



國電科技環保集團股份有限公司

GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED

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

ARTICLES OF ASSOCIATION

Passed at the first extraordinary general meeting held on 3 June 2011

Amended at the annual general meeting held on 8 June 2012

Amended at the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting held on 27 December 2013

Amended at the extraordinary general meeting held on 19 December 2014

(Note: This is an English translation. In case of any discrepancies and inconsistencies, the Chinese version shall prevail.)

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Note: In the margin notes of the provisions of these Articles, the “**Company Law**” refers to the Company Law of the People’s Republic of China (2005 Revision); “**Mandatory Provisions**” refer to the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (Zheng Wei Fa [1994] No. 21) jointly promulgated by the former Securities Commission of the State Council and the former State Council Office for Restructuring the

Economic System (hereinafter referred to as “SCORES”); the “**Letter of Opinion on Supplements and Amendments**” refers to the Letter of Opinion on Supplements and Amendments to the Articles of Association of Companies Listed in Hong Kong (Zheng Jian Hui Han [1995] No.1) jointly promulgated by the Overseas-Listing Department of the China Securities Regulatory Commission (“CSRC”) and the Production System Department of the former SCORES; “**Opinions**” refer to the Opinions on the Further Promotion of the Regular Operation and In-Depth Reform of Companies Listed Overseas (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and the CSRC; the “**Guidance for Articles of Association**” refers to the Guidance for Articles of Association of Listed Companies (2014 Revision) (Zheng Jian Hui Gong Gao [2014] No. 19) promulgated by the CSRC; “**Listing Rules**” refer to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); “**Appendix 3 to the Main Board Listing Rules**” refers to Appendix 3 to the Listing Rules; and “**Appendix 13D to the Main Board Listing Rules**” refers to Part D of Appendix 13 to the Listing Rules.

**GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION
LIMITED
ARTICLES OF ASSOCIATION
CHAPTER 1 GENERAL PROVISIONS**

Article 1 To safeguard the legal rights of Guodian Technology & Environment Group Corporation Limited (hereinafter referred to as the “Company”), its shareholders and creditors, and to regulate the structure and behavior of the Company, the Articles of Association (“these Articles”) are written in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”), the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Provisions of the State Council Concerning the Floatation and Listing Abroad of Stocks by Joint Stock Limited Companies (hereinafter referred to as the “Special Provisions”), the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas, the Letter of Opinion on Supplements and Amendments to Articles of Association of Companies Listed in Hong Kong, the Guidance for Articles of Association of Listed Companies (2014 Revision) and other relevant provisions.

Article 2 The Company is a joint stock limited company established in accordance with the Company Law, the Special Provisions and other relevant laws and administrative regulations of the People’s Republic of China (hereinafter referred to as the “PRC”).

Upon approval by the State-owned Assets Supervision and Administration Commission of the State Council (Guo Zi Gai Ge [2011] No. 331) and registration with Beijing Municipal Administration for Industry & Commerce on 16 May 2011, the Company has obtained the Business License For Enterprise Legal Person. The registration number of the Company’s Business License For Enterprise Legal Person is: 110000005014429.

The promoters of the Company are: China Guodian Corporation and GD Power Development Co., Ltd.

Article 3 Registered Chinese name of the Company: 國電科技環保集團股份有限公司.

Registered English name of the Company: GUODIAN TECHNOLOGY & ENVIRONMENT GROUP CORPORATION LIMITED.

Article 4 Address of the Company: Suite 1101, Building No. 1, Block No. 16
Xi Si Huan Zhong Road, Haidian District, Beijing
Postal Code: 100039
Telephone number: 010- 5765 9801
Fax number: 010- 5765 9705

Article 5 The legal representative of the Company is the chairman of the board of directors.

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

The Company is an independent legal entity, owns the assets of a legal entity, and enjoys the asset rights of a legal entity independently. The Company possesses the civil rights and assumes the civil liabilities prescribed by the laws.

The entire assets of the Company are divided into equal shares. Shareholders’ liabilities in the Company are proportional to the number of shares they subscribed. The Company is responsible for all debts with all of its assets.

Article 7 These Articles came into effect on the date on which the Company's overseas-listed foreign-invested shares were listed on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange") after a special resolution was passed at the general meeting of the Company and an approval was granted by the relevant department of the State. The original Articles of Association registered with and filed at the Administration for Industry & Commerce shall be replaced by these Articles.

From the date on which these Articles come into effect, these Articles shall be the legally binding document regulating the structure and behavior of the Company, and the rights and obligations between the Company and its shareholders, and among its shareholders.

Article 8 These Articles shall be binding upon the Company and its shareholders, directors, supervisors, general manager and other senior management personnel, who shall be entitled to assert their rights regarding the Company's affairs in accordance with these Articles.

Subject to compliance with the requirements under Article 213 herein, shareholders may take action against the Company, the Company may take action against shareholders, directors, supervisors, general manager and other senior management personnel, shareholders may take action against other shareholders, shareholders may take action against the directors, supervisors, general manager and other senior management personnel of the Company pursuant to these Articles.

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

"Other senior management personnel" referred to in the preceding paragraph includes deputy general manager, chief accountant, chief engineer, chief economist, secretary to the board of directors and other persons employed by the board of directors.

Article 9 Upon approval by relevant government department, the Company may, based on its business development needs, set up subsidiaries or branches, representative offices, offices and other branch organizations overseas and in the Hong Kong Special Administrative Region (hereinafter referred to as "Hong Kong"), the Macau Special Administrative Region (hereinafter referred to as "Macau") and Taiwan.

Article 10 The Company may invest in other enterprises, however, unless otherwise prescribed by the laws, the Company shall not assume any joint liability for the debts of an enterprise which it has made any investment.

CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

Article 11 Business objectives of the Company are: to strengthen technological innovation, become a leading enterprise with strong edges in the new energy, energy conservation and environmental protection industries, and promote the development of the power generation industry in terms of cleanliness, energy conservation, environmental protection and digital intelligence.

Article 12 The business scope of the Company shall be limited to activities approved by the relevant administration for the industry & commerce. Business scope of the Company includes: the following businesses are only available for branches to operate: wind power generation; flue gas emissions control; technical services for environmental protection technology; technology development for solar power generation; technology development, technology transfer and technology services for new energy construction and equipment; computer system services for power plants; general contracting of construction; investment and assets management; import and export of goods and technology and agency for import and export; economic information consultation and property management.

The Company may, based on changes in market demand at home and abroad and its own development capability and business development needs, modify its business scope in accordance with the laws.

CHAPTER 3 SHARES, TRANSFER OF SHARES AND REGISTERED CAPITAL

Article 13 The Company shall have ordinary shares at all times. The Company may create other classes of shares, if necessary, upon approval by the company approving department authorized by the State Council.

