



中州证券

Central China Securities Co., Ltd.

(a joint stock company incorporated in 2002 in Henan Province, the People's Republic of China with limited liability under the Chinese corporate name “中原证券股份有限公司” and carrying on business in Hong Kong as “中州证券”)

(Stock Code: 1375)

Articles of Association

Zhengzhou, China

The original version of the Articles of Association of the Company (the “Articles” or “Articles of Association”) is in Chinese, and the English version of the Articles is the translation from the Chinese original. Should there be any discrepancy between the Chinese and English version of the Articles, the Chinese version shall prevail.

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Chapter I General Provisions

Article 1 These Articles of Association are formulated in accordance with the *Company Law of the People's Republic of China (the "PRC") (the "Company Law")*, the *Securities Law of the PRC (the "Securities Law")*, *Special Provisions of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Companies (the "Special Provisions")*, *Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of Opinions on Supplementary Amendments to Articles of Association of Companies to be listed in Hong Kong. Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Hong Kong Listing Rules")* and other relevant provisions, to safeguard the legal interests of Central China Securities Co., Ltd. (the "Company"), its shareholders and creditors thereof, and to regulate the organization and conduct of the company.

Article 2 The Company is a joint stock company with limited liability established in accordance with the *Company Law*, the *Securities Law* and other applicable regulations.

The Company was jointly established by Xuji Group Co., Ltd., Henan Economic and Technology Development Co., Ltd., Henan Construction & Investment Group Co., Ltd., Anyang Iron & Steel Group Co., Ltd., Anyang Economic Development Group Co., Ltd., Anyang Trust & Investment Company Limited, Henan Shenhua Group Co., Ltd., Jiaozuo Economic and Technology Development Co., Ltd., Hebi Construction & Investment Group Co., Ltd. upon approval of the China Securities Regulatory Commission (the "CSRC") (ZJJGZ [2002] No. 326 *Approval on Commencement of Business of Central China Securities Co., Ltd.*) and the People's Government of Henan Province (YGPZ [2002] No. 31 *Approval on Establishment of Central China Securities Co., Ltd.*); it was registered with and was issued a *Business License for Enterprise's Legal Person* by the Henan Administration for Industry & Commerce on November 8, 2002. Company's business license no. is 410000100009831.

Registration Name of the Company:

Chinese Name: 中原证券股份有限公司.

English Name: CENTRAL CHINA SECURITIES CO., LTD.

Company Address: No. 10 Shangwu Waihuan Road, Zhengdong New District, Zhengzhou City.

P.C.: 450018.

Tel.: 371-6558 5118.

Fax: 371-6558 5118.

Article 3 The registered capital is RMB2,631,615,700.

Article 4 The Company is a joint stock company with limited liability with not definite term of existence.

Article 5 The chairman (the "Chairman") of the board of Directors of the Company (the "Board") shall be the legal representative of the Company.

Article 6 All of the assets of the Company shall be divided into shares of equal value. The shareholders shall be liable to the extent of the shares subscribed and the Company shall be liable for its debts to the extent of all of its available assets.

Article 7 Shareholders of the Company enjoy the rights of proprietors in proportion to their respective shares of capital contributions to the Company, such as deriving benefits from its assets, making major decisions, and selecting its management. The Company enjoys the full property rights of a legal person in respect of assets resulting from the investment by its shareholders, and enjoys civil rights and bears civil liabilities in accordance with the laws.

Article 8 The Company, as a legal person with all of its assets, shall operate autonomously and be accountable for its own profit and loss in accordance with the laws.

Article 9 The Company shall adopt an internal management system which specific powers and responsibilities, modernized management and balance of incentive and restrictions.

Article 10 The Company is a non-bank financial institution under the legal supervision and administration of State's securities regulatory authorities of the state.

Article 11 As of the effective date, these Articles of Association shall be legally binding documents to regulate the organization and conduct of the Company, and govern the rights and obligations between the Company and the shareholders and the shareholders themselves.

These Articles of Association constitute a legally binding document governing on the Company, its shareholders, Directors, supervisors and senior management, who may claim for the rights in relation to the matters of the Company in pursuance to the Articles of Association. Pursuant to the Articles of Association, the shareholders may take action against any other shareholder(s), as well as any Director(s), supervisors, president and other senior management and the Company; the Company may take action against its shareholders, Directors, supervisors and senior management.

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

Article 12 The Company may invest in another limited liability company or joint stock company, and is liable to such company to the extent of its capital contribution.

Article 13 The senior management referred to in these Articles of Association include the president, vice president, chief financial officer, chief compliance officer, secretary to the Board, chief auditing officer, and such other personnel hold keep posts as identified by regulators or acknowledged by any board resolution of the Company.

A Director, supervisor and member of senior management of the Company shall obtain vocational qualification approved by the securities regulatory authorities before holding office.

Article 14 The Company conduct the securities business in compliance with the laws, regulations, rules and other regulatory documents, industry norms and self-regulatory rules, the internal rules of the Company as well as the professional ethics and codes of conduct generally recognized by the industry, the principle of utmost good faith and fair competition without prejudice to the national interests and the public interests, and shall not engage in unfair competition.

Chapter II Objectives and Scope of Business

Article 15 The objectives of business of the Company is to maximize the long-term interest of shareholders of the Company through honest, prudent, innovative and efficient operations.

Article 16 As approved by the national securities regulatory authority and the companies registration authorities, the business scope of the Company is: securities brokerage, securities investment consulting, financial consulting relating to the securities trading and securities investment, securities underwriting and sponsorship, proprietary trading of securities, securities asset management, proxy sale of securities, investment fund, intermediary introduction business for futures companies, margin financing and securities lending business and proxy sale of financial products.

Article 17 Subject to the national laws and regulations and approval by the securities regulatory authorities, the Company can set up wholly-owned subsidiaries to conduct direct investment business.

Pursuant to the laws and administrative regulations and relevant requirements of the CSRC, the Company can set up subsidiaries to conduct investment in financial products other than those stated in the List of Securities Investment Products for the Proprietary Trading of Securities Companies.

Chapter III Shares

Section 1 Shares and Registered Capital

Article 18 The stock of the Company shall take the form of shares. All shares issued by the Company shall have par values, with each share having a par value of RMB1. Share certificate shall be in paper form or in other forms prescribed by the securities regulatory authorities under the State Council.

Article 19 The Company shall have ordinary shares at all times; with the approval of the approving department authorized by the State Council, the Company may have other forms of shares when needed.

Article 20 Subject to the approval of the securities regulatory authorities under State Council, the Company can issue the shares to the domestic and foreign investors.

The foreign investors mentioned in the preceding paragraph refer to the investors abroad and in Hong Kong Special Administrative Region (the “Hong Kong”), Macau Special Administrative Region (the “Macau”) and Taiwan subscribing for the shares issued by the Company; the domestic investors refer to the investors subscribing for the shares issued by the Company who are in the People’s Republic of China (the “PRC”) other than the fore-mentioned areas.

Article 21 shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Foreign shares listed overseas shall be referred to as “overseas listed foreign shares”.

Article 22 The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; all entities or individuals subscribing for shares shall pay the same price for each share.

Article 23 Upon incorporation, the registered share capital was 1,033,790,000 ordinary shares in RMB to all the promoters, accounting for 100% of the total ordinary shares issued by the Company. The names, the number of shares subscribed for, method of the capital contribution and shareholding of each promoters are as follows:

No.	Name of the shareholder	Method the capital contribution	The number of shares subscribed for (in ten thousand)	Shareholding (%)
1	Xuji Group Co., Ltd.	Cash	42,000.00	40.627
2	Henan Economic and Technology Development Co., Ltd.	Net assets	36,361.84	35.173
3	Henan Construction & Investment Group Co., Ltd.	Cash	10,000.00	9.673
4	Anyang Iron & Steel Group Co., Ltd.	Cash	10,000.00	9.673
5	Anyang Economic Development Group Co., Ltd.	Net assets	1,698.08	1.643
6	Anyang Trust & Investment Company Limited	Net assets	1,052.25	1.018
7	Henan Shenhua Group Co., Ltd.	Cash	1,000.00	0.967
8	Jiaozuo Economic and Technology Development Co., Ltd.	Net assets	766.83	0.742
9	Hebi Construction & Investment Group Co., Ltd.	Cash, net assets	500.00	0.484
Total			103,379.00	100

Article 24 The Company was approved by the securities regulatory authority of the State Council to issue 598,100,000 overseas listed foreign shares in the form of initial public offering on 22 April 2014 to the foreign investors, and was listed on HKEx on 25 June 2014.

The registered capital of the Company is RMB2,631,615,700.

The share capital structure of the Company is as follows: 2,631,615,700 ordinary shares, in which the domestic shareholders hold 1,973,705,700, accounting for 75 percent of total ordinary shares issued by the Company; the shareholders of the overseas listed foreign shares hold 657,910,000, accounting for 25 percent of total ordinary shares issued by the Company.

Article 25 For the plan of the Company for issuing overseas listed foreign shares and domestic shares issued by the Company upon approval of the securities regulatory authority of the State Council, the Board can implement the issuance arrangements separately.

The fore-mentioned plan of issuance the overseas listed foreign shares and domestic shares in accordance with the preceding paragraph can be implemented separately within 15 months upon the approval of the securities regulatory authority of the State Council.

Article 26 If the Company separately issues overseas listed foreign shares and domestic shares within the total number specified in the issuance plan, the said shares shall be issued respectively at one time; if it is impossible for the shares to be issued at one time for special reasons, the shares may be issued by several times upon approval by the securities regulatory authority of the State Council.

Section 2 Transfer of Shares

Article 27 Save as otherwise specified by laws, administrative regulations, department rules and provisions of the securities regulatory authority at the place where the Company's shares are listed, shares of the Company may be transferred freely and without any liens. Transfer of overseas listed foreign shares listed on the Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") shall be registered with the Hong Kong-based share registry designated by the Company.

Article 28 The shares of the Company held by the promoters shall not be transferred within one year after incorporation the Company.

Shares already issued by the Company before public offering shall not be transferred within one year after the shares of the Company are listed on the stock exchange.

The Company's Directors, supervisors and senior management shall report to the Company about their shareholdings and changes thereof and shall not transfer more than 25.0% of their shares per annum during their terms of office; the shares they hold in the Company shall not be transferred within one year after the shares of the Company are listed. The aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company.

Article 29 If the Company's Directors, supervisors, senior management, and shareholders holding more than 5.0% shares of the Company sell shares within six months after buying the same or buy shares within six months after such sale, the earnings arising therefrom shall belong to the Company and the Board of the Company shall forfeit the said earnings.

If the Board fails to comply with the provision of preceding paragraph, shareholders may require the Board to implement relevant provisions within 30 days. If the Board fails to comply with the provision within such specified time, such shareholder may file a lawsuit with the People's Court in his/her own name for the benefit of the Company.

If the Board fails to comply with the provisions of the first paragraph of this Article, the responsible Directors shall assume joint and several liabilities in accordance with the laws.

Article 30 The transfer of shares of the Company shall be conducted in accordance with the provisions of relevant laws, administrative regulations and other regulations.

Article 31 Should the transfer of the shares be approved by the securities regulatory authority of the State Council in accordance with the laws, shareholders transferring the shares and the transferee shall submit the relevant materials to the Company within 10 days after the signing of the shares transfer contract or agreement for examination and approval by the securities regulatory authority of the State Council.

Article 32 The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to purchasers or potential purchasers of the Company's shares. The aforesaid purchasers include persons directly or indirectly undertaking obligations because of the purchase of the Company's shares.

The Company or its subsidiaries shall not at any time or in any form provide any financial assistance to the aforesaid obligors for the purpose of reducing or discharging their obligations.

This article is not applicable to circumstances mentioned in Article 34 of these Articles of Association.

Article 33 The financial assistance mentioned in the Articles of Association, includes, but not limited to, the following means:

(I) a gift;

(II) guarantees (including the undertaking of liability or provision of property by the guarantor to secure the performance of the obligation by the obligator), indemnity (however, excluding indemnity against the Company's fault) and release or waiver of rights;

(III) provision of loan or conclusion of a contract under which the obligations of the Company be fulfilled prior to the performance of those of the other party or parties to the contract, or a change of the loan or of the party or parties to such loan or contract as well as the assignment of rights under such loan or contract; and

(IV) the financial assistance provided in any other forms where the Company is insolvent or has no net assets, or that may result in a significant loss in the Company's net assets.

For the purposes of this article, obligations shall include the obligations of a obligator due to its execution of a contract or an arrangement, or otherwise as a result of any change to the financial condition of the obligator, whether or not such contract or arrangement is enforceable and whether or not such obligations is assumed independently by the obligator or jointly with any other person.

Article 34 The following acts shall not be deemed prohibited by Article 32 of the Articles of Association:

(I) the Company provides the relevant financial assistance in the interest of the Company in good faith, and the principal purpose of the said financial assistance is not to purchase the Company's shares, or the said financial assistance is an incidental part of a master plan of the Company;

(II) the Company distributes its assets as dividends in accordance with the law;

(III) the Company distributes dividends in the form of shares;

(IV) the Company decreases its registered capital, repurchases its shares and adjusts the equity structure in accordance with the Articles of Association;

(V) the Company provides a loan for its normal business operations within its business scope (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is provided out of the distributable profit of the Company);

(VI) the Company provides the funding for employee stock ownership plan (but such financial assistance shall not give rise to a decrease in the net assets of the Company, or, despite a decrease, such financial assistance is provided out of the distributable profit of the Company).

Article 35 The Company shall not accept any pledge of its shares.

Section 3 Shares Buyback

Article 36 The Company may, in the following circumstances, buy back its shares pursuant to laws, administrative regulations, department rules and Articles of Association:

(I) to reduce the registered capital of the Company;

(II) to merge with other companies holding shares of the Company;

(III) to award shares to employees of the Company;

(IV) as required by shareholders objecting to resolutions of the general meeting concerning merger or division of the Company to buy their shares;

(V) other circumstances specified by laws and regulations and approved by relevant regulatory authorities.

The Company shall not trade its shares unless in the aforesaid circumstances.

Article 37 The Company buy back its shares in any of the following ways upon approval by relevant competent authority of the State:

(I) offering to buy back shares from all shareholders on a pro rata basis;

(II) buying back through open transaction in the stock exchange;

(III) buying back through agreement outside the stock exchange;

(IV) in other forms approved by laws, regulations, rules, normative documents and relevant competent authorities.

Article 38 In buying back shares through agreement outside the stock exchange, the Company shall obtain prior approval at a general meeting in accordance with the Articles of Association. With the prior approval of the general meeting in the same manner, the Company may terminate or vary the foregoing contract, or waive any rights thereof.

The contract of buying back the shares mentioned in the preceding paragraph includes (but not limited to) the agreement to become liable to buy back and to acquire the rights to buy back the shares.

The Company shall not assign a contract of buying back its shares or any rights contained in the contract.

In respect of the redeemable shares that the Company has the right to buy back: (I) if they are not bought back on the market or by bidding, the price shall not exceed a maximum price; (II) if they are bought back by bidding, such offer shall be made available to all shareholders equally.

After buying back its shares according to the laws, the Company shall cancel the said shares before the deadline specified by laws and administrative regulations, and register the change of the registered capital with the original company registration authority.

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

Article 39 Except where the Company is in the course of liquidation, it must comply with following provisions in buying back its own issued shares:

(I) where the Company buys back the shares at their par value, the amount of total par value shall be deducted from the distributable profits or out of the proceeds of a new issue of shares made for that purpose;

(II) where the Company buys back the shares at a premium, an amount equivalent to their total par value shall be deducted from the distributable profits of the Company or out of the proceeds of a new issue of shares made for that purpose; payment of the portion in excess of their par value shall be effected as follows:

(1) if the shares bought back were issued at the face value, they can be deducted from the distributable profits of the Company;

(2) if the shares bought back were issued at a premium, they can be deducted from the distributable profits of the Company and or out of the proceeds of a new issue of shares made for that purpose; provided that the amount paid out of the proceeds of the new issue may not exceed the aggregate of premiums received by the Company on the issue of the shares bought back or the current balance of the Company's capital common reserve account (inclusive of the premium from the fresh issue);

(III) payments by the Company in consideration for the following purposes shall be made out of the distributable profits of the Company:

(1) the acquisition of the right to buy back its shares;

(2) the variation the contract for the buyback of its shares;

(3) release its obligations in the buyback contract.

(IV) 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 Company's distributable profits for repurchase for the payment of the par value of the shares shall be transferred to the Company's capital reserve account.

Where there are special provisions on the financial affairs of aforementioned buyback stipulated by the laws, rules, regulations and regulatory documents and other relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed, these special provisions shall prevail.

Article 40 Where the Company should buy back the shares due to subparagraph (I) to (III) of Article 36 of the Articles of Association, the general meeting shall pass the resolution. After the Company buys back the shares pursuant to Article 36, such shares shall be cancelled within 10 days from the date of buyback if it is under the situation of subparagraph (I); such shares shall be cancelled within 6 months from the date of buyback if it is under the situations of subparagraph (II) and (IV).

The shares bought back by the Company in accordance with subparagraph (III) of Article 36 shall not exceed 5% of the total shares issued; the payment for buyback shall be made out of the Company's after-tax profits; the shares bought back shall be transferred to the employees within 1 year.

Section 4 Increase and Decrease in Shares

Article 41 According to the Articles of Association, the Company may increase or decrease the registered capital upon approval by special resolutions at a general meeting and securities regulatory authority of the State Council.

Article 42 The Company may increase capital in following ways:

(I) offer of new shares to non-specified investors;

(II) private placement offerings;

(III) right issue of new shares to existing shareholders;

(IV) bonus issue of new shares to existing shareholders;

(V) capitalization of surplus reserve;

(VI) by other means permitted by laws, administrative regulations or approved by the regulatory authorities.

Issue of new shares to increase the capital by the Company shall be subject to approval as specified in the Articles of Association and follow the procedures specified by the relevant State laws and administrative regulations.

Article 43 The Company shall prepare a balance sheet and a list of property inventory when decreasing its registered capital.

The Company shall notify all its creditors within 10 days following the resolution approving to decrease the registered capital and shall make announcements in newspapers within 30 days. The creditors shall be entitled to require the Company to repay debts or provide guarantees in favor of such creditors within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, fall below the minimum statutory requirements.

The Company shall decrease its registered capital pursuant to Company Law, other relevant regulations, and Articles of Association.

Section 5 Shareholders and the Register of Shareholders

Article 44 Share certificates the Company shall bear shareholders' names.

