

Article 231 Before the convening of the general meeting, the Board may fill any casual vacancy in the office of the accountants' firm by appointing other accountants' firm but while there is still any such vacancy, the surviving or continuing accountants' firm, if any, may continue to act.

Article 232 The shareholders in general meeting may, by ordinary resolution, remove an accountants' firm before the expiration of its office, notwithstanding the stipulations in the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

Article 233 The remuneration of an accountants' firm or the manner in which such remuneration is to be fixed shall be determined by the shareholders in general meeting. The remuneration of an accountants' firm appointed by the Board shall be determined by the Board.

Article 234 The Company's appointment, removal and non-reappointment of an accountants' firm shall be resolved by shareholders in general meeting. The shareholders' resolution of the general meeting shall be filed with the securities regulatory authority of the State Council.

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

(1) A copy of the proposal about appointment or removal shall be sent to the firm proposed to be appointed or proposing to cease to act or the firm which has ceased to act in the relevant financial year before notice of meeting is given to the shareholders. Ceasing to act includes leaving by removal, resignation and retirement.

(2) If the firm which is about to cease to act makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations are received too late):

1. in any notice given to shareholders about a resolution to be made, state the representations that have been made by such accountants' firm; and

2. attach a copy of the representations to the notice and deliver it to the shareholders in the manner stipulated in the Articles of Association.

(3) If the firm's representations are not sent in accordance with paragraph (2) above, the relevant firm may require that the representations be read out at the general meeting and may lodge further complaints.

(4) An accountants' firm which is about to cease to act shall be entitled to attend:

1. the general meeting relating to the expiry of its term of office;
2. any general meeting at which it is proposed to fill the vacancy caused by its removal; and
3. any general meeting convened on its resignation,

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

Article 235 In dismissing or discontinuing the appointment of an accountant firm, the Company shall notify the said accountant firm in advance and the said accountant firm has the right to make representations to the shareholders at a general meeting. If an accountant firm resigns from the post, it shall clarify to the shareholders at a general meeting whether or not there is any improper affair in the Company.

An accountant firm may resign from its position by depositing its written notice of resignation at the business premises of the Company. The notice shall take effect from the date of deposit at the business premises of the Company or any later date specified in such written notice. Such notice shall contain one of following statements:

Declaration that its resignation did not involve any circumstances which should be brought to the attention of the shareholders or creditors of the Company; or a description of such circumstances.

The Company shall send a copy of the written notice specified in the preceding paragraph to the relevant competent authority within 14 days after receiving such notice. If the notice contains the representations referred to in paragraph 2 of Article 232 of the Articles of Association, the Company shall deposit the aforesaid copy at the Company for inspection by the shareholders and send it to each holder of overseas listed foreign shares and each shareholder who is entitled to receiving financial reports of the Company by pre-paid mail. The addresses of addressees shall be those registered in the register of members.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company may also send or dispatch the aforesaid copy to holders of overseas listed foreign shares through the Company's website or electronically, instead of sending or dispatching the same in the manner prescribed in the preceding paragraph of this article.

If the resignation notice of an accountant firm contains any statement of explaining the situations, an accountant firm may request the board of directors to convene an extraordinary general meeting for presenting the explanations regarding the resignation given by the accountant firm.

CHAPTER 14 MERGER, DIVISION, DISSOLUTION AND LIQUIDATION

Article 236 In the event of a merger or division of the Company, a proposal of merger or division shall be made by the Board and after the proposal is approved in accordance with the procedures stipulated in the Articles of Association, such proposal shall be examined and approved in accordance with the law.

If a shareholder objects to a proposal of merger or division, such shareholder shall have the right to demand the Company or those shareholders who approved the proposal of merger or division to

purchase his/her shares at a fair price.

The content of a resolution on the merger or division of the Company shall be made into a special document to be available for inspection by the shareholders. For holders of overseas listed foreign shares of the Company, the aforesaid document shall be delivered by post.

Without violating the laws and regulations or listing rules of the places where the shares of the Company are listed, the Company can also send or dispatch the documents mentioned above to holders of overseas listed foreign shares through Company's website or by email, instead of sending or dispatching the same in the manner prescribed in preceding paragraph.