Article 14 Shares of the Company are in the form of share certificates. All the shares issued by the Company shall have a par value and each shall bear a par value of Renminbi (“RMB”) one yuan. “Renmibi” referred to in the preceding paragraph shall mean the lawful currency of the PRC.

Article 15 The issue of shares by the Company shall adhere to the principles of openness, fairness and equity. Every share of the same class shall rank *pari passu* to every other share of the same class. Shares of the same class issued at the same time shall have the same terms of issue and price. The same amount of money is payable by a unit or an individual subscribing the share.

Article 16 Upon approval by securities regulatory authorities of the State Council, the Company may issue shares to domestic investors and overseas investors. The “overseas investors” referred to in the preceding paragraph shall mean the investors residing in foreign countries and Hong Kong, Macau and Taiwan who have subscribed the shares issued by the Company. The “domestic investors” shall mean the investors residing in the PRC (other than places mentioned above) who have subscribed the shares issued by the Company .

Article 17 Shares issued by the Company to the domestic investors which are subscribed for in RMB shall be referred to as domestic shares. Shares issued by the Company to the overseas investors which are subscribed for in foreign currencies shall be referred to as foreign-invested shares. Foreign-invested shares that are listed abroad shall be referred to as overseas-listed foreign-invested shares. Both holders of domestic shares and overseas-listed foreign-invested shares are ordinary shareholders.

Foreign currencies referred to in the preceding paragraph shall mean the lawful currencies of other countries or regions, other than RMB, which are recognized by the foreign exchange authority of the State for the purpose of payment for the share price to the Company.

The overseas-listed foreign-invested shares issued by the Company and listed in Hong Kong shall be referred to as H shares. H shares shall mean the shares which have been admitted to listing on the Hong Kong Stock Exchange, the par value of which is denominated in RMB and which are subscribed for and traded in Hong Kong dollars.

Shares issued by the Company but not listed on any domestic or overseas stock exchange shall be referred to as unlisted shares. Unlisted shares include domestic shares.

Upon approval from the securities regulatory authorities of the State Council, unlisted shares may be listed and traded on the overseas stock exchanges.

The listing and trading of the shares on an overseas stock exchange shall comply with the regulatory procedures, regulations and requirements of the overseas stock exchange. The listing and trading of unlisted shares on overseas stock exchanges do not require shareholder approval by either a general meeting or a class meeting. After being listed on

overseas foreign stock exchanges, unlisted shares shall be deemed as the same class of shares as the original overseas-listed foreign-invested shares.

Article 18 Upon approval of the company approving department, the Company has issued a total of 4,850,000,000 ordinary shares to the promoters at the time of establishment, of which China Guodian Corporation subscribes and holds 2,473,500,000 shares, representing 51% of the total issued ordinary shares of the Company; GD Power Development Co., Ltd. subscribes and holds 2,376,500,000 shares, representing 49% of the total issued ordinary shares of the Company.

The abovementioned number of shares shall be subject to amendments as approved by the company approving department authorized by the State Council, after the board of directors, as acting within the scope of power authorized by the general meeting, resolve on the number of the Company's placement and/or issuance of domestic shares and/or overseas-listed foreign-invested shares.

Article 19 The total ordinary shares issued by the Company are 6,063,770,000 shares, including 4,754,000,000 domestic shares, representing approximately 78.4% of the total ordinary share capital; and 1,309,770,000 H shares, representing approximately 21.6% of the total ordinary share capital.

Article 20 The Company's board of directors may take actions for the respective issuance of overseas-listed foreign-invested shares and domestic shares pursuant to proposals for the issuance of the same approved by the securities regulatory authorities of the State Council.

The Company may implement its proposal for issuance of overseas-listed foreign-invested shares and domestic shares pursuant to the preceding paragraph within 15 months from the date of approval by the securities regulatory authorities of the State Council.

Article 21 Where the total number of shares stated in the proposal for the issuance of shares includes overseas-listed foreign-invested shares and domestic shares, such shares shall be fully subscribed for at their respective offerings. If the shares cannot be fully subscribed for all at a time due to special circumstances, the shares may, subject to the approval of the securities regulatory authorities of the State Council, be issued on separate occasions.

Article 22 The registered capital of the Company is RMB6,063,770,000.

Article 23 The Company may, based on its operating and development needs, authorize the increase of its capital pursuant to relevant provisions of these Articles.

The Company may increase its capital in the following ways:

- (i) by offering new shares for subscription by unspecified investors;
- (ii) by placing new shares to specified investors and/or its existing shareholders;
- (iii) by allotting new shares to its existing shareholders;
- (iv) by transferring from reserve; or
- (v) by any other means which is permitted by the laws and administrative

regulations and approved by the securities regulatory authorities of the State Council .

After the Company's increase of capital by means of the issuance of new shares has been approved in accordance with the provisions of these Articles, the issuance shall be made in accordance with the procedures stipulated by relevant laws and administrative regulations of the State.

After increase of capital, the Company shall register with the original administration for industry & commerce and make announcement on such changes.

Article 24 Transfer of domestic shares shall be conducted in accordance with the requirements of relevant laws and administrative regulations. Unless otherwise stipulated by the Hong Kong Stock Exchange, paid-up overseas-listed foreign-invested

shares of the Company (including H shares) shall be transferable without any restrictions (otherwise than those permitted by the Hong Kong Stock Exchange) and are not subject to any lien.

Article 25 The Company shall not accept the Company's shares as the object of a pledge.

Article 26 Shares of the Company held by its promoters shall not be transferable within one year from the date of its establishment. Shares of the Company in issue prior to its public offering of shares shall not be transferable within one year from the date its shares are listed on the stock exchange for trading.

The directors, supervisors and senior management personnel of the Company shall declare to the Company their shareholdings in the Company and inform any changes in their shareholdings. During their terms of office, shares being transferred every year must not exceed 25% of their aggregate shareholdings. No transfer of their shareholdings shall be made within one year from the date the Company's shares were listed for trading. No transfer of their shareholdings shall be made within six months after they ceased to hold their respective offices. In the event that the transfer restrictions in this Article involve H shares, an approval shall be obtained from the Hong Kong Stock Exchange.

Article 27 When directors, supervisors or senior management personnel of the Company or shareholders holding more than 5% of the shares of the Company sell their shares within six months after the same are acquired or purchase shares within six months after the same are disposed of, the profits derived shall belong to the Company and the board of directors shall retrieve any profits derived from such dealings. In the event that the transfer restrictions in this Article involve H shares, an approval shall be obtained from the Hong Kong Stock Exchange. However, for securities companies which have acquired shares underwritten and become shareholders holding more than 5% of the shares of the Company, they shall not be restricted by the six-month restriction mentioned above when they sell their shares.