Matters contained in the shares shall include other matters required by the stock exchange with which the Company is listed, as well as those specified in Company Law.

Article 45 The share certificates shall be signed by the Chairman. Where the stock exchange with which the Company is listed requires the president or other senior management to sign, the president or other senior management should also sign the shares certificates. The shares certificates shall take effect after being affixed of imprinted with the Company seal. The affixing of the seal shall be authorized by the Board. The signature of the Chairman, the president or other senior management can be also printed on the certificates.

Under the circumstances of paperless issuance and transactions, other provisions of the securities regulatory authority at the place where the company's shares are listed and the stock exchange shall be applicable.

Article 46 The register of shareholders should be established by the Company to register the following information:

- (I) names (titles), addresses (premises), occupations or nature of each shareholder;
- (II) type and number of shares held by the shareholders;
- (III) amount paid or payable for the shares held by the shareholders;
- (IV) serial numbers of the shares certificates held by each shareholder;
- (V) date on which each shareholder is registered as shareholder;
- (VI) date on which each shareholder ceases to be a shareholder.

The shareholders' register is a sufficient evidence of the shareholders' shareholdings in the Company unless there is evidence to the contrary.

Article 47 The Company may keep overseas the register of holders of overseas listed foreign shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authority under the State Council and the overseas securities regulatory authority. The original of the register of holders of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall keep at its premise a copy of the register of holders of overseas listed foreign shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed foreign shares are consistent.

Where the original and copies of the register of holders of overseas listed foreign shares are inconsistent, the original shall prevail.

Article 48 The Company shall keep a complete register of shareholders.

The register of shareholders shall include the following items:

(I) the register of shareholders that is maintained at the premise of the Company, other than those mentioned in subparagraph (II), (III) of this article;

(II) the register of holders of overseas listed foreign shares kept in the stock exchange with which the Company is listed;

(III) the register of shareholders kept at other locations based on the Board's decision as to the requirement for where the Company's shares are to be listed.

Article 49 Different parts of the register of shareholders shall not overlap with each other. The transfer of shares registered in one part of the register of shareholders shall not be registered in the other parts during the duration the term of the registration of such shares.

Every part of the register of shareholders shall be altered or corrected under the laws of the place where it is maintained.

The transfer document in writing shall be made in general or common format or any other format accepted by the Board for the transfer of the Company's overseas listed foreign shares; this document can be manually signed without a seal. Where the transferor or the transferee is the recognized clearing house (the "Recognized Clearing House") or its agent defined by *Hong Kong Securities and Futures Ordinance*, the transfer document can be signed manually or in print form. All transfer documents shall be kept in the registered address of the Company or the place designated by the Board from time to time.

Article 50 Change of the register of shareholders arising from share transfer shall not be registered within 30 days before convening of a general meeting or within five days prior to the date of decision on distribution of dividend.

Rules of the securities regulatory authority of the place where the company's shares are listed shall prevail.

Article 51 When the Company convenes the general meeting, distributes the dividends, liquidates and conducts other acts which requires recognition of shareholdings, the Board or the general meeting should decide the date as the date of register of shares as of the end of which shareholders registered shall be entitled to the relevant benefits.

Article 52 If any person objects to the register of shareholders and asks to have his name (title) recorded in or deleted from the register of shareholders, the said person may apply to the court with jurisdiction to correct the register of shareholders.

Article 53 If any shareholder in the register of shareholders or any person requesting to have his name (title) recorded in the register of shareholders has lost his shares (i.e. "the Original Share Certificate"), the said shareholder or person may apply to the Company to reissue new shares for the said shares (i.e. the "Original Shares").

The domestic shareholders whose share certificates have been lost shall apply for the new shares pursuant to the relevant provisions of the Company Law.

The shareholders of overseas listed foreign shares shall apply for the new shares pursuant to the laws, rules of the stock exchange or other relevant provisions of the place where the original register of the holders of overseas listed foreign shares is maintained.

The issue of a replacement share certificate upon application by a shareholders of overseas listed foreign shares, whose share certificate is lost, shall be subject to the following requirements:

(1) The applicant shall submit an application to the Company in such form as prescribed by the Company accompanied with a notarial certificate or a statutory declaration. The notarial certificate or the statutory declaration shall contain the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificate, and a declaration that no other person is eligible to have his name entered into the register of shareholders in respect of the Original Shares.

(2) The Company has not received any declaration made by any person other than the applicant claiming that the name of such person shall be entered into the register of shareholders in respect of such shares prior to the Company's determination to issue a replacement share certificate to the applicant.

(3) If the Company decides to issue a new share certificate to the applicant, it shall first publish an announcement in respect of the issue of new share certificate on a newspaper designated by the Board. The period of announcement shall be 90 days and the announcement shall be reissued at least once every 30 days.

(4) Prior to the publication of the announcement of its proposed issue of a replacement share certificate, the Company shall file a copy of the announcement to be published to the stock exchange on which its shares are listed. The Company may publish the announcement upon receipt of confirmation from the stock exchange that the announcement has been displayed on the stock exchange. Such announcement shall be displayed on the stock exchange for a period of 90 days.

If the application for replacement of a share certificate is made without the consent of a registered holder of the Original Shares, the Company shall deliver by mail to such registered shareholder a copy of the announcement to be published.

(5) If the Company has not received any dispute from any person in respect of the issue of the replacement share certificate by the expiration of the 90-day period referred to in paragraphs (3) and (4) of this article, it may issue a replacement share certificate to the applicant pursuant to the application.

(6) Where the Company issues a replacement share certificate pursuant to this article, it shall forthwith cancel the Original Share Certificate and record the cancellation of the Original Share Certificate and issue of a replacement share certificate 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 shall be borne by the applicant. The Company may withhold from taking any action until a reasonable guarantee for payment is provided by the applicant.

Article 54 Upon issue of a replacement share certificate pursuant to the Articles of Association, the name of bona fide purchaser of the subsequent registered holder (in case of a bona fide purchaser) of such newly issued shares shall not be removed from the register of shareholders.

Article 55 The Company shall not be liable for any damage caused to any person by reason of the cancellation of the Original Share Certificate or the issue of the replacement share certificate, unless the claimant provides the evidence demonstrating that the Company has acted fraudulently.

Chapter IV Shareholders and General Meeting

Section 1 Shareholders

Article 56 The Company's shareholders shall comply with the conditions prescribed by securities regulatory authorities of the State Council. Shareholders of the Company are persons lawfully holding shares of the Company, with names (titles) recorded in register of shareholders. The shareholders enjoy rights and assume obligations as per the shares they hold; the same shares represent the same rights and the same obligations.

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

If any of the joint shareholders deceased, only the existing shareholders shall be deemed by the Company as owners of the relevant shares, but the Board may for the purpose of modifying the register of shareholders, require the provision of death certificate as it deems appropriate. In respect of the joint shareholders of any shares, only the joint shareholders first named in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the general meetings or exercise the full voting right of the relevant shares, and any notice received by such shareholder shall be deemed as having been served to all the joint shareholders of the relevant share.

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

(I) the Company shall not register more than four persons as joint shareholders;

(II) all joint shareholders shall be jointly and severally liable for all relevant costs payable;

(III) if any of the joint shareholders deceased, only the existing shareholders shall be deemed by the Company as owners of the relevant shares, but the Board may, for the purpose of modifying the register of shareholders, require the provision of a death certificate as it deems appropriate;

(IV) In respect of the joint shareholders of any shares, only the joint shareholders first named in the register of shareholders shall be entitled to take relevant shares, receive notices of the Company, and attend the general meetings or exercise the full voting right of the relevant shares. Any notice received by such shareholder shall be deemed as having been served to all the joint shareholders of the relevant shares.

Article 57 The ordinary shareholders of the Company shall be entitled to the following rights:

(I) to receive dividends and other distributions in proportion to the shares they hold;

(II) to attend general meetings either in person or by proxy and exercise the voting right;

(III) to supervise, raise suggestions or inquiries about the business operations of the Company;

(IV) to transfer their shares in accordance with laws, administrative regulations and the Articles of Association;

(V) to gain relevant information in accordance with the Articles of Association, including:

1. receiving a copy of the Articles of Association after payment of cost;

2. the right to access and copy the followings, subject to payment of reasonable fee:

(1) the entire register of shareholders made of all parts;

(2) personal data of Directors, supervisors, the president and other senior management of the Company senior management, including: ① current and previous names and aliases; ② main address (premise); ③ nationality; ④ full-time and all other con-current position and duties; and ⑤ identification documents and their numbers.

(3) share capital of the Company;

(4) report of the total par value, quantity, the highest and lowest price of each class of shares bought back by the Company from the last financial year, and the total amount paid by the Company for this purpose;

(5) counterfoils of corporate bonds;

(6) minutes of general meetings;

(7) resolutions of the Board meetings;

(8) resolutions of meetings of the Supervisory committee; and

(9) financial and accounting reports after payment of reasonable fee.

(VI) to participate in the distribution of the remaining properties of the Company as per their shares in the event of the termination or liquidation of the Company;

(VII) To require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company;

(VIII) To enjoy other rights stipulated by laws, administrative regulations, department rules and Articles of Association.

Article 58 Where any shareholder proposes to inspect relevant information described in the preceding article or requests any materials, such shareholder shall provide the Company with written documents evidencing shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder status.

Article 59 If any resolution of the general meeting or the Board is in violation of laws and administrative regulations, the shareholders shall be entitled to request the people's court to invalidate the said resolution. (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

If the convening procedure and voting method of the general meeting or the Board meeting is in violation of the laws, administrative regulations or Articles of Association, or if the content of any resolution is in violation of the Articles of Association, shareholders shall be entitled to request the people's court for revocation within 60 days after the resolution being passed (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

Article 60 If any Director or senior management violates laws, administrative regulations or Articles of Association in fulfilling their duties, thereby incurring any loss to the Company, the shareholder(s) severally or jointly holding 1.0% or more shares of the Company for no less than 180 days continuously shall be entitled to request in writing the supervisory committee to institute legal actions to the people's court; if the supervisory committee violates laws, administrative regulations or Articles of Association in fulfilling its duties, thereby incurring any loss to the Company, shareholders shall be entitled to request the Board in writing to institute legal actions to the people's court (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

If the supervisory committee or the Board refuses to institute legal actions after receipt of the aforesaid written request or does not institute legal actions within 30 days after receipt of the said request, or if the circumstance is urgent or any delay of legal proceedings may incur irrecoverable damage to the interests of the Company, shareholders as specified in the preceding paragraph shall be entitled to directly institute legal actions to the people's court in their own names for the interests of the Company (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

If any other person infringes upon the legitimate rights and interests of the Company, thereby incurring any loss to the Company, shareholders as mentioned in the first paragraph of this article may initiate legal actions to the people's court according to the provisions of the two preceding paragraphs (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

Article 61 If any Director or senior management violates laws, administrative regulations or Articles of Association, thereby incurring any loss to the shareholders, shareholders may institute legal actions to the people's court. (the dispute-settlement rules of the Articles of Association shall apply to holders of foreign shares).

Article 62 The Company's ordinary shareholders shall have the following obligations:

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

(II) to pay capital contribution as per the shares subscribed and the method of subscription;

(III) may not claim the share capital in respect of its shares, unless otherwise specified by the laws or regulations;

(IV) not to abuse shareholder's right to damage the interests of the Company or other shareholders; not to abuse the independent status of legal person and shareholder's limited liability to damage the interests of the creditors of the Company;

Where any of the shareholders of the Company causes any loss to the Company or to other shareholders by abusing the shareholder's rights, he/she shall be liable for compensation; and

Where any of the shareholders of the Company evades the payment of its debts by abusing the independent status of legal person and the shareholder's limited liabilities and therefor seriously injures the interests of any creditor of the Company, such shareholders shall be jointly and severally liable for the debts of the Company.

(V) to promptly make payment for subscription in cash or go through relevant formalities for subscription in kind as specified, and shall be liable for the failure to pay (in full) the subscription funds in time;

(VI) to fulfil other obligations as stipulated by laws, administrative regulations and Articles of Association.

Shareholders shall not be liable for further contribution to share capital other than the conditions agreed to by the subscriber of the relevant shares on subscription.

Article 63 Any shareholder and actual controller of the Company shall notify the Company within five working days of any of the following events:

(I) equity of the Company it holds or controls is under property preservation or other mandatory measures;

(II) any of its shares of the Company is pledged;

(III) it decides to transfer its shares of the Company it holds or controls;

(IV) the beneficial owner of any shareholder who holds no less than 5% of the shares of the Company is changed;

(V) its name is changed;

(VI) a merger or division is effected;

(VII) it is subject to regulatory measures including suspension of operation, is appointed a receiver, or is taken over, subject to revoke or other regulatory measures, or enter into dissolution, bankruptcy or liquidation procedure;

(VIII) it receives administrative penalty or criminal punishment due to serious violations of laws and regulations;

(IX) it is involved in other circumstances that may lead to transfer of its shares of the Company or otherwise affect operation of the Company.

The Company shall report the above circumstances to the securities regulatory authorities at premise of the Company within 5 working days since it becomes aware of such circumstances.

This article is not applicable to Shareholders hold less than 5% of the Company's share rights after the listing of the Company.

If the shareholders of the Company have their equity percentage reaching or exceeding 5.0% of the registered capital of the Company through subscription for or acceptance of the Company's equity or holding of the shareholders' equity in the Company or other ways, they shall notify the Company and complete approval formalities with CSRC before they formally hold such shares. Without the approval by CSRC, any institutions or persons shall not directly or indirectly hold 5.0% or more shares of the Company; otherwise, they shall make corrections within a specified period, and shall not exercise the voting right of relevant shares before such correction.

Article 64 The controlling shareholders and its beneficial owner of the Company shall not use the connected relations to damage the interests of the Company; otherwise, they shall make compensation for the loss incurred to the Company.

The controlling shareholders and its beneficial owner of the Company shall owe a fiduciary duty to the Company and the shareholders of the Company. The controlling shareholders shall strictly comply with laws and regulations while exercising their rights as shareholders. The controlling shareholders shall not injure any of the interests of the Company or of other shareholders by means of profit distribution, assets reorganization, external investment, use of capital and loan guarantees and so on, or by exploiting their controlling position.

Save for the obligations under laws, administrative regulations or the listing rules of the stock exchange with which the Company's shares are listed, the controlling shareholders of the Company, in exercising their rights as shareholders, shall not make any decision detrimental to all or any of shareholders on the matters set forth below:

(I) relieving a Director or supervisor of the fiduciary duties for the best interests of the Company;

(II) approving a Director or supervisor (for benefits of his/her own or another person) to deprive the Company of any properties, including (but not limited to) any opportunities that are favorable to the Company; or

(III) approving a Director or supervisor (for benefits of his/her own or another person) to deprive other shareholders of their legitimate rights, including (but not limited to) rights to distributions and voting rights (save as pursuant to a restructuring approved by the shareholders at general meeting in accordance with these Articles).

Article 65 The Company shall establish an effective mechanism of communication with its shareholders to protect the shareholders' right of information in pursuance to laws.

Company shall notified all of its shareholders, and reported to the relevant securities regulatory commission at its premise:

(I) the Company or its Directors, supervisors and senior management are alleged to be in serious violation of law and regulation;

(II) the Company's financial situation continues to deteriorate, causing the risk control indicators fall below the standards set by CSRC;

(III) the Company records material loss;

(IV) proposed change of legal representative, the Chairman, chairman of supervisory committee or president;

(V) occurrence of emergencies that will or may have a material adverse effect on the Company and its customers;

(VI) other matters may affect the Company's business continuity.

Article 66 The Company and shareholders (or related parties of shareholders) thereof shall not act as follows:

(I) holding equity of shareholders unless otherwise specified by laws, administrative regulations or China Securities Regulatory Commission;

(II) transmitting undue benefits to shareholders by way of purchasing securities held by shareholders;

(III) shareholders illegally occupying assets of the Company;

(IV) other acts prohibited by laws, administrative regulations or CSRC.

Section 2 General Meeting

Article 67 The general meeting shall be the authority of the Company and shall exercise the following functions and powers according to law:

(I) to decide the business operation policies and investment plan for the Company;

(II) to elect and change Directors and supervisors who are not employees' representatives, and resolve on the remunerations of Directors and supervisors;

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

(IV) to examine and approve reports of the Supervisory committee;

(V) to examine and approve the annual financial budgets and final accounting plans of the Company;

(VI) to examine and approve the Company's profit distribution plan and loss recovery plan;

(VII) to resolve on increase or decrease of the registered capital of the Company;

(VIII) to resolve on issuance of bonds of the Company;

(IX) to resolve on the merger, division, dissolution, liquidation or transformation of the Company;

(X) to amend the Articles of Association;

(XI) to appoint, removal or non-retention of the accounting firms;

(XII) to examine and approve the external guarantees of the Company that require the approval by the general meetings;

(XIII) to consider the Company's purchase or disposal of major assets within one year of an aggregate value exceeding 30.0% of the latest audited total assets of the Company;

(XIV) To examine and approve matters relating to the changes in the use of proceeds from share offerings;

(XV) to consider equity incentive scheme;

(XVI) to examine and approve shareholding schemes of Directors, supervisors, senior management or employees of the Company;

(XVII) to consider proposals of shareholders holding no less than 3.0% (inclusive) in aggregate of the Company's shares; and

(XVIII) to consider other matters which, in accordance with laws, administrative regulations, department rules or Articles of Association, shall be approved at a general meeting.

Resolutions of the general meeting of shareholders has to be reported to securities regulatory authorities of the State Council and shall take effect after approval; in relation to changes which involve registered matters, it shall go through registration formalities for the alteration in accordance with the laws.

Article 68 The following external guarantees to be given by the Company shall be examined and approved by the general meeting:

(I) Provision of a single guarantee whose amount exceeds 10.0% of the latest audited net assets of the Company;

(II) Provision of any external guarantee by the Company or its subsidiaries, the total amount of which exceeds 50.0% of the latest audited net assets of the Company;

(III) provision of guarantee to anyone whose liability-asset ratio exceeds 70.0%;

(IV) provision of guarantee whose cumulative amount in 12 consecutive months exceeds 30.0% of the latest audited total assets of the Company;

(V) provision of guarantee whose cumulative amount in 12 consecutive months exceeds 50.0% of the latest audited net assets of the Company and equals no less than RMB50 million; and

(VI) provision of other guarantees stipulated by laws and regulations, department rules, normative documents or Articles of Association.