Article 237 The merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

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

Article 238 In the event of a merger, the parties to the merger shall enter into a merger agreement and prepare balance sheets and inventories of assets. The Company shall notify its creditors within ten (10) days of the date of the Company's resolution on merger and shall make announcement on newspapers within thirty (30) days of the date of the Company's resolution on merger. Creditors may, within thirty (30) days after receipt of such notice from the Company, or within forty-five (45) days of the date of the announcement on newspapers for those who do not receive such notice, to demand that the Company repay their debts or provide a corresponding guarantee for such debts.

Article 239 After the merger, claims and liabilities of parties to the merger shall be taken over by the continuing company or the newly established company.

Article 240 When the Company is divided, its assets shall be split up accordingly.

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

Article 241 Unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to the division, the ancillary obligation with respect to debts incurred by the Company before its division shall be borne by the companies after the division.

Article 242 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the company registration authority in accordance with the law. When the Company dissolves, the Company shall cancel its registration in accordance with the law. When a new company is established, its establishment shall be registered in accordance with the law.

Article 243 The Company shall be dissolved and liquidation should be made in accordance with governing laws upon the occurrence of any of the following:

- (1) the expiry of the term of operation;
- (2) a resolution on dissolution is passed by shareholders at general meeting;

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

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

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

Article 244 Where the Company is dissolved under paragraph (1), or (2) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the dissolution and commence liquidation afterwards, and its members shall be determined by ordinary resolution at a general meeting. If a liquidation committee is not set up within the specified period to carry out liquidation procedures, creditors may apply to the People's Court for appointment of relevant persons to form a liquidation committee so as to proceed with the liquidation.

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

Where the Company is dissolved under paragraph (5) of the preceding Article, the relevant competent authority shall organize the shareholders, relevant organizations and professionals to establish a liquidation committee to proceed with the liquidation.

Article 245 Where the Board proposes to liquidate the Company due to causes other than that the Company has been declared insolvent, the Board shall include a statement in its notice convening a general meeting to consider the proposal to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of the Company, all functions and powers of the Board shall cease.

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

Article 246 The liquidation committee shall notify creditors within ten (10) days from the date of its establishment and make announcement on newspapers within sixty (60) days of such date. Creditors should, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, submit their claims to the liquidation committee.

When submitting their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 247 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

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

Article 248 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the general meeting or the concerned competent authority for confirmation.

Article 249 After checking the Company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit to the general meeting or the People's Court for confirmation.

After paying the liquidation cost, staff salary, labor insurance, statutory compensation and the outstanding taxes respectively, and after repayment of its debts in accordance with the provisions above, the remaining assets of the Company shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist but shall not carry out any business activities not relating to liquidation. The assets of the Company shall not be distributed to the shareholders before the repayment of debts in accordance with provisions of the preceding paragraph.

Article 250 In the event of the Company's liquidation owing to dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the court for declaration of insolvency.

After the Company is declared insolvency by a ruling of the People's Court, the liquidation committee shall transfer the liquidation matters to the People's Court.

Article 251 Following the completion of liquidation, the liquidation committee shall present a report on liquidation and prepare a statement of the receipts and payments and the financial accounts for the period of the liquidation which shall be audited by PRC certified public accountants and then submitted to the general meeting or the People's Court for confirmation.

The liquidation committee shall within thirty (30) days after the date of the general meeting or the affirmation from the competent authorities concerned, submit the aforementioned documents to the company registration authorities for cancellation of the Company's registration and announce that the Company ceases to exist.

Article 252 Members of the liquidation committee shall perform their duties faithfully and

carry out the liquidation in accordance with the laws.

Members of the liquidation committee shall not take advantage of their position to take bribes or other illegal income, or misappropriate the assets of the Company.

If members of the liquidation committee cause any loss to the Company or its creditors, either willfully or due to gross negligence, they shall be liable for compensation.

Article 253 Where the Company is declared insolvent in accordance with the laws, an insolvent liquidation shall be implemented in accordance with the corporate insolvency laws.