If the board of directors fails to enforce the provisions as set out in the preceding paragraph, the shareholders shall be entitled to request the board of directors to enforce them within 30 days. If the board of directors still fails to enforce within the said timeline, the shareholders shall be entitled to initiate legal proceeding at the court directly in their own names in the interests of the company.

If the board of directors fails to enforce the first clause, the directors responsible shall assume joint liability pursuant to the laws.

CHAPTER 4 CAPITAL REDUCTION AND SHARE REPURCHASE

Article 28 The Company may reduce its registered share capital. In so doing, it shall act according to procedures of the Company Law, other relevant provisions and these Articles.

Article 29 The Company must prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days of adopting the resolution to reduce its registered capital and shall publish an announcement in a newspaper recognized by the stock exchange on which the shares of the Company are listed within 30 days. A creditor shall have the right within 30 days upon receipt of a written notice or, for those who have not received a written notice, within 45 days from the date of the announcement, to require the Company to repay its debts or to provide a corresponding guarantee.

The Company's registered capital shall not, after the reduction in capital, be less than the minimum amount as prescribed by the laws.

Article 30 The Company may, in accordance with the procedures set out in

these Articles and with the approval of the relevant competent authorities of the State, repurchase its issued and outstanding shares in accordance with legal procedures under the following circumstances:

- (i) cancellation of shares for the purposes of reducing its registered capital;
- (ii) merger with other companies that hold shares in the Company;
- (iii) granting shares as rewards to the employees of the Company;
- (iv) repurchase of shares made upon the request of its shareholders who disagree with resolutions passed at a general meeting in connection with a merger or division of the Company; and
- (v) other circumstances as permitted by laws and administrative regulations.

Article 31 The Company may repurchase shares in one of the following ways, with the approval of the relevant competent authorities of the State:

- (i) by making an offer for the repurchase of shares to all its shareholders on a pro rata basis;
- (ii) by repurchasing shares through public dealing on a stock exchange;
- (iii) by repurchasing shares by way of a contractual agreement outside a stock exchange; or
- (iv) other ways authorized by the relevant regulatory authorities.

Article 32 When the Company is to repurchase shares by a contractual agreement outside a stock exchange, prior approval shall be obtained at the general meeting in accordance with the provisions of these Articles. Upon prior approval by the general meeting in the same way, the Company may rescind or alter the contract entered into in the manner set forth above or waive any of its rights under such contract.

“A contract for the repurchase of shares” referred to in the preceding paragraph shall include (but not limited to) an agreement to become liable to repurchase shares and an agreement to have the right to repurchase shares.

The Company shall not assign the contracts for repurchase for shares or any right contained in such contracts.

Where the Company repurchases the redeemable stock which it is entitled to do so in a non-market way or in the form of a tender, the price shall not exceed a ceiling price. If the repurchase is conducted in the form of a tender, the tender must be made to all the shareholders on the same conditions.

Article 33 The shares of the Company repurchased in accordance with items (i), (ii) and (iv) of Article 30 shall be cancelled within the period prescribed by laws and administrative regulations. Those repurchased in accordance with item (i) shall be cancelled within ten days from the date of repurchase; those repurchased in accordance with items (ii) and (iv) shall be transferred or cancelled within six months; and the Company shall register with the original company registration authority and made announcement on changes of registered capital. Those repurchased in accordance with item (iii) of Article 30 shall not exceed 5% of the total issued shares of the Company and shall be transferred to the employees within one year. Such repurchase shall be funded out of the profit after tax of the Company.

For shares cancelled as a result of the Company's repurchase of shares, the Company shall register with the original company registration authority on such changes of registered capital. The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 34 Unless the Company is in the course of liquidation, it shall comply with the following provisions when repurchasing its issued and outstanding shares:

(i) where the Company repurchases shares at par value, payment shall be made out of the book balance of the distributable profits of the Company and the proceeds from the new shares issuance for the purpose of repurchasing the original shares;

(ii) where the Company repurchases shares at a price higher than the par value, the portion corresponding to the par value shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new shares issuance for purpose of repurchasing the original shares; and the portion beyond the par value shall be

handled in accordance with the following methods:

(1) where the shares repurchased are issued at the par value, such portion shall be deducted from the book balance of the distributable profits of the Company;

(2) where the shares repurchased are issued at a price higher than the par value, such portion shall be deducted from the book balance of the distributable profits of the Company and the proceeds from the new shares issuance for purpose of repurchasing the original shares. However, the amount deducted from the proceeds from the new shares issuance shall neither exceed the total premium of the original shares issuance nor the Company's premium account (or capital reserve account) (including the premium from the new shares issuance) at the time of repurchase;

(iii) the Company shall make the following payments out of the Company's distributable profits:

(1) payment for the acquisition of the right to repurchase its shares;

(2) payment for modification of any contract for the repurchase of its shares;

(3) payment for the release of its obligation under any contract for the repurchase of its shares.

(iv) after the total par value of the cancelled shares is deducted from the Company's registered capital in accordance with relevant provisions, the amount deducted from the distributable profits and used to repurchase the shares at the par value shall be included in the premium account (or capital reserve account) of the Company.

CHAPTER 5 FINANCIAL AID FOR PURCHASE OF SHARES OF THE COMPANY

Article 35 The Company or its subsidiaries shall not, at any time, offer any form of financial aid to a person who acquires or proposes to acquire shares in the Company. "A person" referred to in the preceding sentence shall include any person who directly or indirectly assumes any obligation as a result of the acquisition of shares in the Company.

The Company or its subsidiaries shall not, at any time, offer any form of financial aid to the aforesaid obligor for the purpose of reducing or discharging the obligations assumed by such person.

This Article does not apply to the circumstances as set out in Article 37 of this chapter.

Article 36 The "financial aid" referred to in this chapter shall be provided by, but not limited to, the following means:

(i) gift;

(ii) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default), relief or waiver of rights;

(iii) provision of loan or the entering into of any agreement under which the obligations of the Company are to be fulfilled before the obligations of another party, or the change in parties to, or the assignment of rights under, such loan or contract; and

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

The "assumption of obligations" referred to in this chapter shall include the obligor's assumption of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not and irrespective of whether such obligations are to be borne solely by the obligor or jointly with any other person) or by any other means which results in a change in his/her/its financial position.