The subparagraph (IV) of the preceding paragraph requires affirmative votes by at least two-thirds of the votes held by shareholders attending the meeting.

Article 69 General meetings are classified into annual general meetings and extraordinary general meetings. The annual general meeting shall be held once every year within six months after the end of the previous financial year.

Article 70 The Company shall convene an extraordinary general meeting within two months subsequent to occurrence of any of the following events:

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

(II) the unrecovered losses of the Company amount to one third of the total amount of its share capital;

(III) shareholder(s) severally or jointly holding more than 10.0% of the Company's voting shares request(s) in writing the convening of an extraordinary general meeting;

(IV) the Board consider it necessary;

(V) the supervisory committee proposes to convene such meeting; and

(VI) other circumstances stipulated by the laws, administrative regulations, regulative rules, or Articles of Association.

Article 71 Venue to convene the general meeting of the Company is: the Company's headquarters or other locations determined by convener. A meeting place shall be set up for the general meeting, and such meetings shall be held on-site. The Company shall also facilitate shareholders in the general meeting by offering network, telephone conference or others, as the case may be. Shareholders who participate in the general meeting through above-mentioned ways shall be regarded as attending the meeting.

Article 72 The general meeting shall be convened by the Board and shall be presided over by the Chairman. If the Chairman is unable or fails to perform his duties, the meetings shall be presided over by a Director jointly recommended by half or more of the Directors.

If the Board is unable or fails to fulfill the obligation of convening the meetings of the general meeting, the supervisory committee shall convene and preside over such meetings. If the supervisory committee does not convene or preside over such meetings, the shareholders individually or jointly holding no less than 10% of the shares for no less than 90 consecutive days may convene and preside over such meetings on their own in accordance with laws and regulations, regulative rules and the Articles of Association.

Article 73 Independent non-executive Directors shall be entitled to propose to the Board to convene an extraordinary general meeting. Regarding the proposal of the independent non-executive Directors to convene an extraordinary general meeting, the Board shall, pursuant to relevant laws, administrative regulations and Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. If the Board does not agree to hold the extraordinary general meeting, it shall give the reasons.

Article 74 The supervisory committee shall be entitled to propose in writing to the Board to convene an extraordinary general meeting. The Board shall, pursuant to relevant laws, administrative regulations and Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it will serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal, the consent of the supervisory committee shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, it shall be deemed as unable to perform or failing to perform the duty of convening the extraordinary general meeting, and the supervisory committee may convene and preside over the meeting by itself.

Article 75 Shareholder(s) severally holding 10.0% or more shares of the Company shall be entitled to request in writing the Board to convene an extraordinary general meeting or class general meeting of the Company. Two or more shareholders aggregately holding 10% or more shares of the Company shall be entitled to sign a written requisition in one or more counterparts in the same form and content, requiring the Board to convene an extraordinary general meeting or class general meeting and state in such written requisition the matters to be discussed at the meeting. The aforesaid number of shares shall be the shares held on the day on which the written requisition is made by the shareholders.

The Board shall, pursuant to relevant laws, administrative regulations and Articles of Association, give a written reply on whether to convene the extraordinary general meeting or not within 10 days after receipt of the proposal.

If the Board agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within five days after the resolution is made by the Board. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained.

If the Board does not agree to hold the extraordinary general meeting or fails to give a reply within 10 days after receipt of the proposal, shareholder(s) severally or jointly holding no less than 10.0% shares of the Company shall be entitled to propose in writing to the supervisory committee to convene an extraordinary general meeting.

If the supervisory committee agrees to convene the extraordinary general meeting, it shall serve a notice of such meeting within 5 days after receipt of the said request. In the event of any change to the original proposal, the consent of relevant shareholder(s) shall be obtained.

If the supervisory committee to issue the notice for the general meeting within the specified time, the supervisory committee shall be deemed as failing to convene the general meeting. The shareholder(s) severally or jointly holding no less than 10% shares of the Company for no less than 90 consecutive days may convene and preside over such meeting.

Article 76 Where the supervisory committee or shareholders decide to convene a general meeting on its/their own, it/they shall notify the Board in writing and file relevant evidential documents with the securities regulatory authority at the place where the Company is registered.

The Shareholders who convene the general meeting shall be no less than 10.0% shares of the Company when any resolution is made at such meeting.

The convening shareholders shall, when the notice of general meeting is issued or a resolution is made at the general meeting, submit relevant evidential documents to the securities regulatory authority at the place where the Company is registered.

Article 77 For the general meeting convened by the supervisory committee or shareholders on its/their own, the Board and secretary to the Board shall cooperate. The Board shall provide the register of shareholders.

Article 78 The procedure for convening of the general meeting convened by the supervisory committee or shareholders on its/their own shall be identical with that of the Board. Expenses incurred by the meeting shall be borne by the Company, and deducted from the amount payable by the Company to the defaulting Directors.

Article 79 Where the Company convenes a general meeting, a written notice shall be given 45 days prior to the date of the meeting to notify all the shareholders in the register of shareholders, and the date and venue of the meeting. Any shareholder who intends to attend the meeting shall deliver to the Company a written reply stating his or her intention to attend at least 20 days prior to the meeting.

When calculating the abovementioned period, the date of the meeting shall not be included.

Article 80 The Company shall calculate the number of voting shares represented by the shareholders intending to attend the general meeting in accordance with the written replies received 20 days prior to the meeting. Where the number of voting shares represented by shareholders intending to attend the meeting amounts to more than one half of the Company's voting shares, the Company may convene the general meeting; otherwise, the Company shall, within five days, notify shareholders again of the issues to be considered, date and venue of the meeting in the form of public notice. The Company may then convene the general meeting after publication of such notice.

The extraordinary general meeting shall not decide on matters not been stated in such notice.

Article 81 Notice of the general meeting shall be made in writing and shall include the following contents:

(I) date, place and duration of the meeting;

(II) resolutions and matters to be considered in the meeting;

(III) such information and explanation as are necessary for shareholders to make an informed decision on the matters to be considered, including (but not limited to) proposed merger, buyback of shares, capital reorganization, or other restructuring plan of the Company, terms of the contract (if any) for the proposed transaction and the explanation and consequences of the transactions;

(IV) if any Director, supervisor, president and other senior management has a material interest in any matter to be considered, the notice shall disclose the nature and extent of his/her interest and the difference of the effects of the proposed matters on them in their capacity as shareholders from the effects on other shareholders of the same class, if any;

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

(VI) a conspicuous statement that a shareholder entitled to attend and vote at the meeting is entitled to appoint proxy or proxies to attend and vote and that the proxy need not to be a shareholder;

(VII) stating the delivery time and place for lodging proxy forms for the meeting;

(VIII) the record date of the shareholders entitled to attend shareholders' general meeting;

(IX) points for attention to attend the meeting;

(X) names and phone numbers of the contact person for the meeting; and

(XI) the time and procedures for voting by online voting or other methods shall be explicitly stated in the notice of shareholders' general meeting if the online voting or other methods of voting are adopted.

The interval between equity registration date and the date of the general meeting shall not be more than seven working days. The equity registration date shall not be changed once confirmed.

Online voting or other voting methods shall commence no earlier than 3:00 p.m. of the day prior to the date of the shareholders' general meeting but no later than 9:30 a.m. on the date of the shareholders' general meeting and it shall not terminate earlier than 3:00 p.m. on the date of conclusion of the shareholders' general meeting.

Notice and supplementary notice of the general meeting shall disclose fully and completely of the specific contents of all matters. Where the matters to be considered require the independent non-executive Director's opinions, the independent non-executive Director's opinions and reasons shall be disclosed as well in the notice and supplementary notice of the general meeting.

Article 82 Save as otherwise specified by relevant laws and regulations, provisions of the securities regulatory authority at the place where the Company's shares are listed and the Articles of Association, notices of the general meeting shall be served on all shareholders (whether or not entitled to vote thereat) by personal delivery or prepaid mail, and the address of the recipient shall be the address appearing on the register of shareholders. The general meeting also can notify the domestic shareholders through public notice.

The public notice in the preceding paragraph shall be published within the period of 45 to 50 days prior to the date of the general meeting in one or more newspapers specified by securities regulatory authority of the State Council. Once the notice is published, all domestic shareholders shall be deemed to have received the relevant notice of the general meeting.

Article 83 The accidental omission to give notice of a meeting to any person entitled to receive notice or the non-receipt of notice of a meeting by such person shall not invalidate the meeting or any resolution passed at the meeting.

Article 84 In accordance with laws and regulations and provisions of the securities regulatory authority at the place where the Company's shares are listed, notice of the general meeting served to holders of the overseas listed foreign shares may be published within the period of 45 to 50 days prior to the date of the general meeting in the website of the Hong Kong Stock Exchange, instead of methods by personal delivery or prepaid mail.

Article 85 Where the election of Directors and supervisors will be discussed at shareholder's general meeting, the notices of the shareholders' general meeting shall, in compliance with laws, regulations and the relevant requirements of the securities regulatory authority at the place where the Company's shares are listed, contain the details of the proposed Directors and supervisors, including at least the following particulars:

(1) personal particulars such as education background, working experience and con-current positions;

(2) whether there is any connected relationship with the Company or the controlling shareholders and actual controller of the Company;

(3) shareholding in the Company; and

(4) whether there are any penalties or punishments imposed by the CSRC and other authorities or stock exchanges.

The election of each Director and supervisor shall be proposed by separate resolutions except that the election is carried out by cumulative voting.

Article 86 After the notice of general meeting is issued, the same meeting shall not be postponed or cancelled and the proposals set out in the notice shall not be cancelled without proper reasons. In the case of any postponement or cancellation, the convener shall make an announcement and give the reasons therefor at least two working days prior to the date on which the meeting is originally scheduled.

Article 87 The Board and other conveners of the Company will take the necessary measures to ensure normal order of the general meeting. For any disturbance to the order of the meeting and acts infringing the lawful interests of shareholders, preventive measures shall be taken, and such incidents shall be reported to the relevant authorities for regulative actions.

Article 88 All the shareholders or their proxies in the register of shareholders on the equity registration date shall be entitled to attend the general meeting and exercise their voting rights according to relevant laws, regulations and Articles of Association.

Article 89 Any shareholder entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (who need not be a shareholder or shareholders) as his proxies to attend and vote on his behalf. The said proxy may exercise the following rights as granted by the said shareholder:

(I) the right of shareholder to speak at the general meeting;

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

(III) to exercise the right to vote by a show of hand or on a poll; where there are more than one proxy, the said proxies shall only vote on a poll.

Article 90 The power of attorney shall be in writing under the hand of the principal or his proxy duly authorised in writing or, if the principal is a legal person, it shall be under seal or under the hand of a Director or a proxy duly authorised.

Article 91 A corporate shareholder shall attend the meeting by its legal representative or by proxies appointed by the legal representative. The legal representative presenting at the meeting shall produce his/her identity card and valid proof showing the his/her status, and the proxy presenting at the general meeting shall present his/her identity card and the power of attorney in writing issued by the legal representative of the corporate shareholder in accordance with the laws.

If a shareholder is recognized as a recognized clearing house or its nominee, the shareholder is entitled to authorize one or more person(s), as it thinks fit, to act as its proxy at any general meeting or any class meeting of shareholders. However, if more than one person is authorized, the proxy form shall set out the number and class of shares represented by each of the persons so authorized. The power of attorney shall be signed by the authorized personnel of the recognized clearing house. A person so authorized may attend meetings (without presenting any share certificate, and/or other evidence indicating that he/she identity) and exercise the right on behalf of the recognized clearing house (or its nominee), as if he/she was an individual shareholder of the Company.

Article 92 The proxy form that a shareholder issues to appoint another person to attend a general meeting on his/her behalf shall contain the following particulars:

(I) the name of the proxy;

(II) whether or not having voting rights;

(III) instructions on voting for, against or abstaining from voting for each of the matters listed on the agenda to be discussed at the general meeting;

(IV) the issuing date and effective period of proxy form; and

(V) signature (or seal) of the principal. For a corporate shareholder, the proxy form shall be affixed with corporate seal.

The proxy form shall indicate that whether the proxy may vote at his/her own discretion in the absence of specific instructions from the shareholder.

Article 93 The proxy form shall be deposited at the premise of the Company or other place as specified in the notice of meeting 24 hours before the meeting to discuss the matters that the proxy is appointed to vote for or 24 hours before the designated voting time. If the proxy form is signed by a person authorized by the principal, a notary certified copy of the power of attorney or other authorization documents shall be needed, which shall be deposited together with the proxy form at the premise of the Company or other place as specified in the notice of meeting.

If the principal is a corporate shareholder, the legal representative or the person authorized by the board of Directors or other decision-making bodies shall act as the principal's representative to attend the general meeting of the Company.

Article 94 The proxy form issued to a shareholder by the board of Directors of the Company for appointment of proxy shall be in blank form that the shareholder can freely instruct the proxy to vote in favor of, against each resolution and to give instruction on each item of the matters put to vote at the meeting. The proxy form shall specify that if a shareholder fails to give instruction, the proxy may vote in such a way as he/she thinks fit.

Article 95 The vote given by the proxy in accordance with the proxy form shall be valid notwithstanding the death or loss of capacity of the principal, or revocation of the appointment of proxy or the authorization to sign the proxy form, or transfer of the concerned shares, provided that no notice in writing in respect of such matters as mentioned above has been received by the Company before the commencement of the relevant meeting.

Article 96 The Company shall maintain a register of attendees. The register shall contain information such as names of attendees (or names of entities), identity card number, residential address, number of shares with voting rights held or represented, and names of principals (or names of entities).

Article 97 The Chairman shall preside over and act as chairman of the general meeting. If the Chairman cannot or does not fulfill the duty thereof, a Director elected by more than half of Directors shall preside over and act as chairman of the meeting.

Where the general meeting is convened by the supervisory committee, the chairman of the supervisory committee shall preside over and act as chairman of the meeting. If the chairman of the supervisory committee cannot or does not fulfill the duty thereof, a supervisor elected by more than half of the supervisors shall preside over and act as chairman of the meeting.

Where the general meeting is convened by the shareholders, the convener shall elect a representative to preside over and act as chairman of the meeting. If for any reason the shareholders cannot elect a person to act as chairman, the shareholder (including agent thereof) holding the most shares among the attending shareholders shall act as chairman of the meeting.

Where a general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the general meeting to continue, a person may be elected by more than half of the attending shareholders having the voting rights to act as chairman.

Article 98 The Company shall formulate rules of procedure for general meetings which shall specify the convening and voting procedure of general meetings, including notification, registration, review of proposals, voting, counting, announcement of voting results, formation of the meeting resolution, minutes and signatures, etc, and the meetings' principle of authorization to the Board. The authorized content should be specific.

Article 99 At the annual general meeting, the Board and supervisory committee shall report their work for the past year to the general meeting.

Article 100 All Directors, supervisors and secretary to the Board shall attend general meetings of the Company, and the president and other senior management shall be present at the meetings.

Article 101 The convener shall ensure that the general meeting is held continuously until final resolutions have been reached. In the event that the general meeting is suspended or the shareholders fail to reach any resolution due to force majeure or for other special reasons, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be terminated directly. At the same time, the convener shall report it to the securities regulatory authority at the place where the Company is registered.

Article 102 When holding a general meeting, the Company will hire lawyers to issue legal opinions on the following matters:

(I) whether the procedures for convening and holding the meeting is in compliance with the laws, regulations and the provisions of the Articles of Association;

(II) whether the qualifications of the attendees and the convener are lawful and effective;

(III) whether the voting procedures and results of the meeting are lawful and effective; and

(IV) issuing legal opinions about other relevant matters as requested by the Company.

Section 3 Proposal of the General Meeting

Article 103 Where the Company convenes a general meeting, the Board, supervisory committee, and shareholder(s) severally or jointly holding no less than 3.0% shares of the Company may make proposals to the Company.

Article 104 Shareholder(s) severally or jointly holding no less than 3.0% shares of the Company may submit written provisional proposals to the convener 10 days before a general meeting is convened. The convener shall serve a supplementary notice of general meeting to other shareholders within two days after receipt of such proposal, and place the proposal on the agenda for the said meeting and submit the proposal for approval at a general meeting if the said proposal falls within the functions and powers of general meetings. The contents of the provisional proposal shall fall within the functions and powers of general meetings and have specific discussion topic and specific matters to be resolved.

Save as specified in the preceding paragraph, the convener shall not change the proposal set out in the notice of general meeting or add any new proposal after the said notice is served.

The general meeting shall not vote or pass resolutions on proposals not listed in the notice of the general meeting or resolutions not in conformity with following article of the Articles of Association.

Article 105 Proposal of the general meeting shall meet the following conditions:

(I) the content shall not violate the laws, administrative regulations and provisions of Articles of Association and within the business scope of the Company and the power of the general meeting;

(II) with specific discussion topic and specific matters to be resolved; and

(III) being submitted or delivered to the Board in written form.

Section 4 Resolution of the General Meeting

Article 106 The general meeting shall provide reasonable time for discussion of each proposal.

Article 107 Shareholder (including his proxy) shall exercise their voting rights in accordance with the number of shares carrying the rights to vote represented by him/her, and each share shall have one vote.

Shares held by the Company do not carry any voting rights, and shall not be counted in the total number of voting shares represented by shareholders present at a shareholders' general meeting.

The Board, independent non-executive Director and qualified shareholders may solicit the voting rights of other shareholders, provided that it is free and the shareholders are given sufficient information.

Article 108 Resolutions of a general meeting shall be categorized into ordinary resolutions and special resolutions.

Ordinary resolutions shall be passed by votes representing more than half of the voting rights held by shareholders (including proxies thereof) attending the general meeting..

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

Article 109 The following issues shall be approved by ordinary resolutions at a general meeting:

(I) work reports of the Board and the supervisory committee;

(II) profit distribution plans and loss recovery plan proposed by the Board;

(III) appointment and removal of members of the Board and shareholder representative supervisors, and remuneration and payment method of Directors and supervisors;

(IV) the Company's annual budget and final accounts report, balance sheets, income statement and other financial statements;

(V) the Company's annual report; and

(VI) any matters other than those which are required by the laws, regulations or the Articles of Association by way of a special resolution.