CHAPTER 15 NOTICE

Article 254 Corporate communications may be sent by any of the following means:

(1) by hand;

(2) by post;

(3) by facsimile;

(4) subject to laws and regulations and the listing rules of the place where the Company's shares are listed having been complied with, by publishing on the websites designated by the Company and Hong Kong Stock Exchange;

(5) by announcement, such announcement shall be published on newspaper;

(6) other form which is agreed between the Company and the parties being notified or is recognized by the parties being notified;

(7) other form recognized by the securities regulatory authorities of the place where the Company's shares are listed or as required under the Articles of Association.

Article 255 Unless otherwise required in these Articles of Association, the notices, information or written statements issued by the Company to the shareholders of the overseas listed foreign shares shall be despatched to such shareholders by hand or by mail to the addresses of such shareholders as shown in the register of the overseas listed foreign shareholders.

Article 256 Any notice of the Company given by public announcement shall be deemed to be received by all relevant persons once the public announcement is published.

Article 257 Where a notice of the Company is served by hand and, the addressee signs his name (or affixes his chop) on the receipt, and the date on which the addressee signs the receipt shall be the date of service; where a notice is to be sent by post, such notice is deemed to be served two (2) working days after the date on which it is deposited at the post office. Where a notice of the Company is made by public announcement, the date on which the announcement is first published shall be the date of service. Where a notice is sent by facsimile or email or published on website, the date posted shall be the date of service. Relevant announcement shall be published on the newspapers which are in compliance with relevant provisions. Regarding the announcement issued by the Company to the shareholders of the overseas listed foreign shares or which shall be issued in Hong Kong according to relevant regulations and the Articles of Associations, such announcement shall be published on the website designated according to the requirement of relevant listing rules.

CHAPTER 16 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Article 258 The Company may, pursuant to the requirements of the laws, administrative regulations and the Articles of Association, amend the Articles of Association.

Article 259 The Company shall amend the Articles of Association under any of the following situations:

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

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

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

Article 260 If the amendments are subject to approval by the competent government authorities, such amendments shall be submitted to such competent authority for approval. If registration is necessary for the amendments, such registration shall be carried out in compliance with the relevant laws.

Article 261 The Board may amend the Articles of Association in accordance with the resolution on amendments to the Articles of Association passed at the general meeting and the approval opinions of the relevant competent authorities.

Article 262 Any amendment to the Articles of Association shall be subject to announcement if so required by the laws and regulations.

Article 263 Amendment of the Company's Articles of Association which involves the content of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas shall become effective upon receipt of approvals from the company examining and approval authority of the State Council.

CHAPTER 17 SETTLEMENT OF DISPUTES INVOLVING THE OVERSEAS-LISTED SHARES

Article 264 The Company shall act according to the following principles to settle disputes involving the overseas listed shares:

(1) Whenever any disputes or claims arise between holders of the overseas-listed foreign shares and the Company, holders of the overseas-listed foreign shares and the Company's Directors, Supervisors, managers or other members of senior management, or holders of the overseas-listed foreign shares and holders of domestic shares, based on the Articles of Association or any rights or obligations conferred or imposed by the Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.

(2) Where a dispute or claim of rights abovementioned is referred to arbitration, the entire claim or dispute must be referred to arbitration and any person (being the Company or a shareholder, Director,

Supervisor, manager or other members of senior management of the Company) who has a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall abide by the arbitration.

Disputes in relation to the identification of shareholders and disputes in relation to the register of shareholders need not be referred to arbitration.

(2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Centre.

(3) If any disputes or claims of rights prescribed in paragraph (1) above are referred to arbitration, the laws of the PRC shall apply, save as otherwise provided in the laws and administrative regulations.

The award of an arbitration body shall be final and conclusive and binding on all parties.

CHAPTER 18 SUPPLEMENTARY PROVISIONS

Article 265 These Articles of Association are written in Chinese. In case of any discrepancy between versions in other languages or different versions of these Articles of Association, the latest Chinese version approved for registration with the Guangzhou Municipal Administration for Industry and Commerce shall prevail.

Article 266 The right of interpretation shall belong to the Board of the Company whereas the right of amendment shall belong to the general meeting.

Article 267 “Accountants’ firm” in these Articles of Association shall have the same meaning as “auditors”.

Article 268 All “over”, “within” and “under” in the Articles of Association include the relevant figure itself; “exceed”, “less than”, “except” and “lower than” does not include the relevant figure itself.