Article 37 The following acts shall not be deemed to be acts prohibited by Article 35 of this chapter:

(i) the provision of financial aid by the Company where it is given in good faith in the

interests of the Company, and the principal purpose of which is not for the acquisition of shares in the Company, or the giving of which is an incidental part of a master plan of the Company; (ii) the lawful distribution of the Company's assets as dividends; (iii) the distribution of dividends in the form of shares; (iv) a reduction of registered capital, a repurchase of shares or a reorganization of the shareholding structure of the Company effected in accordance with these Articles; (v) the provision of loans by the Company within its scope of business for its normal business activities (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial aid is provided out of distributable profits); and (vi) contributions made by the Company to the employee share ownership schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial aid is provided out of distributable profits).

CHAPTER 6 SHARE CERTIFICATES AND REGISTER OF MEMBERS

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

In addition to those provided in the Company Law and the Special Provisions, a share certificate of the Company shall also contain any other items required to be specified by the stock exchange on which the shares of the Company are listed.

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

During the period which the H shares are listed on the Hong Kong Stock Exchange, the Company shall ensure that all title documents (including H share certificates) of its securities listed on the Hong Kong Stock Exchange include the statements set out below and shall instruct and cause its share registrar not to register the subscription, purchase or transfer of any of its shares in the name of any particular holder unless and until such holder delivers to such share registrar a signed form in respect of such shares bearing statements to the following effect:

(i) The acquirer of shares agrees with the Company and each shareholder of the Company, and the Company agrees with each shareholder, to observe and comply with the requirements of the Company Law, the Special Provisions, other laws, administrative regulations and these Articles.

(ii) The acquirer of shares agrees with the Company, each shareholder, director, supervisor, manager and other senior management personnel of the Company and the Company acting for itself and for each director, supervisor, manager and other senior management personnel agrees with each shareholder to refer all disputes or claims concerning the Company's business on the basis of the rights and obligations provided in these Articles or the Company Law and other relevant laws and administrative regulations for arbitration in accordance with these Articles, and any reference to arbitration shall be deemed as authorizing the arbitral tribunal to conduct a public hearing and announce its award. The award of the arbitration shall be final and conclusive.

(iii) The acquirer of shares agrees with the Company and each shareholder of the Company that shares in the Company are freely transferable by the holder thereof.

(iv) The acquirer authorizes the Company to enter into a contract on his/her behalf with each director, general manager and other senior management personnel, pursuant to which such director, general manager and other senior management personnel undertake to observe and comply with their obligations to shareholders stipulated in these Articles.

Article 39 The share certificates shall be signed by the chairman of the board of directors. Where the stock exchange on which shares of the Company are listed requires other senior management personnel of the Company to sign on the share certificates, the share certificates shall also be signed by such personnel. The share

certificates shall take effect after being affixed or printed with the seal of the Company. The share certificates shall only be affixed or printed with the seal of the Company under the authorization of the board of directors. The signature of the chairman of the board of directors or other senior management personnel of the Company may be made in printed form. Other provisions, if any, of the securities regulatory authorities in the place where the shares of the Company are listed shall apply in case the shares of the Company are issued and transacted in a paperless manner.

Article 40 The Company shall maintain a register of members which shall contain the following particulars:

(i) the name (title), address (domicile), occupation or nature of each shareholder; (ii) the class and number of shares held by each shareholder; (iii) the amount paid-up on or payable on the shares held by each shareholder; (iv) the serial numbers of the shares held by each shareholder; (v) the date on which each person was registered as a shareholder; and (vi) the date on which any shareholder ceased to be a shareholder.

Unless there is evidence to the contrary, the register of members shall be sufficient evidence of the shareholders' shareholdings in the Company.

All acts or transfer of overseas-listed foreign-invested shares will be recorded in the register of members of overseas-listed foreign-invested shares which is kept in the place of listing in accordance with these Articles.

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

(i) the Company is not required to register more than four persons as joint holders of any share;

(ii) all the joint holders of any share shall jointly and severally assume the liability to pay for all amounts payable for the relevant share;

(iii) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company as such persons having the ownership of the relevant share. But the board of directors shall have the right, for the purpose of making amendments to the register of members, to demand a death certificate of such shareholder where it considers appropriate to do so; and

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

Article 41 The Company may, in accordance with the mutual understanding and agreement made between the securities regulatory authorities of the State Council and overseas securities regulatory organizations, maintain the original register of members of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of members. The original register of members of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong.

A duplicate register of members of overseas-listed foreign-invested shares shall be maintained at the domicile of the Company. The overseas agent(s) appointed shall ensure consistency between the original and the duplicate register of members at all times.

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

Article 42 The Company shall maintain a complete register of members.

The register of members shall comprise the following parts:

- (i) the register of members which is maintained at the domicile of the Company, other than those register of members which are described in items (ii) and (iii) of this Article;
- (ii) the register of members in respect of overseas-listed foreign-invested shares of the Company which is maintained in the place where the overseas stock exchange on which the shares are listed is located; and
- (iii) the register of members which is maintained in such other place as the board of directors may consider necessary for the purposes of the listing of the Company's shares.

Article 43 Different parts of the register of members shall not overlap. No transfer of any shares registered in any part of the register shall, during the continuance of that registration, be registered in any other part of the register.

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

Article 44 All overseas-listed foreign-invested shares listed in Hong Kong which have been fully paid-up may be freely transferred in accordance with these Articles. However, unless such transfer complies with the following requirements, the board of directors may refuse to recognize any instrument of transfer without providing any reason:

- (i) a reasonable fee or such maximum fee as prescribed by the Hong Kong Stock Exchange at that time, for each of the transfer document, has been paid to the Company for registration of the instrument of transfer and other documents relating to or which will affect the ownership of the shares;
- (ii) the instrument of transfer only relates to overseas-listed foreign-invested shares listed in Hong Kong;
- (iii) the stamp duty which is chargeable on the instrument of transfer has already been paid;
- (iv) the relevant share certificate(s) and other evidence which the board of directors may reasonably require to show that the transferor has the right to transfer the shares have been provided;
- (v) if the shares are transferred to joint holders, the number of joint holders shall not exceed four;
- (vi) the Company does not have any lien on the relevant shares; and
- (vii) no transfer may be made to a minor or to a person of unsound mind or under other legal disability.

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

Article 45 All transfers of overseas-listed foreign-invested shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or common form or in any other form acceptable to the board of directors (including the standard transfer format or form of transfer provided by Hong Kong Stock Exchange from time to time). The instruments of transfer may be signed by hand only or (where the transferor or transferee is a corporation) by the company's seal. Where the transferor or transferee is a recognized clearing house (as defined by relevant regulations of the laws of Hong Kong from time to time) (hereinafter referred to as "Recognized Clearing House") or its nominee, the form of transfer may be signed by hand or in a machine-imprinted format.

All instruments of transfer shall be maintained at the legal address, address of the share registrar of the Company or such places as the board of directors may designate from time to time.