Article 110 The following issues shall be approved by special resolutions at a general meeting:

(I) amendment to the Articles of Association;

(II) increase or reduction in share capital of the Company and the issue of shares of any class, warrants and other similar securities;

(III) merger, division, dissolution, liquidation or transformation of the Company;

(IV) issue of bonds of the Company;

(V) the Company's purchase or disposal of major assets or providing guarantee within one year with the transaction amount exceeding 30.0% of the latest audited total assets of the Company;

(VI) equity incentive scheme;

(VII) any other issue specified in the laws, administrative regulations or Articles of Association and confirmed by an ordinary resolution at a general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions.

Article 111 When a connected transaction is considered at a general meeting, connected shareholders shall not vote, and the voting shares held by them shall not be counted in the total number of shares with voting rights. The announcement on the resolutions on the general meeting shall fully disclose the voting of the shareholders who are not connected parties.

The connected shareholder shall take the initiative to inform the general meeting and abstain from voting. If the shareholders do not take the initiative to state the connected relations and abstain from voting, other shareholders may demand them to explain and abstain from voting.

At the end of the general meeting, if other shareholders find that the connected shareholders voted on matters in relation to connected transaction, or there is disagreement on the applicability of abstention among shareholders, the shareholders shall be entitled to report to regulatory authorities and may file a suit in a People's court in relation to the relevant resolution in accordance to the Articles of Association.

Resolution in relation to connected transaction shall be passed by more than half of the voting rights carried by independent shareholders (including proxies) present at the general meeting. However, in regards to matters in the preceding article of the Articles of Association, the resolution shall be passed by more than two-thirds of the voting rights carried by independent shareholders (including proxies) present at the general meeting.

Article 112 Save as otherwise the Company is in crisis or in other special circumstances, the Company shall not, without being passed by special resolution of shareholders' general meeting, enter into any contract with such persons (other than Directors, supervisors and senior management) pursuant to which such person shall be assigned the management and administration of the whole or any substantial part of its business.

Article 113 List of Director and supervisor candidates shall be provided by way of proposals at the general meeting.

The Board shall provide the shareholders with resumes and basic information of Director and supervisor candidates.

The Director candidates shall be nominated by the previous section of the Board, or the shareholders individually or jointly holding no less than 3% of the total of the Company's shares. The nomination methods and procedures of independent Directors shall be performed in accordance with the laws, regulations, relevant provisions of the securities regulatory authorities of the place where the Company's shares are listed and relevant rules in relation to independent Directors.

The shareholder representative supervisor candidates shall be nominated by the previous section of supervisory committee, or the shareholders individually or jointly holding no less than 3% of the Company's shares. Employees representative supervisor candidates shall be democratically elected by employees of the Company.

If the number of Directors nominated by any shareholder of the Company accounts for no less than one half of the total members of the Board, then the number of shareholder representative supervisors nominated by such shareholder shall not exceed one third of the total members of the supervisory committee.

Article 114 The general meeting shall vote on all proposals one by one; for different proposals on the same matter, voting shall be proceeded according to the time order of these proposals. Other than special reasons such as a force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the general meeting shall not stay the proposals or withhold from voting.

Article 115 No amendment shall be made to a proposal when it is considered at general meeting. Amended proposal shall be retreated as a new proposal and shall not be voted at the same general meeting.

Article 116 Unless a poll is particularly required by the relevant requirements of the securities regulatory authorities of the place where the shares of the Company are listed, or a poll is (before or after any voting by show of hands) demanded by the following persons, voting at a shareholders' general meeting shall be conducted by a show of hands:

- (1) the chairman of the meeting;
- (2) at least two shareholders present in person or by proxies entitled to vote thereat;
- (3) by shareholders (including proxies) holding severally or jointly 10% or more of the voting shares.

Unless a poll is demanded, a declaration by the chairman that a resolution has been passed on a show of hands and the record of such in the minutes of the meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favour of or against such resolution.

The demand for a poll may be withdrawn by the person who demands the same.

Article 117 Request for voting by poll shall be honoured forthwith if it is in connection with the election of the chairman of the meeting or the adjournment of the meeting. Request for voting by poll on any other matters may be honoured at such time as the chairman of the meeting thinks fit, and the meeting and other businesses at the meeting may be proceeded with. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded.

Article 118 When a poll is taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in affirmation or dissent.

Article 119 In case of an equality of votes in affirmation or dissent, whether by way of show of hands or vote by poll, the chairman of the meeting shall be entitled to an additional vote.

Article 120 At least two representatives of the shareholders and a supervisor shall be elected to participate in vote counting and scrutinizing on any proposals voted at general meeting. Any shareholder who has interests in the matter under consideration and proxies of such shareholder shall not participate in vote counting or scrutinizing.

Article 121 Shareholders present at the general meeting shall cast their votes in favor of or against proposals submitted for consideration, or abstain from voting. Voting forms which are uncompleted, wrongly completed, completed with illegible writing or not cast are deemed as void and the shareholders to whom such voting forms belong shall be deemed to have abstained from voting.

Article 122 The chairman of the general meeting shall be responsible for determining whether a resolution has been passed pursuant to voting results. His decision, which shall be final and conclusive, shall be announced at the meeting. The voting result shall be recorded in the minutes of the meeting.

Article 123 If the chairman has any doubt as to the voting results, he may have the vote counted. If the chairman has not counted the votes, any shareholder or proxy present who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

If votes are counted at a general meeting, the counting result shall be recorded in the meeting minutes.

Article 124 The Directors, supervisors, and senior management shall answer or explain the inquiries and proposals made by shareholders provided no trade secrets of the Company shall be discussed at the meeting.

Article 125 Where a general meeting has passed the proposals for electing Directors or supervisors, unless otherwise specified in the resolutions, the newly elected Directors and supervisors shall fill their positions after the relevant resolutions are passed.

Article 126 Where any proposals in relation to the distribution of profits, issue of bonus shares, or capital increase by way of realization of capital reserve are passed at the general meeting, the Company shall implement the specific plan within 2 months from the closing of the general meeting.

Article 127 Resolution and relevant documents passed at the general meeting shall be immediately filed at regulatory authority at the place where the Company is incorporated after the closing of the general meeting.

Article 128 The general meeting shall have minutes which are recorded by the secretary to the Board and shall include following details:

(I) number of shareholders and proxies present at the meeting, number of shares with voting rights held by them, and the percentage of shares with voting rights held by them to the total number of shares of the Company;

(II) date and place of the meeting;

(III) name of the convener, name of the person presiding over the meeting, agenda of the meeting, name of attending Directors, supervisors, the president and other senior management;

(IV) the discussion, key points of speech and voting results for each proposal;

(V) voting result of each matter;

(VI) any enquiries or suggestions raised by shareholders and relevant reply or explanation of the Board, the supervisory committee and senior management;

(VII) name of the vote counter and the scrutineer; and

(VIII) other information, which shall be recorded in the minutes as determined by the shareholders' general meeting or in pursuance to the Articles of Association.

Article 129 The convener shall ensure that the minutes are true, accurate and complete. The Directors, supervisors, secretary to the Board, convener or his/her representatives, the person presiding over the meeting shall initial on the minutes of the meeting. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept permanently. The minutes together with the attendance record of shareholders and the powers of attorney of the proxies shall be kept at the Company's premises.

Section 5 Special Procedures for Voting by Classes of Shareholders

Article 130 Shareholders holding different class of shares shall be class shareholders.

Class shareholders shall enjoy the rights and assume the obligations in accordance to laws and regulations and the Articles of Association.

Article 131 Any proposed change or annulment by the Company to the rights of class shareholders shall not come into effect unless approved by special resolutions at a general meeting and a separate general meeting convened by the class shareholders so affected in accordance with articles 132 to 136.

Article 132 The following circumstances shall be deemed as change or annulment of the rights of a certain class shareholder:

(I) To increase or decrease the number of shares of such class, or to increase or decrease the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;

(II) To change all or part of the shares of such class into shares of another class or to change all or part of the shares of another class into shares of that class or to grant relevant conversion rights;

(III) To cancel or reduce rights to accrued dividends or cumulative dividends attached to shares of the said class;

(IV) To reduce or cancel rights attached to the shares of the said class to preferentially receive dividends or to receive distributions of assets in a liquidation of the Company;

(V) To add, cancel or reduce share conversion rights, options, voting rights, transfer rights, pre-emptive placing rights, or rights to acquire securities of the Company attached to the shares of the said class;

(VI) To cancel or reduce rights to receive payments made by the Company in a particular currency attached to the shares of the said class;

(VII) To create a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of the said class;

(VIII) To restrict the transfer or ownership of the shares of the said class or to impose additional restrictions;

(IX) To issue rights to subscribe for, or to convert into, shares of the said class or another class;

(X) To increase the rights and privileges of the shares of another class;

(XI) To restructure the Company in such a way as to cause shareholders of different classes to bear liabilities disproportionately during the restructuring; and

(XII) To amend or cancel provisions in the Articles of Association.

Article 133 Where issues specified in subparagraph (II) to (VIII), (XI) to (XII) of article 132 are involved, the affected class shareholders, whether or not they are entitled to vote at general meetings originally, shall have the right to vote at class meetings. However, interested shareholder(s) shall not be entitled to vote at such class meetings.

The meaning of the “interested shareholders” in the preceding paragraph is as follows:

(I) in case of a buyback of shares by the Company by way of a general offer to shareholders in equal proportion or by way of open transaction on a stock exchange in accordance to Article 37 of the Articles of Association, the “interested shareholders” means the controlling shareholders as defined in Article 313 of the Articles of Association;

(II) in case of a buyback of shares by the Company by an over the counter agreement in accordance with Article 27 of the Articles of Association, the “interested shareholders” means the shareholders to which the proposed agreements relates; and

(III) in case of a proposed restructuring of the Company, the “interested shareholders” means a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on shareholders of that class or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 134 Resolutions of a class general meeting shall be approved by votes representing no less than two thirds of the voting rights of shareholders of that class present at the meeting who are entitled to vote at the meeting under article 133 of the Articles of Association.

Article 135 Written notice of a class meeting shall be given to all shareholders who are registered as holders of that class in the register of shareholders 45 days before the date of the class meeting. Such notice shall include the matters to be considered, the place, date of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company 20 days before the date of the meeting.

In the event that the number of shares (carrying voting rights) held by shareholders who intend to attend the meeting equals to or no less than half of the total class shares with voting rights at the meeting, the Company may convene the class meeting; otherwise, the Company shall within five days notify the shareholders again, by way of public notice, of the matters to be considered and the place, date of the meeting. The Company may then proceed to convene the meeting.

Article 136 Notice of the class general meeting need only be served on shareholders entitled to vote thereat.

The class general meeting shall be held in a manner as nearly as possible as that applicable to the general meeting. The provisions of the Articles of Association relating to the procedures of the general meeting shall apply to the class general meeting.

Article 137 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign shares are deemed to be shareholders of different classes.

Special voting procedures for class shareholders shall not apply in the following circumstances:

(I) pursuant to a special resolution of shareholders' general meeting, the Company issues domestic shares and overseas listed foreign shares in a period of 12 months, either separately or concurrently, and the respective numbers of domestic shares and overseas listed foreign shares proposed to be issued do not exceed 20% of the respective numbers of the issued domestic shares and overseas listed foreign shares;

(II) issue of domestic shares and overseas listed foreign shares upon establishment of the Company pursuant to a plan approved by the CSRC within 15 months from the date of approval; and

(III) conversion of unlisted domestic shares into foreign shares of the Company and trading in an overseas stock exchange pursuant to approval from the securities regulatory authority under the State Council.

Chapter V The Board of Directors

Section 1 Directors

Article 138 Directors of the Company are natural persons and need not hold shares of the Company.

Article 139 Directors of the Company shall be elected or replaced at general meetings. A Director shall serve a term of three years, and may seek reelection upon expiry of the said term. Prior to the expiry of a Director's term the general meeting shall not remove him without cause.

Directors of the Company shall before assuming office have their post-holding qualifications approved by securities regulatory authority.

A written notice on the intention to nominate a Director candidate and the candidate's presentation of being willing to accept the nomination shall be issued to the Company by seven days prior to the general meeting.

The term of a Director shall be calculated from the date upon which the relevant resolution is passed at the general meeting to the expiry of the current Board. If the term of office of a Director expires but reelection is not made responsively, the said Director shall continue fulfilling the duties as Director pursuant to laws, administrative regulations, department rules and Articles of Association until a new Director is elected.

A Director may serve concurrently as president or other senior management, but the inside Directors (i.e., Directors serving concurrently as senior management or holding other positions) shall not be more than half of the Directors of the Company.

Article 140 Directors shall observe laws, administrative regulations and Articles of Association, honestly perform their duties and protect interests of the Company. When their own interests conflict with the interests of the Company and shareholders, it shall be the code of conduct to protect the best interest of the Company and shareholders.

Article 141 Directors shall observe laws, administrative regulations and Articles of Association, and fulfill the following fiduciary duties:

(I) Not to abuse their official powers to accept bribes or other unlawful income, and not to misappropriate the Company's property;

(II) Not to misappropriate the money of the Company or customers;

(III) Not to deposit any assets or money of the Company in any amounts under their names or in the names of others;

(IV) Not to lend the money of the Company to other persons or provide guarantee for other persons with the property of the Company in violation of the Articles of Association or without the consent of the general meeting or the Board;

(V) Not to conclude any contract or conduct any transaction with the Company in violation of the Articles of Association or without the consent of the general meeting;

(VI) Without the consent of the general meeting, not to take advantage of their positions to seek for themselves or others any business opportunities that are due to the Company, or conduct any businesses for themselves or others similar to those of the Company;

(VII) Not to take as their own any commission for any transaction with the Company;

(VIII) Not to disclose any secret of the Company;

(IX) Not to exploit their connected relations to damage the interests of the Company;

(X) Not to lend the money of any customer to others, or use the assets of any customer to provide guarantee for any debt of the Company, any shareholder of the Company, or any other institution or individual;

(XI) Not to exploit inside information for his/her own benefits or others;

(XII) To fulfill other fiduciary duties stipulated by laws, administrative regulations, department rules and Articles of Association.

Directors' income derived from violation of this article shall belong to the Company; Directors shall be liable to compensate any loss incurred to the Company.

Article 142 Directors shall observe laws, administrative regulations and Articles of Association and fulfill the following obligations of diligence:

(I) To exercise the rights conferred by the Company with due discretion, care and diligence to ensure the business operations of the Company comply with State laws, administrative regulations and relevant State policies, not beyond the business scope specified in the business license of the Company;

(II) To treat all shareholders impartially;

(III) To carefully read the relevant business and financial reports of the Company and keep informed of the operation and management conditions of the Company;

(IV) To exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a general meeting, not to transfer their discretion to others;

(V) To honestly provide the supervisory committee with relevant information, not to prevent the supervisory committee or supervisors from exercising their responsibilities and powers, and to accept the lawful supervision and rational suggestions of the supervisory committee on their performance of duties;

(VI) To fulfill other obligations of diligence stipulated by laws, administrative regulations, department rules and Articles of Association.

Article 143 Save as specified in the Articles of Association or properly authorized by the Board, no Director shall act on behalf of the Company or the Board in his own name. If a Director acts in his own name but a third party may reasonably think the said Director is acting on behalf of the Company or the Board, the said Director shall make a prior statement of his standpoint and capacity.

Article 144 If any Director fails to attend Board meetings in person or by proxy for two consecutive times, the said Director shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting remove the said Director.

Article 145 A Director may resign before his term of office expires. The Director who is going to resign shall submit a written resignation letter to the Board.

Article 146 If the number of Directors of the Board falls below the legally required number as a result of any resignation, such resignation shall not become effective until such vacancy resulting from such resignation is filled up by a new Director.

The remaining Board shall convene an extraordinary general meeting as soon as possible to elect a new Director to fill the vacancy caused by the Director's resignation. Before the general meeting passes a resolution on the election of Director, the duties of the Director who proposes to resign and the remaining Board shall be reasonably limited.

Save as provided in the above paragraph, a Director's resignation shall be effective when his resignation is served to the Board.

Article 147 The duties of a Director towards the Company and the shareholders do not necessarily cease when he tenders his resignation or upon the expiry of his term of office. Such Director shall continue to observe his duties at any time before the resignation or expiry of term of office, as the case may be, becomes effective and for a reasonable period thereafter. The duty of confidentiality in respect of trade secrets of the Company survives the termination of his term of office until such trade secrets become publicly known. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Director and the Company was terminated.

Article 148 Any Director who has left his office without authorization before his term of office expires and thereby caused the Company to incur a loss shall be liable for compensation to the Company.

Article 149 The Board may propose to the general meeting to remove a Director in the following cases:

- (I) upon the request of shareholder(s) who nominated the Director;
- (II) when the Director seriously impairs the interests of the Company;
- (III) for other adequately reasonable reasons.

Article 150 The provisions of this section in respect of the obligation of Director shall also apply to supervisors, president and senior management of the Company.

Article 151 The Company shall establish an independent non-executive Director system. The number of independent non-executive Directors shall be at least three, and not less than one third of the total number of Directors.

An independent non-executive Director refers to the Director who holds no position in the Company other than the position of a Director, has no relationship with the Company or the shareholders of the Company which may impede his independence and Directors as specified by regulatory requirements of the place where the Company's shares are listed.

Article 152 Independent non-executive Directors shall be elected or replaced at general meetings and shall each serve a term of three years. The term of office of an independent non-executive Director is renewable upon reelection when it expires, but the renewed term shall not exceed six years.

Article 153 An independent non-executive Director shall meet the following basic conditions:

(I) Having the qualifications as Director of the Company in accordance with the laws, administrative regulations and other relevant provisions;

(II) Being independent as required by securities regulatory authority;

(III) Having the basic knowledge about operations of companies, and proficient in relevant laws, administrative regulations and rules;

(IV) Having more than five years' experience in legal and economic work or other work experience required for fulfilling duties as independent non-executive Director;

(V) Other conditions required by relevant laws, regulations and regulatory provisions at the place where the Company's shares are listed.

Article 154 The following persons shall not act as independent non-executive Director of the Company:

(I) Persons employed by the Company or its related parties and their immediate family members and major social connections (immediate family members shall include spouse, parents and children and major social connections shall include siblings, parents-in-law, sons/daughters-in-law, spouses of siblings, siblings of spouse);

(II) Persons and their immediate family members and major social connections employed by the shareholder entities which hold or control 5% or more of the Company's equity or which are top five shareholder entities of the Company;

(III) Natural person shareholders who hold or control 5% or more of the Company's equity and their immediate family members and major social connections;

(IV) Persons providing financial, legal or consulting services to the Company and its related parties and their immediate family members and major social connections;

(V) Persons who belonged to categories (1) to (4) within the preceding year;

(VI) Persons serving as Directors in other securities companies;

(VII) Other persons specified in the Articles of Association;

(VIII) Other persons unfit to serve as independent non-executive Directors upon confirmation by CSRC or regulatory authority at the place where the Company's shares are listed.