Article 46 No change may be made in the register of members as a result of a transfer of shares within 30 days prior to the date of a general meeting or within five days

before the determination date for the Company's distribution of dividends. This Article does not apply to change in the register of members upon issuance of new shares by the Company in accordance with Article 23 herein.

Article 47 When the Company needs to convene a general meeting, distribute dividends, conduct liquidation and perform other acts as required for the purpose of determining shareholdings, the board of directors shall determine a record date for the determination of shareholdings. The shareholders of the Company shall be such persons whose names appear in the register of members at the close of such record date.

Article 48 Any person who disagrees with the register of members and requests for inclusion of his/her name (title) in or removal of his/her name (title) from the register of members may apply to a court of competent jurisdiction for rectification of the register of members.

Article 49 If the share certificate (the "original certificate") held by any person who is a registered shareholder or who claims to be entitled to have his/her/its name (title) entered in the register of members is lost, such person may apply to the Company for a replacement share certificate in respect of such shares (the "Relevant Shares").

Application by a holder of domestic shares, who has lost his/her/its share certificate, for a replacement share certificate shall be dealt with in accordance with relevant provisions of the Company Law.

Application by a holder of overseas-listed foreign-invested shares, who has lost his/her/its share certificate, for a replacement share certificate may be dealt with in accordance with the laws of the rules of the stock exchange or other relevant regulations of the place where the original register of members of overseas-listed foreign-invested shares is maintained.

For application by a holder of overseas-listed foreign-invested shares of companies listed in Hong Kong, who has lost his/her/its share certificate, for a replacement share certificate, the issuance of a replacement share certificate shall comply with the following requirements:

(i) the applicant shall submit an application to the Company in a prescribed standard form accompanied by a notarial certificate or a statutory declaration, the contents of which shall include the grounds upon which the application is made and the circumstances and evidence of the loss, and the declaration stating that no other person is entitled to have his/her/its name entered in the register of members in respect of the Relevant Shares.

(ii) the Company has not received any declaration made by any person other than the applicant stating that his/her/its name shall be entered in the register of members in respect of such shares before it decides to issue a replacement share certificate to the applicant.

(iii) the Company shall, if it decides to issue a replacement share certificate to the applicant, publish a notice of its intention to do so at least once every 30 days within a period of 90 days in such newspapers as designated by the board of directors.

(iv) the Company shall, prior to publication of its intention to issue a replacement share certificate, deliver to the stock exchange on which its shares are listed a copy of the notice to be published and may publish the notice upon receipt of confirmation from such stock exchange that the notice has been exhibited in the premises of the stock exchange. Such notice shall be exhibited in the premises of the stock exchange for a period of 90 days.

In the case of an application which is made without the consent of the registered holder of the Relevant Shares, the Company shall deliver by mail to such registered shareholder a copy of the notice to be published.

(v) if, by the expiration of the 90-day period referred to in items (iii) and (iv) of this clause, the Company has not received any objection from any person in respect of the issuance of the replacement share certificate, it may issue a replacement share certificate to the applicant pursuant to his/her/its application.

(vi) where the Company issues a replacement share certificate pursuant to this Article, it shall forthwith cancel the original share certificate and document the cancellation of the original share certificate and issuance of a replacement share certificate in the register of members accordingly.

(vii) all expenses incurred by the Company on the cancellation of an original share certificate and issuance of a replacement share certificate shall be borne by the applicant and the Company shall be entitled to refuse to take any action until reasonable guarantee is provided by the applicant.

Article 50 Where the Company issues a replacement share certificate pursuant to these Articles, as for a bona fide purchaser obtaining new share certificates referred to above or a shareholder subsequently registered as a owner of the shares (in case of a bona fide purchaser), his/her/its name (title) shall not be removed from the register of members.

Article 51 The Company shall not be liable for any damages suffered by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate unless the person is able to prove that the Company has acted in a deceitful manner.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 52 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name (title) is entered in the register of members.

A shareholder shall enjoy rights and assume obligations according to the class and amount of shares held by him/her/it. Shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations. Shareholders of different classes shall rank *pari passu* over any distribution by way of dividends or other forms.

Where a shareholder is a legal entity, its legal representative or the nominee of its legal representative shall exercise, on behalf of it, its rights.

The Company shall not exercise any power to freeze or otherwise impair the rights attached to any share of any person merely on the ground that such person has not disclosed his/her/its direct or indirect interests to the Company.

Article 53 The holders of ordinary shares of the Company shall enjoy the following rights:

- (i) to receive dividends and other forms of distributions in proportion to their shareholdings;
- (ii) to request, convene, preside over, attend or appoint a proxy to attend general meetings and the right to exercise the voting rights according to laws;
- (iii) to supervise the Company's business operations, the right to present proposals or to raise queries;
- (iv) to transfer, bestow or pledge shares in accordance with laws, administrative regulations as well as these Articles;
- (v) to obtain relevant information in accordance with these Articles, in which information includes:
 - (1) to obtain these Articles, subject to payment of costs;
 - (2) to inspect and copy, subject to payment of a reasonable fee, the following:
 - 1. all register of members;

2. personal particulars of each of the directors, supervisors, general managers and other senior management personnel of the Company, including:
- (a) present and former name and alias;
 - (b) principal address (place of residence);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and the numbers thereof.
- (3) information on share capital of the Company;
- (4) the latest audited financial statements of the Company, and the reports of Directors, auditors and supervisors, and financial and accounting reports;
- (5) special resolutions of the Company;
- (6) reports showing the aggregate par value, quantity, highest and lowest price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate amount paid by the Company for this purpose;
- (7) copy of the latest annual return filed with the Administration for Industry and Commerce or other competent PRC authority;
- (8) minutes of general meetings.
- (9) stub of corporate bonds; and
- (10) resolutions of board meetings and board of supervisors.

Documents set out in items (1) to (8) above and any other applicable documents shall be made available by the Company, according to the requirements of the Listing Rules, at the Company's address in Hong Kong, for the public and holders of overseas-listed foreign-invested shares to inspect free of charge.

Shareholders demanding inspection of the relevant information or copies of the materials mentioned above shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholders' identities, the Company shall provide such information at the shareholders' requests.

(vi) in the event of termination or liquidation of the Company, the right to participate in the distribution of remaining assets of the Company in accordance with their shareholdings; and

(vii) other rights conferred by laws, administrative regulations as well as these Articles.

Article 54 In the event that the resolution of a general meeting or a board meeting is against the laws and regulations, the shareholder shall have the right to petition the court for declaration of the resolution as invalid.

In the event the procedures for convening the general meeting and the board meeting and voting thereat violate the laws and regulations or these Articles, or the content resolved being in contrary to these Articles, the shareholder shall have the right to submit to the court to rescind the resolution within 60 days after the resolution is made.

Article 55 In the event the directors and senior management personnel violate the laws and regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, shareholder(s), either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days shall have the right to submit a written request to the supervisory committee for initiating legal proceedings in the court. In the event the supervisory committee violates the laws and regulations or the provisions of these Articles in performing the Company's duties, and incur a loss to the Company, the shareholders shall have the right to submit a written request to the board of directors for initiating legal proceedings in the court.

In the event the supervisory committee or the board of directors refuses to initiate legal proceedings after receiving the written request from the shareholders as provided in the preceding paragraph, or has not initiated legal proceedings within 30 days after receiving the written request, or in case of emergency, without initiating legal proceedings forthwith will result in damages in the interests of the Company considerably difficult to rectify, the shareholders as provided in the preceding paragraph shall have the right to initiate legal proceedings directly in the court in their own names for the interests of the Company.

In the event the lawful interests of the Company are being infringed by other parties and incur a loss to the Company, the shareholders as provided in the first paragraph of this Article shall initiate legal proceedings in the court in accordance with the provisions in the preceding two paragraphs.

Article 56 In the event the directors and senior management personnel violate the provisions of laws and regulations or these Articles, and the rights of shareholders are prejudicially affected, the shareholders shall have the right to initiate legal proceeding in the court.

Article 57 The shareholders of ordinary shares of the Company shall assume the following obligations:

- (i) to comply with these Articles;
- (ii) to pay subscription money according to the number of shares subscribed and the method of subscription;
- (iii) to assume joint liabilities to the Company to the extent of the shares subscribed by him/her/it.
- (iv) no return of capital is allowed apart from those as provided in the laws and regulations;
- (v) the right of the shareholder shall not be abused to impair the interests of the Company or other shareholders. The independent status of corporate legal person and the limited liabilities of the shareholder shall not be abused to infringe the interests of the Company's creditors;

The Company's shareholder who abuses his/her/its rights and result in losses to the Company or its other shareholders shall assume indemnity liabilities pursuant to the laws.

The Company's shareholder who abuses the independent status of corporate legal person and the limited liabilities of the shareholder to avoid debts and seriously infringe the interests of the Company's creditors shall assume joint liabilities to the Company's debts.

(vi) other obligations imposed by the laws, administrative regulations as well as these Articles.

Shareholders shall not be liable to make any further contribution to the share capital other than according to the terms which were agreed by the subscriber of the relevant shares at the time of subscription.

Article 58 In addition to the obligations imposed by the laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder (as defined in Article 59 herein), when exercising his/her/its rights as a shareholder, shall not exercise his/her/its voting rights in respect of the following matters in a manner prejudicial to the interests of all or part of the shareholders of the Company:

- (i) to exempt a director or supervisor from the obligation to act in good faith in the best interests of the Company;
- (ii) to approve the expropriation in any way by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets, including (but not limited to) opportunities which are beneficial to the Company, by any means;
- (iii) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the personal interest of other shareholders, including (but not limited to) rights to distributions and voting rights, excluding a corporate restructuring which has been submitted for approval at a general meeting in accordance with these Articles.

Neither the controlling shareholder nor the de facto controller of the Company may impair the interests of the Company by taking advantage of his/her/its connected relationship. Those who cause any loss to the Company as a result of violating this provision shall be liable for any damages.

The controlling shareholder and the de facto controller of the Company owe a fiduciary duty to the Company and holders of its publicly issued shares. The controlling shareholder shall strictly exercise the rights as a subscriber, and shall not impair the lawful rights and interests of the Company and holders of its publicly issued shares by means of profit distribution, asset reorganization, external investment, capital appropriation and loan guarantees, and shall not impair the interests of the Company and holders of its publicly issued shares by using its controlling status in the Company.

Article 59 The “controlling shareholder” referred to in the preceding Article shall mean a person who satisfies one of the following conditions:

- (i) a person who, acting alone or in concert with others, has the power to elect more than half of the board of directors;
- (ii) a person who, acting alone or in concert with others, has the power to exercise more than 30% or has the power to control the exercise of more than 30% of the voting rights in the Company;
- (iii) a person who, acting alone or in concert with others, holds more than 30% of the issued and outstanding shares of the Company;
- (iv) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

“Acting in concert” referred to in this Article shall mean consensus reached between two or more persons by way of agreement, whether verbal or written, to acquire voting rights in the Company by any one of them, for the purpose of controlling or consolidating the control over the Company.

CHAPTER 8 GENERAL MEETING

Article 60 The general meeting is the organ of authority of the Company and shall exercise its powers in accordance with the laws.

Article 61 The general meeting shall exercise the following powers:

- (i) to decide on the Company’s operational policies and investment plans;
- (ii) to elect and replace directors who are not staff representatives and to decide on matters relating to the remuneration of directors;
- (iii) to elect and replace supervisors who are not staff representatives and to decide on matters relating to the remuneration of supervisors;
- (iv) to examine and approve the board of directors’ reports;
- (v) to examine and approve the supervisory committee’s reports;
- (vi) to examine and approve the Company’s proposed annual financial Budget and final accounts;
- (vii) to examine and approve the Company’s profit distribution plans and loss recovery plans;
- (viii) to pass resolutions on the increase or decrease of the Company’s registered capital;
- (ix) to pass resolutions on matters such as merger, division, dissolution, liquidation or amendment to the method of operation of the Company;
- (x) to pass resolutions on the issuance of debentures or other securities by, and the listing proposal of the Company;
- (xi) to pass resolutions on the appointment, dismissal or non-reappointment of the accounting firms of the Company;
- (xii) to amend these Articles;
- (xiii) to examine and approve issues of external guarantee as provided by laws and regulations;

- (xiv) to examine and approve issues on acquisitions and disposals of major assets during a year which exceeds 10% of the latest audited total assets of the Company;
- (xv) to examine and approve share incentive schemes;
- (xvi) to consider the motions proposed by shareholders holding more than 3% of the voting shares of the Company;
- (xvii) to decide on other matters which, according to the laws, administrative regulations as well as these Articles, and the listing rules of the place of listing need to be approved by shareholders at general meetings.

Subject to compliance with mandatory requirements of laws and regulations and the listing rules of the place of listing, the general meeting may authorize or appoint the board of directors to handle matters authorized or assigned by the general meeting.

Article 62 The Company's provision of any guarantee for any shareholder or de facto controller must be approved by the resolution of the shareholders at the general meeting.

Any shareholder referred to in the preceding paragraph or any shareholder controlled by the de facto controller referred to in the preceding paragraph shall not vote on such matters referred to in the preceding paragraph. Any such matter shall be decided by a majority of the voting rights held by other shareholders attending the meeting.