Where any independent non-executive Director is involved in any of the aforesaid circumstances, the securities company shall immediately remove the said Director, and report to the competent industry authority of the Company and the securities regulatory authority at the place where the Company's shares are listed.

Article 155 The Board (through the remuneration and nomination committee), the supervisory committee and the shareholders who hold no less than 1% of the Company's shares individually or jointly may propose the candidate of independent non-executive Director for election or replacement by the general meeting after prior approval of remuneration and nomination committee of the Board.

Referee shall obtain prior consent of independent non-executive Director candidate. Referee shall fully understand the occupation, education, title, detailed work experience, all con-current position information and so forth of the recommended person, and opine on his/her qualification and independence to act as an independent non-executive Director. Referee shall make a statement regarding non-existence of any relationship between him and the Company that may affect his independent judgment in accordance with relevant requirements of the securities regulatory authority at the place where the Company's shares are listed.

Article 156 If any independent non-executive Director who fails to attend Board meetings in person for three consecutive times, the Board shall propose to the general meeting to remove such independent non-executive Director.

Article 157 Other matters in relations to the independent non-executive Director stipulated in the laws, regulations, regulative rules, relevant regulations of the securities regulatory authority at the place where the Company's shares are listed, and the Company's independent non-executive Director rules shall be followed.

Article 158 The Company may maintain a necessary Director liability insurance policy to mitigate any risks incurred by the Directors when performing their duties in due course.

Section 2 The Board of Directors

Article 159 The Company shall have a Board of Directors, which shall be accountable to the general meeting.

Article 160 The Board shall consist of 11 Directors, including 1 Chairman.

Article 161 The Board shall have reasonable professional structure, and its members shall have necessary knowledge, skills and quality to perform their duties.

Article 162 Corporate governance structure shall ensure that the Board can exercise its functions and powers in accordance with the laws, regulations and the Articles of Association. The Board shall take the ultimate responsibilities for the effectiveness of compliance management, risk management and internal control system.

Article 163 The Board shall be accountable to the general meeting and exercise the following functions and powers:

(I) to convene general meetings and report to general meetings;

(II) to report at the annual general meetings and disclose in the annual reports the performance of Directors, including the number of attendances of Directors at Board meetings and voting;

(III) to execute resolutions of general meetings;

(IV) to resolve on the Company's business plans and investment plans;

(V) to prepare the annual financial budgets and final accounting plans of the Company;

(VI) to prepare the profit distribution plan and loss makeup plan of the Company;

(VII) to prepare plans for the increase or reduction of the registered capital of the Company and for the issuance of corporate bonds;

(VIII) to formulate plans for material acquisitions, purchase of shares of the Company, merger, division, dissolution or transformation of the Company;

(IX) to resolve on the establishment of internal management organizations and branches of the Company;

(X) to appoint or remove the Company's president, chief compliance officer, secretary to the Board and chief auditing officer as nominated by the chairman and determine their remunerations; to decide to appoint or remove the Company's vice president, chief financial officer and other senior management as nominated by the president and determine their remunerations;

(XI) to set up the basic management system of the Company;

(XII) to formulate the proposals for any amendment to the Articles of Association;

(XIII) to formulate proposals for appointment and dismissal of an accounting firm;

(XIV) To decide on external investment, acquisition and disposal of assets, asset mortgage, external guarantee, consigned financial management, connected transactions, etc. of the Company within the authority granted by the general meeting;

(XV) to listen to the work report of the president of the Company and examine on the president's work;

(XVI) to listen to the report of the chief compliance officer on the compliance status of the Company;

(XVII) to determine Directors' remunerations and distribution plan thereof, and submit special reports to the general meeting on the performance evaluation and remunerations of Directors;

(XVIII) to exercise other functions and powers as stipulated by laws, administrative regulations, department rules or Articles of Association.

The Board may resolve on the issues specified in the above paragraphs by approval of more than half of the Directors save for the issues specified in (7), (8) and (12), in which approval of two thirds of the Directors is required.

Article 164 When disposing fixed assets, the Board shall not, without prior approval of shareholders' general meeting, dispose or agree to dispose of any fixed assets of the Company where the aggregate amount of the expected consideration for the proposed disposal and the proceeds from any such disposal of any fixed assets of the Company completed within four months immediately preceding the proposed disposal exceeds 33% of the value of fixed assets of the Company as shown in the latest balance sheet considered by the shareholders' general meeting.

For the purposes of this article, disposal of fixed assets includes the transfer of interest in assets but does not include the charge of fixed assets as security.

The validity of a disposal of fixed assets by the Company shall not be affected by any breach of the first paragraph of this article.

Article 165 The Board may authorize the chairman to exercise part of the powers of the Board when the Board is not in session as necessary.

Article 166 The Board shall make explanations to the general meeting in relation to the nonstandard audit opinions in the audit report produced by the accounting firm on the financial reports of the Company.

Article 167 The Board shall formulate rules of procedure for the Board meetings and implement them after reporting them to the general meeting for approval in order to ensure the work efficiency and scientific decision making of the Board.

Article 168 The Board shall determine the scope of power to utilize company's assets and establish strict examination and decision-making procedure; in regards to major investment projects, relevant experts and professionals shall be engaged for review and proposed to the general meeting for approval.

Article 169 The Chairman shall be a Director of the Company and shall be elected or removed by a majority of the Directors. The Chairman shall serve a term of three years, and is eligible for reelection.

Article 170 The Chairman shall exercise the following functions and powers:

- (I) to preside over general meetings and to convene and preside over the Board meetings;
- (II) to supervise and examine the implementation of the resolutions of the Board;
- (III) to sign the shares, bonds and other securities of the Company;
- (IV) to sign important documents of the Board and other documents which should be signed by the legal representative of the Company;
- (V) to exercise the functions and powers as legal representative;
- (VI) In any emergent force majeure event, to exercise the special right of disposal in respect of the business of the Company in compliance with laws, regulations and in the interests of the Company, and report to the Board and the general meeting of the Company afterwards;
- (VII) to exercise other functions and powers conferred by the Board.

Article 171 In the event that Chairman cannot or fails to perform his duties, a majority of the Directors shall recommend one Director to perform the duties.

Article 172 Board meetings shall be held regularly at least four times every year, and shall be convened by the Chairman, with the notice of meeting sent in writing to all the Directors and supervisors 14 days before the date of Board meeting. The agenda and related files of Board meetings shall be submitted in time to all the Directors and be sent three days prior to the proposed date of the Board meeting or the committee under the Board (or sent by the date as agreed).

Article 173 In any of the following circumstances, the chairman shall convene and preside over a Board meeting within 10 days after receipt of the proposal:

- (I) proposed by shareholders representing no less than 10% of the voting rights;
- (II) jointly proposed by more than one third of the Directors;
- (III) proposed by the supervisory committee;
- (IV) proposed by the president; and
- (V) jointly proposed by more than half of the independent non-executive Directors.

Article 174 The notice of provisional Board meetings shall be served to all the Directors and supervisors five days before the date of Board meeting. Such a notice may be sent by post, email, fax or other means. In case of emergency when an extraordinary Board meeting should be convened as soon as possible, the notice may be sent at any time by phone or in other oral forms, but the convener shall make an explanation in the meeting.

Article 175 A notice of the Board meeting includes the following contents:

- (I) date and location of the meeting;
- (II) duration of the meeting;
- (III) reason and topic for discussion; and
- (IV) date of sending out the notice.

Article 176 A Board meeting shall be attended by more than half of the Directors. Each Director shall have one vote. Save as otherwise specified in laws, regulations or Articles of Association, resolutions made by the Board shall be passed by more than half of all Directors.

If the pros and cons are the same, the chairman shall be entitled to an additional vote.

Article 177 If any Director has connection with the enterprise involved in the resolution made at a Board meeting, the said Director shall not vote on the said resolution for himself or on behalf of other Director. The Board meeting may be held when more than half of the independent Directors attend the meetings. The resolution made at the Board meeting shall be passed by more than half of the independent Directors. If the number of independent Directors attending the meetings is less than three, the matter shall be submitted to the general meeting for consideration.

Article 178 In principal, the Board meeting shall be convened physically. In emergency case or due to force majeure or other special reasons a physical meeting or a video or telephone conference is not be able to be held and in the following conditions, voting by correspondence can also be adopted:

- (I) the number of proposals is low or the issue is simple;
- (II) Directors can fully express their opinions;
- (III) none of the Directors attending to the meeting objects to voting by correspondence.

To convene the Board meeting by correspondence, the Company shall clearly state in the meeting notice details of proposal for review, time and manner to vote and ballot format of correspondence voting. Such voting ballot shall include at least the following contents: Director's name, headings of proposals, voting result (for, against or abstain from voting).

At the Board meeting convened by correspondence, Directors attending the meeting shall, at the voting time, fax or scan the voting ballot to specified address via email. The voting ballot not prepared or filled as required or filled by illegible handwriting or failing to be sent within specified time due to any other reasons shall be deemed to be invalid. The original voting ballot shall be sent by post or personal delivery or other means to the Company.

Article 179 Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he may authorize in writing another Director to act on his behalf.

A power of attorney shall contain the name of the proxy, matters and authority and validity, and be signed or sealed by the principal.

The Director attending the meeting shall exercise the Director's rights within the scope of authority. The Director who fails to attend the Board meeting and does not appoint representative to attend shall be deemed as waiving his/her right to vote in the meeting.

Article 180 Voting on Board meetings may be conducted by open ballot.

Article 181 Minutes shall be recorded for Board meetings and shall be signed by the attending Directors and the recorder. Any attending Director shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting. The minutes of Board meetings shall be kept by the secretary to the Board.

The minutes of Board meeting shall be kept as the Company's permanent record.

Article 182 Minutes of Board meetings shall include the following contents:

- (I) date and location of the meeting and name of the convener;
- (II) name of Directors (or their proxies) attending or entrusted by others to attend the Board meeting;

(III) meeting agenda;

(IV) main points of Directors' speech;

(V) voting method and result of each resolution (voting result shall include the number of votes for consent, objection or abstention).

Article 183 The Directors shall sign and be responsible for the resolutions passed at Board meetings. If any resolution is in violation of the laws, administrative regulations or Articles of Association, the supervisory committee shall require the Board to rectify, and managers shall refuse to execute the said resolution. If the said resolution causes any losses to the Company, Directors who vote for the said resolution shall be liable for compensation to the Company. If any Director raises an objection to the resolution and the said objection is recorded in the minutes, the said Director may be exempt from any liability.

Article 184 Director who is in violation of any laws, administrative regulations, regulative rules or the Articles of Association in the course of performing his duties shall be liable to compensate any losses caused to the Company.

Section 3 Special Committees under the Board

Article 185 The Board of the Company sets up special committees with regard to development strategy, risk management, audit and remuneration. The special committees shall all consist of Directors. Members of special committees shall have relevant professional knowledge and working experience.

The number of independent non-executive Directors in audit committee shall not be less than one half of all its members, and there shall be at least one non-executive Director who has worked as an accountant for more than five years.

The person in charge of the remuneration and nomination committee or audit committee shall be an independent non-executive Director.

Article 186 The Board of the Company sets up a development strategy committee consists of five Directors (including Chairman, president (also a Director), Director nominated by the top three shareholders respectively or other Directors approved by the Board). The development strategy committee has one chairperson acted by the Chairman, who is responsible for management of the committee's work.

Primary duties of the development strategy committee are as follows:

(I) studying the Company's medium and long-term development strategy plans and proposing suggestion;

(II) studying major investment financing programs which requires to be approved by the Board as stated in the Articles of Association and proposing suggestion;

(III) studying major capital operation and assets management projects which requires to be approved by the Board as stated in the Articles of Association and proposing suggestion;

(IV) studying other important matters affecting the Company's development and to make recommendation; and

(V) other duties authorized by the Board.

Development strategy committee is accountable to the Board and shall submit proposals to the Board for review and approval.

Article 187 The Board sets up a remuneration and nomination committee consists of three or five Directors. The remuneration and nomination committee has one chairman acted by an independent non-executive Director who is responsible for management of the committee's work.

Primary duties of the remuneration and nomination committee are as follows:

(I) evaluating the remuneration structure and policies of the Directors and senior management and making recommendation to the Board as to the establishment of standardized and transparent formulation procedure for remuneration policies;

(II) examining and making recommendation to the Board as to the remuneration policies (including non-monetary income, pensions and compensation, etc.), structure and formulation procedures of the remuneration policy of Directors', supervisors' and senior management of the Company. Formulation procedures of remuneration policy shall be proper and transparent;

(III) making recommendation to the Board on remuneration of non-executive Directors;

(IV) making recommendation to the Board on remuneration of individual executive Directors and senior management or making decision on remuneration with powers designated by the Board; the above mentioned remuneration includes non-monetary benefit, retirement allowance and compensation;

(V) reviewing and approving compensation arrangement in relation to the dismissal or removal of the Directors, supervisors and senior management and ensuring such compensation consistent with terms of the agreements; ensuring the compensation be fair and reasonable should such compensation fail to be consistent;

(VI) reviewing and approving compensation arrangement for removal or dismissal of the Directors due to misconduct and ensuring such compensation consistent with terms of the agreements; ensuring the compensation be reasonable and proper should such compensation fail to be consistent;

(VII) investigating and examining the appraisal and remuneration management system for Directors, supervisors and senior management and supervising the implementation;

(VIII) conducting appraisal of the Directors and senior management and giving suggestion;

(IX) studying and determining selection criteria and procedure of Directors and senior management;

(X) conducting searches to select qualified candidates for the Directors and senior management, and making recommendation to the Board in regards to selecting and nominating such candidates; when selecting candidates, the committee shall consider the merits of the candidates, review measurable targets, and give due consideration to the benefit of diversification of the Board and senior management;

(XI) recommending candidates for independent non-executive Director and principal management and operation officers; and examining the qualification of candidates of other Directors and senior management and giving suggestions;

(XII) examining the structure, number, composition and diversification (including but not limited to gender, age, culture and educational background, professional experience, skills, knowledge and service term and other aspects) of the Board at least annually; and giving suggestion on any proposed change of the Board to match with the Company's strategy;

(XIII) giving suggestion to the Board on appointment or reappointment and succession plan of Directors and senior management, thereamong, duly considering the Company's corporate strategy and personnel skills, knowledge, experience and personal diversification demand and other combined factors required in the future;

(XIV) reviewing the diversification policy of the Board and measurable target formulated by the Board to implement the diversification policy, and supervising the progress of reaching the standard; making relevant disclosure in Corporate Governance Report in the annual report every year;

(XV) examining the independence of independent non-executive Directors;

(XVI) other duties authorized by the Board.

The remuneration and nomination committee is accountable to the Board and shall submit committee's proposals to the Board for review and approval.

Article 188 The Board sets up an audit committee which consists of three or five Directors. The audit committee has one chairman acted by independent non-executive Director.

Primary duties of the audit committee are as follows:

(I) examining the Company's accounting information and disclosure of major events, examining Company's major accounting policy and its implementation and execution, supervising the Company's major financial decision-making and implementation of the annual budget; supervising the truthfulness, accuracy and integrity of Company's financial report as well as the effectiveness of management's implementation of financial report procedures; reviewing the integrity of the Company's financial statement and annual report and management accounts, interim report and quarterly report (if any), and reviewing major opinion related to financial reporting as disclosed in statements and reports;

Before submitting relevant statements and reports to the Board, the committee shall review the following matters in particular:

1. any changes in accounting policy and practice;

2. any matters in relation to significant judgment;
3. significant adjustment caused by auditing;
4. assumption of corporate continuous operation and any reserved opinion;
5. compliance with the accounting standard;
6. compliance with the Hong Kong Listing Rules as well as laws and regulations related to financial reporting;

The committee shall liaise with the Board and senior management in regards to above matters. Audit committee shall meet at least twice a year with the external accounting firm. The committee shall consider any significant or unusual items that are, or may need to be, reflected in such reports and accounts and shall give due consideration to any matters that have been raised by the staff of the Company responsible for financial reporting and internal audit function or external audit firm;

(II) monitoring the annual audit and make judgment on the truthfulness, accuracy and integrity of the audited information contained in the financial reports, and submit to the Board for review;

(III) supervising the Company's financial reporting system, and reviewing and evaluating the Company's internal control, including:

1. to review and evaluate the soundness and effectiveness of the financial control, internal control and risk management system of the Company;

2. to review and evaluate the implementation of internal control rules and systems by the departments and branch offices of the Company. The evaluation results will be important reference and basis for annual performance assessment;

3. to discuss the internal control system with the management and ensure an effective internal control system was in place. The discussion shall include the adequacy of resources, qualification and experience of employees, training of employees and the relevant budget in accounting and financial reporting of the Company;

4. to study the important investigation results of internal supervisory and control issues and feedback of management on the investigation results proactively or under the instruction of the Board;

5. to review the financial and accounting policies and practices of the Company (including its holding subsidiaries);

6. to review the audit notes issued by external audit firm to the management and any material enquiry raised by the auditor to the management on accounting records, financial accounts or monitoring system and feedback from the management;

7. to ensure prompt reply by the Board to the issues raised in the audit notes of the external audit firm to the management;

8. to review and execute matters stipulate in the Corporate Governance Report, Appendix 14 of the Hong Kong Listing Rules, and report to the Board;

9. to review the system and arrangement for employees to anonymously report any irregularities in financial reporting, internal control and other aspects of the Company. The committee shall ensure appropriate arrangements are in place to allow the Company to carry out fair and independent investigations and appropriate actions on such matters;

10. to coordinate with the relationship between the Company and external audit firm;

(IV) coordinating with internal audit department and external audit firm, ensuring internal audit department has sufficient resources and proper status in the Company; discussing on working plan of internal auditing department, listening to the work report of internal auditing department, inspecting and supervising the effectiveness of internal audit;

(V) making recommendations to the Board on the appointment, reappointment and removal of external audit firm, approving the remuneration and terms of appointment of external audit firms, and dealing with any relevant issues regarding to the resignation or removal of external audit firm. Where the Board disagree with the Audit Committee's recommendation on the appointment, reappointment and removal of external audit firm, such disagreement shall be disclosed in the *Corporate Governance Report* of Company's annual report;

(VI) supervising the performance of the external audit firm, and inspecting and supervising the independency and objectiveness of the external audit firm with applicable standards; the committee shall discuss on the nature and scope of audit as well as the reporting responsibilities with the auditors of the external audit firm;

(VII) implementing the policy on engaging external audit firm to provide non-audit services. The external audit firm include any entity that is under the same control, ownership or management with the audit firm responsible for the Company's auditing work, or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

(VIII) Supervising the implementation of the rectifying measures by the management in response to the audit opinion and to monitor the implementation of the audit opinion by the management;

(IX) leading the internal audit department in collection, summarization and investigation of materials related to the responsibility of material mistakes in the disclosure of the annual reports and to investigate and provide solutions proposals for implementation after the Board's review and approval; and

(X) other matters as authorized by the Board.