Article 63 Unless prior approval by the general meeting is obtained, the Company shall not enter into any contract with any person other than its directors, supervisors, general manager and other senior management personnel pursuant to which such person shall be responsible for the management of the whole or any substantial part of the Company's business.

Article 64 General meetings shall be divided into annual general meetings and extraordinary general meetings. General meetings shall be convened by the board of directors. Annual general meeting shall be held once every year and within six months from the end of the preceding accounting year.

The board of directors shall convene an extraordinary general meeting within two months after the occurrence of any one of the following events:

- (i) where the number of directors is less than two-thirds of the number stipulated in the Company Law or the number specified in these Articles;
- (ii) where the unrecovered losses of the Company amount to one-third of the total amount of share capital;
- (iii) where shareholder(s) who individually or jointly hold(s) 10% or more of the Company's issued and outstanding voting shares request(s) in writing for the convening of an extraordinary general meeting;
- (iv) whenever the board of directors deems necessary or the supervisory committee so requests; or
- (v) whenever more than half of the independent non-executive directors so request.

Article 65 General meetings are convened at the domicile address of the Company or other places notified by the convener of the general meeting.

The general meeting will be held at a location for meeting in the form of a physical meeting. Subject to compliance with mandatory provisions of laws and regulations and the listing rules of the place of listing, the Company may also provide internet services or other methods to help the shareholders to participate in the general meetings. Shareholders will be regarded as present at the general meetings when they participate via the above-mentioned methods.

Article 66 When the Company convenes a general meeting, a written notice

shall be given to all registered shareholders 45 days before the date of the meeting. Such notice shall give such shareholders notice of the matters to be considered at such meeting as well as the date and the place of the meeting. Shareholders who intend to attend the general meeting shall send a written reply to the Company 20 days before the date of the meeting.

In determining the period of notice, the date on which the notice is despatched and the date of the meeting shall be excluded.

The date on which a notice is delivered to the postal authority for posting by the Company or by the share registrar appointed by the Company shall be deemed to be the date on which the notice is given under this Article.

Article 67 When the Company convenes an annual general meeting, the board of directors, the supervisory committee and shareholders individually or jointly holding more than 3% of the shares of the Company shall have the right to propose motions.

Shareholders individually or jointly holding more than 3% of the shares of the Company shall have the right to propose ad hoc motions in writing, and the Company shall include matters in the proposed ad hoc motions within the scope of duties and responsibilities of the general meeting on the agenda.

Ad hoc motions proposed by shareholders shall satisfy the following criteria:

- (i) the contents of which shall be in compliance with the laws and regulations and within the scope of business and the scope of the of the general meeting;
- (ii) have definite topics and specific matters for resolution; and
- (iii) be submitted or delivered to the convener of a general meeting in writing 10 days before the date of the meeting.

Article 68 The Company shall calculate the number of voting shares represented by shareholders who intend to attend the general meeting based upon the written reply received 20 days before the date of the meeting. If the number of voting shares represented by shareholders who intend to attend the meeting amounts to more than half of the total number of voting shares of the Company, the Company may convene a general meeting. Otherwise, the Company shall within 5 days give the shareholders further notice of the matters to be considered at the meeting as well as the date and venue of the meeting by way of a public announcement. The Company may convene a general meeting when such announcement is made.

No matters that have not been clearly indicated in the notice shall be decided at the extraordinary general meetings.

Article 69 The notice of the general meeting shall satisfy the following requirements:

- (i) in written form;
- (ii) specifying the venue, date and time of the meeting;
- (iii) describing the matters and motions to be discussed at the meeting;
- (iv) specifying the record date for shareholders who are entitled to attend the general meeting;
- (v) providing shareholders with materials and explanations necessary for them to make sensible decisions in respect of the matters to be discussed, including, in principle, (but not limited to) specific terms and contract (if any) for a proposed transaction, and a detailed explanation of its causation and consequence where the Company proposes a merger, share repurchase, share capital restructuring or other form of restructuring;
- (vi) where any director, supervisor, general manager and other senior management personnel have a material interest in respect of the matters to be discussed, the nature and extent of that interest shall be disclosed; where the impact of the matters to be discussed on such director, supervisor, general manager and other senior management personnel who are shareholders is different from the impact on other shareholders of the same class,

that difference shall be illustrated;

(vii) containing the full text of any special resolution proposed to be passed at the general meeting;

(viii) providing a clear text description stating that all shareholders who have the right to attend and vote at the general meeting have the right to appoint one or more proxy(ies), who does not need to be shareholders of the Company, to attend and vote at the meeting on their behalf ;

(ix) stating the deadline and place for the delivery of proxy form of the meeting;

(x) state the name and telephone number of the contact person for the meeting.

Article 70 Unless otherwise stipulated by the laws and regulations, the listing rules of the place where the Company is listed and these Articles, notice of a general meeting shall be published on the website of the Company or served on each shareholder, whether or not entitled to vote thereat, by personal delivery or prepaid mail at his/her/its address, as shown in the register of members. For holders of domestic shares, notices of a general meeting may be given by public announcement.

The public announcement as mentioned above shall be published in one or more newspapers designated by the regulatory authorities of the State Council within the interval between 45 days and 50 days before the date of the meeting; after the publication of announcement, the holders of domestic shares shall be deemed to have received notice of the relevant general meeting.

Article 71 In the case when the notice of the meeting has not been delivered to those who are entitled to receive such notice due to accidental omission or such persons have not received the notice of the meeting, the meeting and the resolutions made by the meeting shall not therefore become ineffective.

Article 72 Any shareholder who has the right to attend and vote at a general meeting shall have the right to appoint one or more persons (not necessarily shareholder(s)) as his/her/its proxy to attend and vote at the meeting on his/her/its behalf. Such proxy may exercise the following rights in accordance with the shareholder's appointment:

(i) the shareholder's right to speak at the general meeting;

(ii) to require by himself/herself or jointly with others for voting by poll;

(iii) unless otherwise stipulated by the applicable securities listing rules or other securities laws and regulations, to vote by poll.

If a Recognized Clearing House or its nominee is a shareholder of the Company, it may authorize such person or persons as it thinks fit to act as its representative or representatives at any general meeting or at any meeting of any class of shareholders provided that, if more than one person is so authorized, the power of attorney shall specify the number and class of shares in respect of which each such person is so authorized. The person so authorized shall be entitled to attend the meeting (without showing his identification documents and share certificates) and exercise the same power on behalf of the Recognized Clearing House (or its nominee) as it could exercise if it were an individual shareholder of the Company.

Article 73 Shareholders shall appoint proxy in writing. The proxy form shall be signed by the appointer or its attorney who has been authorized in writing. If the appointer is a legal person, the proxy form shall be affixed with the legal person's seal or signed by its director or duly appointed attorney. Such proxy form must clearly indicate the number of shares which are represented by the proxy; if several persons are appointed as proxies, the number of shares represented by each proxy shall be specified.