Audit committee shall be accountable to the Board, and proposals of the committee shall be submitted to the Board for deliberation and approval.

Article 189 The Board sets up a risk control committee which consists of three or five Directors. The risk control committee has one chairperson acted by the Chairman.

Primary duties of the risk control committee are as follows:

(I) reviewing and opining on overall objectives and basic policies of compliance management and risk management;

(II) reviewing and opining on establishment of specific departments and duties of compliance management and risk management;

(III) evaluating and opining on the risk of major decisions approved by the Board and solution to eliminating such major risk;

(IV) reviewing and opining on compliance reports and risk evaluation reports approved by the Board;

(V) formulating the Company's corporate governance policies, reviewing the implementation and making suggestion to the Board;

(VI) reviewing and supervising Directors and senior management's training and their continuing professional development;

(VII) reviewing and supervising whether Company's policies is in compliance with laws and supervisory regulations, and the implementation;

(VIII) formulating, reviewing and supervising professional code of conduct and compliance manual (if any) of employees and Directors;

(IX) reviewing the Company's compliance with the Appendix 14 of the Hong Kong Listing Rules, the *Corporate Governance Codes* and relevant disclosure in the *Corporate Governance Report*;

(X) other duties specified by the Articles of Association.

The risk control committee is accountable for the Board and shall submit committee's advice on decision and report to the Board for review and approval.

The Board shall take ultimate responsibility for the effectiveness of compliance management, risk management and internal control system.

Article 190 The Board may set up other special committees and separately formulate the members, duties and rules of procedure separately as necessary for the operations and management of the Company.

Section 4 Secretary to the Board

Article 191 The Board shall have a secretary, who is a member of senior management of the Company. The secretary to the Board shall be responsible to the Board and shall be nominated by the Chairman and appointed or removed by the Board.

Article 192 The secretary to the Board shall be a natural person with necessary professional knowledge and experience. The circumstances set out in the Articles of Association in relation to the removal of a person as Director of the Company shall also apply to the secretary to the Board.

Article 193 Director or other senior management may concurrently hold the post of secretary to the Board. The accountant of the external accounting firm hired by the Company shall not act as secretary to the Board.

When the secretary to the Board is acted by a Director and an action should be made by the Director and the secretary to the Board separately, the person who is Director and secretary to the Board is not allowed to make such action as double identity.

Article 194 The main duties of the secretary to the Board are:

(I) to address and coordinate information disclosure of the Company, organize and formulate information disclosure management system of the Company, and urge the Company and relevant information disclosure obligors to observe relevant provisions concerning information disclosure;

(II) to be responsible for the investor relations management and shareholder information management of the Company, and coordinating information exchange between the Company and securities regulatory authority, shareholders and actual controller, sponsors, securities service providers and the media;

(III) to organize and arrange for Board meetings and general meetings, attend general meetings, Board meetings, supervisory committee meetings and meetings related to senior management, and keep and initial Board meeting minutes;

(IV) to be responsible for the confidentiality of information disclosure of the Company and promptly report to the stock exchange when significant undisclosed information was disclosed;

(V) to pay attention to media reports, take the initiative to verify the facts, and urge the Board to promptly reply to relevant enquiries from the stock exchange;

(VI) to organize trainings concerning securities laws and regulations and relevant provisions for Directors, supervisors and senior management, and assist the said people in understanding their rights and obligations in information disclosure;

(VII) to urge Directors, supervisors and senior management to observe the laws and regulations, and earnestly fulfil their commitments; upon becoming aware that the Company has passed or may pass resolutions which may breach the relevant provisions, to immediately remind the Board and report such facts to the securities regulatory authority;

(VIII) to ensure that the Company has complete organisation documents and records;

(IX) to ensure that the Company legally prepares and submits reports and documents as required by the competent authorities;

(X) to ensure that the shareholders' register of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time; and

(XI) to fulfil other duties required by the Company Law, Securities Law and the CSRC.

The secretary to the Board shall observe the law, administrative regulations, departmental rules, relevant requirements of the securities regulatory authority at the location where the Company's shares are listed and the Articles of Association.

Chapter VI President and Other Senior Management Members

Article 195 The Company shall have one president, who shall be nominated by the Chairman, and appointed or removed by the Board by a majority of Directors.

A Director may serve concurrently as president, vice president or other senior management, but the number of the Directors who serve concurrent positions shall not exceed half of the Directors of the Company.

Article 196 Fiduciary duties Directors prescribed in Article 141 of the Articles of Association and the obligations of diligence prescribed in Article 142 are also applicable to senior management.

Article 197 Staff of the controlling shareholder and its beneficial owner of the Company who serve positions other than Directors of the controlling shareholder and its beneficial owner shall not serve as senior management of the Company.

Article 198 A president shall serve a term of three years and may serve consecutive terms upon reappointment.

Article 199 The president shall be accountable to the Board and exercise the following functions and powers:

(I) to manage the business operations of the Company, implement the Board's resolutions, and report to the Board;

(II) to implement the Company's annual business plans and investment plans;

(III) to prepare the plan for the establishment of internal management of the Company;

(IV) to prepare the plan of the basic management system of the Company;

(V) to formulate the Company's specific rules;

(VI) to propose to the Board to appoint or remove the vice president, chief financial officer and other senior management members of the Company;

(VII) to decide to appoint or remove management other than those appointed or removed by the Board; and

(VIII) to exercise other functions and powers conferred in the Articles of Association and by the Board.

Article 200 The president shall attend the Board meeting, but the president who is not a Director has no voting rights at the Board meeting.

Article 201 The president shall, as required by the Board, report to the Board signing and execution of major contracts and operating condition of the Company. The president must guarantee authenticity of the report.

Article 202 Before formulating such matters related to employees' vital interests as wages, welfare, production safety, labor protection, labor insurance and removal (or dismissal), the president shall listen to opinions from the labor union and workers' representative assembly.

Article 203 The president shall formulate relevant working rules, which shall come into effect upon approval by the Board.

The president's working rules includes the following contents:

(I) the conditions and procedures to convene the president meeting and the personnel to attend the meeting;

(II) specific duties and division of labor of the president and other senior management;

(III) the rights to utilize the Company's funds and assets and to sign material contracts and the reporting system to the Board and the supervisory committee; and

(IV) other matters that the Board considers necessary.

Article 204 President and senior management may resign before expiration of the term of office. Specific procedure and measures for resignation of president and other senior management shall be prescribed in the appointment contracts between the president, other senior management and the Company.

Article 205 The Company shall have one chief compliance officer, who shall be the compliance officer as well as senior management of the Company, and appointed or removed by the Board. The appointment and removal of the chief compliance officer shall comply with Company Law, Securities Law and relevant regulations of CSRC. The chief compliance officer shall not concurrently hold positions which are in conflict with the duties of compliance management, and shall not be in charge of departments conflicting with the duties of compliance management.

Where the Board decides to employ the chief compliance officer, he should be approved by securities regulatory authority at the place where the Company's is registered, before the chief compliance officer holds office.

When the Board removes a chief compliance officer, the Board shall, within 3 working days from the day of such removal, report facts and reasons of the removal to the securities regulatory authority at the place where the Company's is registered.

Article 206 The main duties of the chief compliance officer are:

(I) reviewing whether the internal system and regulations of the Company comply with the laws, administrative regulations and departmental rules;

(II) reviewing whether the major businesses and decisions of the Company comply with the laws, administrative regulations and departmental rules; Reviewing before the decisions on major businesses are made; reporting to the Board and securities regulatory authority if the business departments insist in spite of the objection of the chief compliance officer;

(III) responsively finding and urging to solve compliance problems in the daily operations of the Company, preparing compliance report and reporting to the Board of the Company and securities regulatory authority;

(IV) organising compliance training on senior management and employees of the Company so as to build compliance culture;

(V) providing compliance consulting for other departments and staff of the Company; and

(VI) communicating and coordinating with the CSRC and industry self-discipline organizations.

Article 207 If any senior management violates the laws, administrative regulations, department rules or Articles of Association in the course of exercising his/her duties, thereby incurring any loss of the Company, the said senior management shall be liable to compensate the Company.

Chapter VII The Supervisory Committee

Section 1 Supervisors

Article 208 The positions of supervisors shall be assumed by shareholder representatives and employee representatives.

Article 209 Supervisors shall have expertise or experience in law, accounting or other requisite knowledge and experience.

Article 210 Directors, president and other senior management and their direct relatives and major social connections shall not hold the position of supervisors concurrently.

Article 211 A supervisor shall observe the law, administrative regulations and the Articles of Association, bear the obligations of honesty and diligence to the Company, and not to abuse their official powers to accept bribes or other unlawful income, and not to misappropriate the Company's property.

Article 212 The term of office of a supervisor shall be three years. Shareholder representative supervisors shall be elected or replaced at the general meetings, employee representative supervisors shall be elected or removed democratically by employees of the Company at employee representatives' meetings, employees' meetings or in other forms. Supervisors may serve consecutively upon reelection.

Article 213 If a supervisor is not re-elected or resigns before the expiration of his/her term resulting in the supervisory committee members to be less than the requisite quorum, the leaving supervisor shall perform his/her duties as a supervisor in accordance with the laws, regulations and these Articles.

Article 214 A supervisor shall ensure that the disclosure of the Company is true, accurate and complete.

Article 215 A supervisor shall not concurrently hold a position in other securities firms.

Article 216 Supervisors have the right to know the operations of the Company via supervisory committee and shall undertake the confidentiality obligation accordingly.

Article 217 The Company shall ensure the supervisors' right to know and shall provide necessary assistance to supervisors for their performance of duties. No one shall interfere with or obstruct supervisors' work.

The reasonable expenses required for performance of duties of supervisors shall be borne by the Company.

Article 218 If any supervisor fails to attend meetings of the supervisory committee for two consecutive times, he shall be deemed as incapable of performing his duties, and shall be removed by the general meeting or the employees representatives' meeting.

Article 219 A supervisor may resign before expiration of the term of office and the provisions on Directors' resignation in Chapter V of the Articles of Association are applicable to supervisors.

Article 220 A supervisor shall, in accordance with laws, administrative regulations and the Articles of Association, perform his supervisory duties honestly.

Article 221 A supervisor shall not use his connection relations to damage the interests of the Company, and if any losses incurred to the Company, he/she shall be liable for compensation.

The Company shall sign a written contract with each of supervisors who shall at least make the following commitments in the contract: complying with and conforming to the provisions of the *Company Law*, the *Special Provisions* and the Articles of Association, agreeing that the Company will enjoy remedial measures provided in the Articles of Association and that this contract and his post shall not be assigned; complying with and performing the duties of supervisors to shareholders provided in the Articles of Association; complying with the arbitration clause in 19A.54 (3) of the *Hong Kong Listing Rules*.

Article 222 If a supervisor causes any losses to the Company while performing his duties in violation of any laws, administrative regulations, department rules or the Articles of Association, he shall be liable to compensate the Company's loss.

Section 2 The Supervisory Committee

Article 223 The Company shall have a supervisory committee, consisting of six Supervisors, not less than one third of themselves of the supervisory committee shall be employees representative supervisors.

The supervisory committee shall have one chairman, who shall be appointed or removed by the affirmative votes of more than two thirds of the members of the supervisory committee.

Article 224 The supervisory committee of the Company shall be accountable to all the shareholders, and shall supervise the financial operations of the Company and the legality and compliance of the fulfillment of duties of the Company's Directors, president and other senior management to protect the legitimate rights and interests of the Company and its shareholders.

Article 225 Personnel and structure of the supervisory committee shall ensure the supervisory committee being able to independently and effectively supervise and review Directors, president and other senior management as well as the Company's finance.

Article 226 The supervisory committee shall exercise the following functions and powers:

(I) to examine financial operations of the Company;

(II) to supervise the work performance of the Directors and senior management, and propose dismissal of Directors and senior management who have violated laws, administrative rules, the Articles of Association or the resolutions of general meetings;

(III) to require Directors and senior management to make corrections if their conduct has damaged the interests of the Company;

(IV) to require the Board to make corrections when any resolution of the Board runs against the laws and administrative regulations or regulations of China Securities Regulatory Commission;

(V) to review the financial reports and profit distribution schemes to be submitted by the Board to the general meetings; to conduct investigation if there is any doubt or any unusual circumstances in the Company's operations; and if necessary, to engage an accounting firm, law firm or other professional institutions to assist in their work at the expenses of the Company;

(VI) to propose the convening of extraordinary general meetings and, in case the Board does not perform the obligations to convene and preside over the general meetings in accordance with Company Law, to convene and preside over the general meetings;

(VII) to propose motions to the general meeting;

(VIII) to coordinate with Directors on behalf of the Company or initiate legal proceedings against Directors and senior management in accordance with the laws;

(IX) to formulate remuneration plan and distribution plan for supervisors and submit specific reports on performance evaluation and remuneration of supervisors to the general meeting;

(X) to exercise other functions and powers specified in the Articles of Association.

The supervisors may attend Board meetings and make inquiries or suggestions in relation to the resolutions of such meetings.

The Company shall bear all reasonable fees incurred in the retaining of such professionals as lawyers, certified public accountants, and practicing auditors by the supervisory committee to exercise its functions and powers.

Article 227 Meetings of the supervisory committee shall be held at least once every six months, and shall be convened and presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee cannot or does not fulfill the duty thereof for any reason, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the supervisory committee.

Supervisors may propose to convene a provisional meeting of the supervisory committee.

In general, the supervisory committee votes physically but in emergency case or due to force majeure or other special reasons a physical, video or telephone conference is not be able to be held and on the following conditions, voting by correspondence can also be adopted:

(I) the number of proposal is low the issue is simple;

(II) supervisors can fully express their opinions;

(III) all the supervisors attending the meeting have no objection to voting by correspondence.

To convene the meeting of the supervisory committee voting by correspondence, the Company shall clearly write in the notice of the meeting such contents as details of proposal for review, time and manner to vote and ticket ballot of voting by correspondence. The ballot of voting by correspondence shall include at least the following contents: supervisor's name, proposal, voting result (for, against or abstain from voting).

At the meeting of the supervisory committee convened by correspondence, the supervisors attending shall at the voting time fax or scan the voting ballots and send it to specified address by email. The voting ballots prepared or filled not as required or filled by illegible handwriting or failing to be sent within specified time due to any other reasons shall be deemed to be invalid. The original ballots of voting by correspondence shall be sent by post, delivery in person or other means to the Company after the meeting.

Article 228 The notice of meetings of supervisory committee shall be served to all the supervisors 10 days in advance, and the notice of provisional meetings of the supervisory committee shall be served to all the supervisors five days in advance. Notice of meetings shall be delivered by post, email or fax. Where a provisional meeting of the supervisory committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

The notice of meetings includes the following contents: the meeting date, place and duration, causes, matters for discussion and the date of sending out the notice.

Section 3 Resolution of the Supervisory Committee

Article 229 Meetings of supervisory committee shall not be held unless over two thirds of supervisors are present. Each supervisor shall have one vote. Resolutions made by the supervisory committee shall be approved by no less than two thirds of the members of the supervisory committee.

Article 230 Supervisors shall attend meetings of the supervisory committee in person. If any supervisor cannot attend the meeting for any reason, he may authorize another supervisor as his/her proxy.

Power of attorney shall contain the name of the proxy, authorized matters and scope of authority and period, and be signed or sealed by the principal. The proxy attending the meeting shall exercise the rights of supervisor within the scope of authority.

The supervisor who fails to attend the meeting of the supervisory committee and does not entrust his representative either shall be deemed as a waiver of the right to vote in the meeting.

Article 231 Voting on resolutions of the supervisory committee may be conducted by open ballot.

Minutes shall be recorded for meetings of the supervisory committee and shall be signed by the attending supervisors and the recorder. Minutes shall be true, accurate and complete records of the meeting process, the content of the resolution, speech and voting results of supervisors. Any supervisor shall be entitled to have an explanatory note made in the minutes regarding his speech at the meeting.

The minutes of meetings of the supervisory committee shall be kept by the secretary to the Board as the Company's permanent record.

Chapter VIII Qualifications and Obligations of Directors, Supervisors, the President and Other Senior Management Members

Article 232 In any of the following circumstances, a person shall not serve as Director, supervisor, president or other senior management of the Company:

(I) without capacity or with limited capacity for civil conduct;

(II) is sentenced due to taking graft or committing bribery, offences against property, disrupting socioeconomic order and has completed a term of imprisonment for less than five years, or is deprived of political rights due to offence and has completed a term of imprisonment for less than five years;

(III) was ever the Director or manager of any company or enterprise which was bankrupted due to bad operation and was responsible for the bankruptcy of the said company or enterprise, and it is less than three years since the completion of liquidation for the bankruptcy of the said company or enterprise;

(IV) was ever the legal representative of a company or an enterprise whose Business License was revoked due to illegal activities and was responsible for such illegal activities, and it is less than three years since the revocation of Business License of the said company or enterprise;

(V) has large outstanding debts;

(VI) was ever the officer-in-charge of a stock exchange or securities registration and clearing institution or Director, supervisor or senior management of a securities firm who was dismissed for any act against the law or relevant discipline, and it is less than five years since the said dismissal;

(VII) was ever a lawyer, certified public accountant or a professional of an investment consulting institution, financial consulting institution, credit rating institution, asset valuation institution or certification institution who was disqualified for any act against the law or relevant discipline, and it is less than five years since the said disqualification;

(VIII) was employee of stock exchange, securities registration and clearing institution, securities service provider or securities company and functionary of State organ discharged for violating the law or rules of discipline;

(IX) was functionary of State organ, or other person prohibited by laws or administrative regulations from concurrently holding position in the Company;

(X) was banned from the market by securities regulatory authority and has not been relieved of the ban;

(XI) was given an administrative penalty by financial regulatory departments due to serious violation of laws or regulations, and it is less than three years since completion of execution of such penalty;

(XII) has been less than three years from the day when the person's professional qualification is revoked by the China Securities Regulatory Commission;

(XIII) has been less than two years from the day when such person is identified as unfit for a position by the China Securities Regulatory Commission;

(XIV) is under investigation by the judiciary authority for violation of the criminal law;

(XV) is disqualified as corporate leader in laws and regulations;

(XVI) is not a natural person;

(XVII) was ruled by the relevant regulatory authority that he has violated the relevant securities regulations and committed any fraudulent or dishonest act, and such ruling was made less than five years ago; and

(XVIII) other circumstances as stipulated in laws, regulations, or the listing rules at the place where the Company's shares are listed.

Any election, appointment of Directors, supervisors, or appointment of president or other senior management in violation of the above provisions shall be invalid. The Company shall remove the Director, supervisor, president and other senior management if he is involved in the said circumstances during his term of office.

Article 233 The validity of an act of a Director, the president or other senior management on behalf of the Company for a bona fide third person is not affected by any incompliance in the appointment, election or qualification thereof.

Article 234 Save as otherwise specified by laws, administrative regulations and provisions of the securities regulatory authority at the place where the Company's shares are listed, the Directors, supervisors, the president and other senior management, in fulfilling duties, shall also bear the following obligations to each of the shareholders:

(I) not allowing the Company exceed its business scope prescribed by the business license;

(II) to sincerely act for the best interest of the Company;

(III) not misappropriating the property of the Company in any way, including (but not limited to) the opportunities that are favorable to the Company;

(IV) not depriving the rights and interests of the shareholders, including (but not limited to) the distribution and voting rights, and excluding the restructuring of the Company adopted by the general meeting according to the Articles of Association.

At the same time, the Company's Directors shall perform the fiduciary duties and in diligence in accordance with Article 141 and 142 of the Articles of Association.

Article 235 When the Directors, supervisors, the president and other senior management exercise their rights or fulfill their obligations, all of them have the responsibility to act with carefulness, diligence and skills as a reasonably prudent person.

Article 236 In fulfilling duties, the Directors, supervisors, the president and other senior management shall observe the principle of honesty and shall not set themselves in a position where their own interests conflict with their obligations. The said principle includes (but not limited to) the following obligations:

(I) to sincerely act in the best interest of the Company;

(II) to exercise their rights within their terms of reference;

(III) to exercise personally the discretion vested in them and not to allow themselves to be controlled by others and, save as permitted by laws or administrative regulations or with the informed consent of shareholders given at a general meeting, not to transfer the exercise of their discretion to others;

(IV) to be equitable towards shareholders of the same class and fair towards shareholders of different classes;

(V) not to conclude any contract, conduct any transaction or make any arrangement with the Company saved as specified in the Articles of Association or with the informed consent of shareholders given at a general meeting;

(VI) not to seek personal gains by using the property of the Company in any form without the informed consent of shareholders given at a general meeting;

(VII) not to abuse official powers to accept bribes or other unlawful income, and not to expropriate the Company's property in any form, including (but not limited to) opportunity favorable to the Company;

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

(IX) to observe the Articles of Association, fulfil duties honestly, protect the interests of the Company, and not to seek personal gains by using their positions and powers in the Company;

(X) not to compete with the Company in any form without the informed consent of shareholders given at a general meeting;

(XI) not to appropriate the monies of the Company or lend the same to others, not to deposit the Company's assets in the accounts of their own or others, and not to use the Company's assets as security for the personal debts of the shareholders of the Company or others;

(XII) without the informed consent of the shareholders at a general meeting, not to disclose any confidential information related to the Company acquired by them during the term of their office; not to use the said information save for the interest of the Company; however, they may disclose such information to a court or other governmental regulatory authorities in the following circumstances:

1. as required by law;
2. as required in the interests of the public;
3. as required for the interests of the said Directors, supervisors, the president and other senior management.

Article 237 The Directors, supervisors, the president and other senior management shall not procure the following persons or parties (“related persons”) to conduct any actions that Directors, supervisors, the president and other senior management are prohibited from:

(I) the spouse or minor children of Directors, supervisors, the president and other senior management;

(II) a trustee of Directors, supervisors, the president and other senior management or the persons mentioned in the subparagraph (I) of this article;

(III) a partner of Directors, supervisors, the president and other senior management or the persons mentioned in subparagraph (I) and (II) of this article;

(IV) a company in which such Directors, supervisors, the president and other senior management alone or jointly with one or more persons mentioned in subparagraph (I), (II) and (III) of this article or with any of other directors, supervisors, president and other senior management of the Company, have de facto control;

(V) Directors, supervisors, the president and other senior management of the controlled companies mentioned in subparagraph (IV) of this article.

Article 238 The fiduciary duties of Directors, supervisors, the president and other senior management shall not end with the expiry of their terms of office, and their confidentiality obligation in respect of any commercial secrets of the Company shall continue after expiry of their terms of office. Other duties may continue for such period as the principle of fairness may require depending on the amount of time which has lapsed between the termination and the act concerned and the specific circumstances under which the relationship between the Director and the Company was terminated.

Article 239 The responsibilities of Directors, supervisors, the president and other senior management due to violation of certain obligation shall be relieved by the informed consent general meeting, save as the cases provided in Article 64 of the Articles of Association.

Article 240 If Directors, supervisors, the president and other senior management of the Company have any direct or indirect material interests in any contract, transaction or arrangement already concluded or proposed contract, transaction or arrangement the Company (other than appointment contract between the Company and Directors, supervisors, the president and other senior manager senior management with the Company), they shall responsively disclose the nature and extent of the said interests to the Board regardless whether the relevant matters are subject to approval by the Board under normal circumstances.

Unless the interested Directors, supervisors, president and other senior management disclosed his/her interest to the Board in accordance with the preceding paragraph of this article, and the Board approved it in the meeting in which such Directors, supervisors, president or any other senior management of the Company was not counted in the quorum and has abstained from voting, the Company shall be entitled to revoke the contract, transaction or arrangement except the counterparty is a bona fide party acting without notice of branch of the obligations of Directors, supervisors, the president and other senior management.

Where related parties of Directors, supervisors, the president and other senior management have interest in a contract, transaction and arrangement, Directors, supervisors, the president and other senior management shall also be considered as the interested party.

Article 241 If Directors, supervisors, the president and other senior management notify the Board in writing before the Company considers to conclude a contract, a transaction and an arrangement for the first time and state that he will have interest in the expected contract, transaction and arrangement, the relevant Directors, supervisors, the president and other senior management shall be considered having made the disclosure provided in preceding article to the extent as specified in the notice.

Article 242 The Company shall not pay taxes for its Directors, supervisors, the president and other senior management by any means.

Article 243 The Company shall not directly or indirectly provide loan or guarantee to the Directors, supervisors, the president and other senior management of the Company or its parent company, or to the related parties of the aforesaid. Except when:

The preceding paragraph shall not apply to the following circumstances:

(I) the Company provides loan or guarantee for its subsidiaries;

(II) the Company, in accordance with the employment agreements approved by the general meeting, provides loan, guarantee or other funds to the Directors, supervisors, the president and other senior management of the Company so that they may pay the expenses incurred for the Company or in the course of performing their duties;

(III) If the normal business scope of the Company includes provision of loan and guarantee, the Company may provide loan and guarantee to the relevant Directors, supervisors, the president and other senior management and their related parties, but the conditions for providing loan or guarantee shall be on normal commercial terms.

Article 244 If the Company provides loan in violation of the preceding article, the recipient of the loan shall be repaid immediately regardless of conditions of loan.

Article 245 The Company shall not be forced to carry out the guarantee if it is in violation of Clause I of Article 243 of the Articles of Association, except for the following conditions:

(I) where the lender is not aware of the cases when providing the loans to the Directors, supervisors, the president and other senior management of the Company or its parent company;

(II) where the collateral provided by the Company has been legally sold to bona fide purchasers by the lender.

Article 246 The guarantees mentioned in the preceding article include the acts that the guarantor takes the responsibility or provides the property to ensure the fulfillment of the obligations of the obligor.

Article 247 If the Directors, supervisors, the president or other senior management fail to fulfil the obligations to the Company, the Company shall be entitled to take the following actions in addition to the rights and remedial measures under the relevant laws and administrative regulations:

(I) require the Directors, supervisors, the president or other senior management to compensate the Company for the losses as a result of their negligence;

(II) rescind the contracts or transactions entered into between the Company and the Directors, supervisors, the president or other senior management of the Company, or between the Company and a third person (if the third person knows or is supposed to know that the Directors, supervisors, the president or other senior management representing the Company have breached their obligations to the Company);

(III) require the relevant Directors, supervisors, the president or other senior management to surrender gains arising from breach of obligations;

(IV) recover any money, including (but not limited to) commissions, received by the relevant Directors, supervisors, the president or other senior management which should have been received by the Company;

(V) require the relevant Directors, supervisors, the president or other senior management to surrender interests earned or likely to be earned on the money that should have been paid to the Company.

Article 248 The Company shall enter into written agreements with Directors and supervisors in relation to their remunerations, subject to prior approval at a general meeting. The foregoing remuneration includes the following items:

(I) remuneration of the Directors, supervisors or other senior management;

(II) remuneration of the Directors, supervisors or other senior management of the Company's subsidiaries;

(III) remuneration of other services offered to the Company and its subsidiaries;

(IV) compensation for removal or for retirement of the Directors or supervisors.

Save as in accordance with the aforementioned agreements, the Directors, supervisors shall not sue the Company for the their own benefits due to the foregoing matters.

Article 249 The Company shall specify in the contracts entered into with the Directors or supervisors in relation to remunerations that if the Company is acquired, the Directors or supervisors shall be entitled to seek compensations or other money for losing their positions or for retirement under the conditions approved at the general meeting. The acquisition of the Company mentioned in the preceding paragraph refers to one of the following conditions:

(I) a tender offer to all shareholders;

(II) a tender offer with an aim of making the offeror a controlling shareholder.

If the relevant Directors and supervisors violate these Articles, any funds they received shall attributable to the persons who accept the offer aforementioned, and the fees arising from distributing such funds in proportion shall be paid by the Directors and supervisors and shall not be deducted from such funds.

Chapter IX Financial and Accounting Systems, Profit Distribution and Audit

Section 1 Financial and Accounting Systems

Article 250 The Company shall formulate its financial and accounting systems in accordance with laws, administrative regulations and PRC accounting standards formulated by the financial authority under the State Council.

Article 251 The financial statements of the Company shall be prepared in accordance with not only PRC accounting standards and regulations, but also the international accounting standards or the accounting standards of the overseas place where Company's shares are listed. If the financial statements prepared under the two accounting standards are discrepant significantly, such discrepancy shall be indicated in the notes to the financial statements. The Company shall distribute the after-tax profit of the relevant financial year as per the less of the after-tax profits in the aforesaid two financial statements.

Article 252 The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or the accounting standards of the overseas place where Company's shares are listed.

Article 253 The Company shall fulfil its obligation of disclosure in accordance with the requirements of regulatory authority and prepare its annual and interim financial reports in accordance with relevant laws, administrative regulations and department rules. An annual financial report of the Company shall at least include balance sheet, profit statement, cash flow statement, statement of changes in owners' equity and notes; an interim financial report of the Company shall at least include balance sheet, profit statement, cash flow statement and notes.

Article 254 The Company shall publish two financial reports in each financial year, i.e. interim financial report published within 60 days after the end of the first six months of the financial year and the annual financial report published within 120 days after the end of the financial year.

Article 255 The Company shall prepare its financial and accounting report at the end of each financial year, which shall be reviewed and verified in accordance with the law.

Article 256 The Board shall, at each annual general meeting, submit to the shareholders the regulatory documents promulgated by relevant laws, administrative regulations, local governments and competent authorities, and the financial reports which shall be prepared by the Company as required by securities supervisory regulations at the place where shares of the Company are listed.

Article 257 The financial report of the Company shall be available at the Company's premises for shareholders' inspection 20 days before the date of annual general meeting. Each shareholders of the Company shall have the right to obtain the financial report mentioned in this chapter.

The Company shall at least post the copy of financial report and balance sheet (including each file shall be included as appendix for the balance sheet as specified by applicable law) as well as income statement, statement of income and expenditure or summary financial report to each shareholders of the overseas listed foreign shares by prepaid mail 21 days prior to the annual general meeting, and the addresses of recipient shall be the addresses appear on the register of shareholders.

Article 258 The Company shall not establish account books other than the statutory account books. The assets of the Company shall not be deposited in any personal account.

Article 259 The Company shall submit its financial and accounting report and relevant statistical report to the securities regulatory authorities of the State Council and tax and financial administrative departments, and promptly report major business activities, in accordance with relevant provisions.

Section 2 Profit Distribution

Article 260 The capital reserve shall consist of the following:

(I) the premium on shares issued on premium;

(II) other incomes to be allocated to the capital reserve as stipulated by the finance authority under the State Council.

Article 261 Save as otherwise stipulated by the State, the Company shall distribute its after-tax profit of each financial year in the order of:

(I) recovering losses of the preceding year;

(II) contributing 10% of after-tax profit each to general risk reserves and trading risk reserves;

(III) contributing 10% of after-tax profit to statutory surplus reserve;

(IV) contributing to other funds in accordance with laws, regulations, department rules and Articles of Association; and

(V) distributing dividends to shareholders.

When the general risk reserves has accumulated to at least 50% of the registered capital of the Company, the company may cease to make any further contribution.

When the statutory surplus reserve has accumulated to at least 50% of the registered capital of the Company, the company may cease to make any further contribution.

If the general meeting, in violation of the provision, distributes profits to shareholders before recovering losses and contributing to statutory surplus reserve, the profits thus distributed shall be returned to the Company.

The shares of the Company held by the Company shall not be subject to profit distribution.

Article 262 After contributing to general risk reserves, trading risk reserves and statutory surplus reserve from its after-tax profit, the general meeting decides whether the discretionary surplus reserve shall be taken.

Article 263 Profit cannot be distributed to the shareholders before recovering losses of the Company and taking out general risk reserves, trading risk reserves, statutory common reserve fund and other funds specified by the Articles of Association.

Article 264 The surplus reserve of the Company shall be used to recover losses of the Company, expand the Company's production and operation, or to be converted into the Company's increase in share capital. But capital reserve will not be used to recover losses of the Company.

When the general meeting resolves to convert the surplus reserve into share capital, new shares shall be distributed to the shareholders on pro rata basis. However, upon conversion of statutory surplus reserve into share capital, the amount remaining in the statutory surplus reserve may not fall below 25 percent of the registered capital.

Article 265 After the general meeting makes a resolution on profit distribution plans, the Board of Directors shall complete distribution of dividend (or share) within two months after such general meeting.

Article 266 The Company may distribute dividends in cash or in shares. The Company shall emphasize on the reasonable investment returns to investors in its profit distribution and shall keep its profit distribution policies consistent and stable.

Cash dividends and other money paid by the Company to holders of domestic shares shall be paid in RMB. Cash dividends and other money paid by the Company to holders of overseas listed foreign shares shall be stated and announced in RMB and paid in foreign currency. Foreign currency needed by the Company to pay cash dividends and other money to holders of overseas listed foreign shares shall be obtained pursuant to relevant State regulations on foreign exchange.

Amount paid for any shares before date of the call shall bear interests, but the holders of shares are not entitled to dividends on such pre-paid share capital before the date of the call. Regarding shareholders' collection of dividends, the Company shall be entitled to confiscate unclaimed dividend; however, such right shall not be exercised before the expiry of relevant applicable limitation period.

The Company's power to cease sending dividend warrants to holders of overseas listed foreign shares by post will not be exercised until such dividend warrants had been so left uncashed on two consecutive occasions. Such power may also be exercised after the first occasion on which such a dividend warrant is returned undelivered.

The Company is entitled to, as permitted by the law, sell the shares held by shareholders who are untraceable, where: (1) dividends are allocated for at least three times to such shares within a period of 12 years, but no shareholder has claimed any dividends; and (2) upon expiry of the 12 year period, the Company makes an announcement in newspapers and periodicals stating the intent to sell the shares, and notifies the Hong Kong Stock Exchange of such intent.

Article 267 The Company shall appoint receiving agents for holders of overseas listed foreign shares. The receiving agents shall, on behalf of the related shareholders, receive dividends and other payables distributed by the Company for the overseas listed foreign shares.

The receiving agents appointed by the Company shall be in line with the law at the place where the Company's shares are listed or the requirements of the relevant provisions of stock exchange.

The receiving agents appointed by the Company for holders of foreign shares listed in Hong Kong shall be registered trust companies pursuant to Trustee Ordinance of Hong Kong.

Section 3 Audit

Article 268 The Company maintains internal audit system.

Article 269 The internal audit department shall be independent from various business departments and branches, independently implement its functions of supervision and examination such as compliance review, financial auditing, business auditing and risk control, and be responsible for proposing suggestions for improving internal control system and urging relevant responsible units to make improvement in time. The internal audit department shall be accountable to the Board of the Company and shall report the building and implementation of the Company's internal control to the supervisory committee and senior management.

Article 270 A responsibility management system shall apply for the internal auditing.

Article 271 No departments or personnel of the Company shall refuse, obstruct or damage internal audit, and those who attack, revenge on or frame up auditors shall be severely punished.

Article 272 Any internal auditors who abuses his/her power, corrupts for personal interests or neglects his duty shall be liable, anyone with exceeding performance in the internal audit shall be give appropriate recognition and reward.

Article 273 The internal audit system and duties of the auditors shall be subject to the approval of the Board. The officer in charge of internal audit shall be accountable to the Board and report his work to the same.

Chapter X Appointment of Accounting Firm

Article 274 The Company shall appoint a qualified independent accounting firm which is qualified under relevant stipulations of the State to audit the annual financial reports and other financial reports of the Company.

Article 275 The term of appointment of the accounting firm for the Company shall be from conclusion of one annual general meeting to conclusion of the next annual general meeting.

Article 276 The accounting firm appointed by the Company shall have the following rights:

(I) to access the account books, records and vouchers, and to ask Directors, president or other senior management to provide relevant documents and explanations;

(II) to require the Company to take all reasonable steps to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;

(III) to be present at general meetings, get notice of general meeting or other information relating to general meetings, and speak at general meetings concerning its role as the accounting firm of the Company.

Article 277 If there is any vacancy in the position of the Company's accounting firm, the Board shall appoint an accounting firm to fill the vacancy prior to the convening of the general meeting. During period of vacancy, any other accounting firms engaged by the Company, may continue to act.

Article 278 Regardless of the terms in the contract concluded between the accounting firm and the Company, the general meeting may, by an ordinary resolution, remove such accounting firm before expiry of the term thereof. Any rights claimed by the accounting firm against the Company shall not be affected.

Article 279 The remunerations of the accounting firm and payment method shall be decided the general meeting. The remunerations of the accounting firm appointed by the Board shall be determined by the Board.

Article 280 Appointment, removal or non-retention of the accounting firm shall be subject to decision at the general meeting and shall be filed with the securities regulatory authority under the State Council.

To adopt a resolution, where the general meeting appoints another accounting firm to fill any vacancy, or continues to appoint an accounting firm which is employed to fill in any vacancy or remove an accounting firm before the expiry of its term of office, it shall comply with the followings:

(I) The proposal on appointment or removal shall be sent to the accounting firm that is to be appointed, removed or has been removed in the financial year prior to the issuance of notice of general meeting.

The leaving of an accounting firm may refer to the removal, resignation or retirement of such firm.

(II) In case the leaving accounting firm makes a written statement and requests the Company to tell the shareholders about the statement, the Company shall take the following measures unless the written statement is too late in arriving at the Company:

1. explaining the statement was made by the leaving accounting firm on the notice for resolution;

2. sending the duplicate of statement as attachment of notice to shareholders by the way specified by the Articles of Association.

(III) if the Company fails to send the statement of accounting firm according to the provisions described in subparagraph (II), the public accounting firm may request to read the statement at the general meeting and can further make a complaint.

(IV) the leaving accounting firms have the right to attend the following meetings:

1. the general meeting that the term shall expire;

2. the general meeting which is convened because of the existence of vacancy due to its removal;

3. the general meeting which is convened because it took the initiative to resign.

The leaving accounting firm shall have the right to receive all the notice of meeting as mentioned above or other information related to the meeting and speak if the subject matter is related to it being the Company's former accounting firm in the meeting as mentioned above.

Article 281 Where the Company removes or does not continue appointing the accounting firm, prior notice shall be given to the accounting firm, and the accounting firm shall be entitled to state its opinions to the general meeting. Where the accounting firm tenders its resignation, they shall state to the general meeting whether the Company has anything inappropriate.

The accounting firm may resign by placing a written notice of resignation at the legal address of the Company. The notice shall enter into effect from the date that it is placed at in the legal address of the Company or later date indicated in the notice. The notice shall include the following statements:

1. its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or
2. any information is to be disclosed.

Within 14 days from the date of receipt of written notice referred to in the preceding paragraph, the Company shall send the copy of notice to relevant competent authority. In case of the notice containing the statement mentioned in subparagraph (II) of the preceding paragraph, copy of statement shall be available at the Company's premises for shareholders' review. In addition, the Company shall distribute copies of statement as mentioned above to each shareholders of the overseas listed foreign shares by mail postage paid, and the addresses of recipient is subject to address of register of shareholders.

If the notice of resignation of the accounting firm contains a statement that any information is to be disclosed, the accounting firm may require the Board to convene an extraordinary general meeting to listen to its explanation about the resignation.

Chapter XI Notice and Announcement

Article 282 The notice of the Company may be served as follows:

(I) by personal delivery;

(II) by post;

(III) by e-mail;

(IV) by fax;

(V) by announcement on the website designated by the Company and stock exchanges in accordance with laws, regulations and the listing rules at the location where the Company's shares are listed;

(VI) by announcement;

(VII) by other means agreed before between the Company and the recipient or approved by the recipient.

by other means approved by the regulatory authority at the place where the Company's shares are listed or specified in the Articles of Association.

Article 283 Where a notice of the Company is served by announcement, the notice shall be deemed as received by the relevant persons once it is published. Where there are regulations specified by the regulatory authority at the place where the Company's shares are listed, the relevant regulations shall prevail.

Any notice sent by the Company to the holders of overseas listed foreign shares, if sent by announcement, shall be submitted in electronic form to the Hong Kong Stock Exchange for immediate release through the electronic publication system of the Hong Kong Stock Exchange on the same date according to local listing rules, so as to be published on the websites of the Hong Kong Stock Exchange and the Company. In addition, the aforesaid notice shall be sent by personal delivery or prepaid mail to the registered addresses in the register of holders of overseas listed foreign shares according to rules of listing place, so that the shareholders are fully informed and have enough time to exercise their rights or act in accordance with the notice.

The holders of overseas listed foreign shares of the Company may obtain in written form (by e-mail or by post) the information about the Company that the Company shall send to the shareholders, and may choose to receive either or both of the Chinese and English versions. The holders of overseas listed foreign shares may, in a reasonable period, also notify the Company in writing in advance to revise the means of receiving the aforesaid information and the relevant version thereof according to proper procedures.

In case the Directors and the shareholders need to prove that the notice, documents, data, or written statement have been sent to the Company, the evidence that relevant notice, document, data, or written statement have been sent to correct address by the usual way or prepaid mail within a specified time has to be provided.

Although the Company is required to provide written information to shareholders according to the preceding paragraph, if the Company has obtained the shareholders' prior written consent or implied consent according to relevant laws and regulations and the Hong Kong Listing Rules amended from time to time, it may send information to shareholders by e-mail or via publication on website of the Company. The information includes, but not limited to: circulars, annual reports, interim reports, quarterly reports, notice of general meeting and other information listed in the *Hong Kong Listing Rules*. Report of the Board along with balance sheet (including each file which is specified by applicable law to be inserted as appendix in balance sheet), income statement, statement of income and expenditure or (ii) summary financial report, shall be handed over or delivered to the registered address of each shareholder by post at least 21 days prior to the convening of the general meeting.

Where the notice is sent by personal delivery, it shall be signed (or sealed) in the return of service, the date of receipt by the person on whom to be serviced shall be the date of service; where the notice is sent by post, the second working days starting from the date of delivering and paying at the post office shall be the date of service; where the notice is sent by public announcement, the first publishing date of announcement shall be the date of service.

For shareholders who fail to provide his registered address or unable to be contacted due to errors or omissions of addresses, as long as relevant notices are presented and maintained at the legal address of the Company for 24 hours, such shareholders shall be deemed to have received such notice.

Article 284 The Company shall issue announcements and disclose information to the holders of domestic shares through the newspapers and periodicals and websites for disclosure designated by laws and regulations or CSRC. If the Company is required to issue announcements to the holders of overseas listed foreign shares according to the Articles of Association, relevant announcements shall also be published by means specified in the Hong Kong Listing Rules.

Chapter XII Merger, Division, Dissolution and Liquidation

Section 1 Merger and Division

Article 285 In respect of the merger or division of the Company, the Board of the Company shall propose a plan and have it adopted following the procedure specified in the Articles of Association, and go through relevant examination and approval formalities pursuant to laws. Any shareholder objecting to merger or division of the Company shall be entitled to require the Company or the shareholders approving merger or division of the Company to buy his shares at a fair price. The content of merger or division resolutions shall be regarded as special files for shareholders' reference.

With regard to shareholders of the overseas listed foreign shares of the Company listed in Hong Kong, documents as mentioned above shall be delivered by mail.

Article 286 The Company may be merged and divided in accordance with the laws.

Companies may be merged by acquisition or consolidation. One company absorbing another company is merger by acquisition, and the Company being absorbed shall be dissolved. Merger of two or more Companies through establishment of a new company is consolidation, and the companies being consolidated shall be dissolved.

Article 287 If the Company is to undergo merger or division, it shall be conducted according to the following procedures:

- (I) the merger or division plan is prepared by the Board;
- (II) the general meeting resolves in accordance to the Articles of Association;
- (III) the merger or division agreement is signed by the parties;
- (IV) the examination and approval procedure is carried out in accordance the laws;
- (V) disposing of credits and debits related to the merger or division matters;
- (VI) cancellation of registration and registration of change is carried out.

Article 288 In the event of merger or division of the Company, the parties concerned shall conclude a merger or division agreement and prepare balance sheets and property inventories. The Company shall notify its creditors within 10 days and publish an announcement in a newspaper within 30 days after the date of the Company's merger or division resolution.

Article 289 The creditors may require the Company to repay debts or provide corresponding guarantees within 30 days after receipt of the notice or within 45 days after the announcement if the creditors haven't received the notice.

Article 290 The assets, credits and debts of the parties to the merger or division shall be specified in contracts.

The credits and debts of the Company after merger shall be inherited by the company subsisting after merger or by the newly established company.

Where the Company is divided, its properties shall be divided accordingly. The companies after division shall bear joint liability for the debts of the Company before division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

Article 291 Change in registered particulars arising from merger or division of the Company shall be registered with the company registration authority according to law. If the Company is dissolved, it shall be deregistered according to law. If a new company is established, such establishment shall be registered according to law.

Section 2 Dissolution and Liquidation

Article 292 In any of the following circumstances, the Company shall be dissolved and liquidated according to law upon approval by securities regulatory authorities of the state:

(I) Circumstance for dissolution specified in the Articles of Association arises;

(II) The general meeting have resolved to dissolve the Company;

(III) Merger or division of the Company entails dissolution;

(IV) The business license is revoked according to law, or the Company is ordered to close or is cancelled;

(V) If the Company gets into serious trouble in operations and management and continuation may incur material losses of the interests of the shareholders, and no solution can be found through any other channel, the shareholders holding more than 10.0% of the total voting rights of the Company may request the people's court to dissolve the Company according to law;

(VI) The Company is declared bankrupt according to law because it is unable to pay its debts as they fall due.

Article 293 In the circumstance set out in the preceding article subparagraph (I), the Company may continue to subsist by amending the Articles of Association.

An amendment to the Articles of Association according to the provisions as mentioned in the preceding paragraph requires affirmative votes by at least two-thirds of the votes held by shareholders attending the general meeting.

Article 294 If the Company is dissolved pursuant to subparagraph (I), (II), (IV) or (V) of Article 292 hereof, it shall establish a liquidation committee within 15 days after the dissolution circumstance arises. The liquidation committee shall comprise members determined by the Directors or the general meeting. If the liquidation committee is not duly set up, the creditors may request the people's court to designate related persons to form a liquidation committee to carry out liquidation.

Where relevant laws and regulations provide special regulations on dissolution and liquidation, it shall be carried out according to the relevant provisions.

Article 295 Upon establishment of the liquidation committee, the powers of the Board and president shall cease forthwith. The Company shall subsist in the course of liquidation but shall not conduct any business operations unrelated to liquidation.

Article 296 If the Board decides the Company is to be liquidated (except for the Company to be liquidated as a result of bankruptcy), it shall state that the Board has made a comprehensive investigation on the condition of company and think that the Company can settle all the debts within twelve months after the start of the liquidation in the notice of the general meeting.

After it is resolved that the Company is to be liquidated at the general meeting, the authority of the Board shall be terminated immediately.

The liquidation committee shall observe the instructions of the general meeting, report the income and expenditure of liquidation committee, the business of the Company and the progress liquidation to the general meeting at least once a year, and make final report to the general meeting at the end of the liquidation.

Article 297 The liquidation committee shall exercise the following functions and powers:

(I) To examine and take possession of the Company's assets and prepare the balance sheet and a property inventory;

(II) To inform creditors by notice or announcement;

(III) To deal with the outstanding businesses of the Company relating to liquidation;

(IV) To pay outstanding taxes and the taxes arising during liquidation;

(V) To settle claims and debts;

(VI) To dispose of the remaining assets of the Company after repayment of debts;

(VII) To represent the Company in civil proceedings.

Article 298 The liquidation committee shall notify all creditors within 10 days after its establishment and shall make announcements in newspapers within 60 days.

Article 299 The creditors shall declare their rights to the liquidation committee within 30 days after receipt of the notice or within 45 days after announcement if the creditors haven't received the notice. The creditors shall explain matters relating to their rights and provide relevant evidential documents. The liquidation committee shall register the creditor's rights.

In the creditor's rights declaration period, the liquidation committee shall not make repayment to the creditors.

Article 300 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, it shall formulate a liquidation proposal and submit it to the general meeting or the relevant competent authority and people's court for confirmation.

Article 301 The assets of the Company shall be settled in the following order:

(I) payment of the liquidating expenses;

(II) payment of the employees' salaries, social insurance expenses and statutory compensations;

(III) Payment of outstanding taxes;

(IV) payment of the Company debts.

The Company shall distribute the properties of the Company remaining after payments have been made in accordance with the previous paragraph in proportion to the shares held by the shareholders.

In the liquidation period, the Company cannot conduct new business.

Article 302 After the liquidation committee has examined and taken possession of the assets of the Company and prepared a balance sheet and a property inventory, if it discovers that the Company's assets are insufficient to repay its debts in full, it shall immediately apply to the people's court to declare the Company bankrupt. Following a ruling by the people's court that the Company is bankrupt, the liquidation committee shall transfer to the people's court all matters relating to the liquidation.

Article 303 After completion of liquidation of the Company, the liquidation committee shall prepare liquidation reports, income and expenditure statements and account books in respect of the liquidation period and, after verification of the Chinese certified public accountants, shall submit the same to the general meeting or the relevant competent authority and people's court for confirmation.

The liquidation committee shall, within 30 days after obtaining confirmation from the general meeting or relevant competent authority and people's court, cancel registration of the Company with the company registration authority and announce termination of the Company.

Article 304 Members of the liquidating committee shall honestly perform their duties, carry out their liquidating obligations in accordance with the laws, and cannot abuse their official powers to accept bribes or other unlawful income, and not to expropriate the Company's property.

A committee member who causes loss to the Company or its creditors due to his intentional misconduct or gross negligence shall be liable for damages.

Article 305 Where the Company is declared bankrupt in accordance with laws, it shall implement bankruptcy liquidation according to the relevant laws in relation to bankruptcy of enterprises.

Chapter XIII Amendment to the Articles of Association

Article 306 The Company may amend the Articles of Association pursuant to laws, administrative regulations and Articles of Association.

Article 307 The Company shall amend the Articles of Association in any of the following circumstances:

(I) After amendments are made to Company Law or other relevant laws and administrative regulations, the Articles of Association run counter to the said amendments;

(II) The Company's conditions have changed, and such change is not covered in the Articles of Association;

(III) The general meeting has resolved to amend the Articles of Association.

Article 308 If the amendment approved by the general meeting to Articles of Association involves any content of Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the said amendment shall be subject to approval by the securities regulatory authority; other matters shall be submitted to the securities regulatory authority of the State for examination and approval or recording where necessary; if the amendment involves registration of the Company, the involved change shall be registered pursuant to law.

Article 309 The Board may amend the Articles of Association in accordance with amendment approved by the general meeting to Articles of Association and examination and opinions of the relevant departments.

Article 310 The matters on the amendment of Articles of Association belongs to disclosure of information required by laws or administrative regulations, it shall be announced according to the stipulations.

Chapter XIV Settlement of Disputes

Article 311 The Company complies with the rules of the following dispute settlements;

(I) In the event of any dispute or claim between a holder of overseas listed foreign shares and the Company, between a holder of overseas listed foreign shares and a Director, a supervisor, the president or other senior management, and between a holder of overseas listed foreign shares and a holder of domestic shares arising from rights and obligations specified in the Articles of Association, Company Law and other relevant laws and administrative regulations and relating to the affairs of the Company, the parties concerned shall submit the said dispute or claim for arbitration.

The aforesaid dispute or claim submitted for arbitration shall be the entire dispute or claim; all the persons who complain for the same reason or who are required to participate in the settlement of the dispute or claim shall accept the arbitration award if they are the Company or its shareholders, Directors, supervisors, the president, or other senior management.

Disputes relating to definition of shareholders and shareholders' register may be settled other than through arbitration.

(II) The applicant for arbitration may select China International Economic and Trade Arbitration Commission for arbitration following the arbitration rules thereof or select Hong Kong International Arbitration Centre for arbitration following the securities arbitration rules thereof. After the applicant for arbitration submits the dispute or claim for arbitration, the other party shall accept arbitration at the arbitral institution selected by the applicant.

If the applicant for arbitration selects Hong Kong International Arbitration Centre for arbitration, either party may request that the arbitration be conducted in Shenzhen following the securities arbitration rules of Hong Kong International Arbitration Centre.

(III) The laws of the PRC shall be applicable if a dispute or claim mentioned in the subparagraph (I) is resolved through arbitration, except as otherwise provided for by laws or administrative regulations.

(IV) The arbitration award made by the arbitral institution shall be final and binding on both parties.

Chapter XV Supplementary Provisions

Article 312 Definitions

(I) the term “controlling shareholders” shall refer to a person that satisfies any of the following conditions:

1. he, acting alone or in concert with others, has the power to elect more than half of the total number of Directors;

2. he, acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's voting rights;

3. he, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company; or

4. he, acting alone or in concert with others, controls the Company in any other manner in fact.

(II) an “actual controller” refers to anyone who is not a shareholder but is able to hold control of the acts of the Company by means of investment relations, agreements or any other arrangements.

(III) “connected relation” refers to the relationship between the controlling shareholders, effective controllers, Directors, supervisors, or senior management and the enterprise directly or indirectly controlled by him and any other relationship that may lead to the transfer of any interest of the Company. However, the enterprises controlled by the State do not incur an connected relation simply because their shares are controlled by the state.

(IV) Date of Registration

Although other stipulations provided in the corresponding terms, the Company or the Directors can decide on the registration date to:

1. determine the shareholders who have the right to accept any dividend, distribution, distribution, or issuance;

2. determine the shareholders who have the right to accept notice of the general meeting or exercise the right to vote in the general meeting.

Article 313 Regulations of the Articles of Association may be formulated by the Board in accordance with the provisions of the Articles of Association. The Regulations of the Articles of Association cannot contravene the provisions of the Articles of Association.

Article 314 The Articles of Association is written in Chinese, in case of any discrepancy between versions in any other languages and different versions, the Chinese version upon the latest approval and registration of Henan Administration for Industry & Commerce shall prevail. In case of any discrepancy between the Chinese version and versions in any other languages, the Chinese version shall prevail.

Article 315 The terms “above”, “within”, “following”, as stated in the Articles of Association shall all include the given figure; “except”, “lower”, “higher”, “up to”, “more than” shall all exclude the given figure.

Article 316 The Board will be responsible for the explanation of this Articles of Association.

Article 317 Upon approval of the Articles of Association by general meeting and securities regulatory authority, the Articles of Association takes effect on the date that the Company firstly issues H stocks publicly and listing date in the Hong Kong Stock Exchange.