Article 74 The proxy form for voting shall be placed at the domicile of the Company, or at other place designated in the notice of meeting, at least 24 hours prior to convening of the meeting which the relevant matters will be voted on, or 24 hours prior to

the designated voting time. If the proxy form is signed by a person authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the proxy form authorizing the proxy to vote at the domicile of the Company or other place designated in the notice of meeting.

If the appointer is a legal person, its legal representative or other person as resolved and authorized by its board of directors or decision-making body shall attend the general meeting of the Company on its behalf.

Individual shareholders attending a general meeting in person shall provide evidence of their identity and evidence of their shareholdings. The Company has the right to request a proxy who attends a general meeting on behalf of his/her appointer to provide evidence of his /her identity and his /her power of attorney.

If a shareholder which is a legal person appoints its attorney to attend a meeting on its behalf, the Company has the right to request such attorney to produce evidence of his /her identity and a notarially certified copy of the resolutions or the power of attorney of such shareholder's board of directors or other organization which has the capacity to appoint the proxy (other than for a Recognized Clearing House or its nominee).

Article 75 Any format of blank proxy form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote, or abstain from voting, and to give separate instructions on each matter to be voted at the meeting. The proxy form shall state that the proxy may vote at his/her discretion if the appointer does not give any instruction.

Article 76 If, before voting, the appointer has passed away, lost his/her ability to act, withdrawn the appointment, withdrawn the authorization to sign the proxy form, or transferred all his/her/its shares, the vote cast by the proxy in accordance with the proxy form shall remain valid so long as the Company has not received the written notice regarding such matters before the commencement of relevant meeting.

Article 77 All directors, supervisors and the secretary to the board of directors shall attend general meetings. The general manager and other senior management personnel shall also be present at the meeting unless there is reasonable ground.

Article 78 The chairman of the meeting shall, prior to voting, announce the number of shareholders and proxies attending the meeting as well as the total number of their voting shares, which shall be the number of shareholders and proxies attending the meeting and the total number of their voting shares as indicated in the meeting's registration record.

Article 79 The resolutions of the general meeting shall be divided into ordinary resolutions and special resolutions.

Ordinary resolutions made by the general meeting shall be adopted by more than half of voting shares held by the shareholders (including their proxies) present at the meeting.

Special resolutions made by the general meeting shall be adopted by more than two-thirds of voting shares held by the shareholders (including their proxies) present at the meeting.

Article 80 A Shareholder (including a proxy), when voting at a general meeting, may exercise such voting rights as attached to the number of voting shares which he represents, in which case one vote is attached to each share.

When the deliberation in the general meeting affects the significant matters of medium

and small investors' benefits, the voting of medium and small investors shall be counted separately. The result of separate vote counting shall be disclosed publicly in time.

The Company's shares held by the Company do not carry any voting rights, and shall not be counted into the total number of shares carrying voting rights in the general meeting.

The Board, independent non-executive Directors and Shareholders who meet the relevant requirements may collect votes from Shareholders publicly. When collecting votes from Shareholders, the information such as specific voting intention shall be disclosed fully to the ones collected from. It is forbidden to collect votes from Shareholders by paid or disguised paid ways. The Company shall not propose minimum holding proportion for the collection of votes.

When connected transactions are voted at the general meeting, if the listing rules of the stock exchange on which the Company's shares are listed so requires, the interested shareholders shall not participate in voting. The voting shares represented by them shall not be counted in the total number of shares validly voted.

Where applicable laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed requires any shareholder to abstain from voting on specific resolution, or restricts any shareholder to vote only for or against specific resolution, any vote of the shareholder or his or her proxy against the relevant requirement or restriction shall not be counted.

Article 81 Any resolutions proposed for voting at the general meeting shall be taken by poll.

Article 82 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes need not cast all his votes in the same way.

Article 83 Where there are two or more candidates for the election of directors at a general meeting, each of the shares held by the shareholders (including their proxies) shall have the same number of votes as the number of candidates, and the voting rights can be concentrated on electing one person, or be separated on electing several persons, but explanations have to be made on the allocations of the voting rights.

Article 84 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall have a casting vote.

Article 85 The following matters shall be resolved by an ordinary resolution at the general meeting:

- (i) work reports of the board of directors and the supervisory committee;
- (ii) profit distribution plans and loss recovery plans formulated by the board of directors;
- (iii) appointment and removal of members of the board of directors and supervisors who are staff representatives and their election, remuneration and manner of payment;
- (iv) annual financial Budget and final accounts, balances sheets, profit and loss accounts and other financial statements of the Company; and
- (v) matters other than those which are required by the provisions of laws and administrative regulations and the listing rules of the stock exchange on which the Company's shares are listed or by the Company's Articles to be adopted by special resolution.

Article 86 The following matters shall be resolved by a special resolution at the general meeting:

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

- (ii) the issuance of debentures of the Company;
- (iii) the division, merger, dissolution, liquidation or change in corporate form;
- (iv) amendment to these Articles;
- (v) The significant assets bought or sold by the Company within one year or the amount guaranteed is over 30% of total assets audited recently of the Company.
- (vi) Share incentive plan; and
- (vii) any other matter regulated by laws, administrative regulation or the articles of associations, considered by the general meeting and resolved by way of an ordinary resolution, to be of a nature which may have a material impact on the Company and should be adopted by special resolutions.

Article 87 The supervisory committee shall be entitled to propose to the board of directors to convene an extraordinary general meeting or a class meeting, and shall submit its proposal in writing to the board of directors. The board of directors shall, in accordance with the requirements of laws and regulations and these Articles, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting or the class meeting within ten days upon receipt of such proposal. If the board of directors agrees to convene the extraordinary general meeting or the class meeting, a notice for convening the extraordinary general meeting or the class meeting shall be issued within five days upon adoption of the resolution by the board of directors. Any changes made to the original proposal in the notice shall require the approval of the supervisory committee. If the board of directors does not agree to convene the extraordinary general meeting or the class meeting, or if it fails to give its feedback in writing within ten days upon receipt of such proposal, the board of directors shall be deemed to have been unable to or to have failed to perform its duty of convening the general meeting or the class meeting and the supervisory committee itself may convene and preside at the meeting.

A general meeting or class meeting convened by the supervisory committee itself shall be presided over by the chairman of the supervisory committee. Where the chairman of the supervisory committee is incapable of performing or fails to perform his/her duties, a supervisor elected by not less than half of the supervisors shall preside over the meeting.

Article 88 Shareholders requisitioning the convening of an extraordinary general meeting or a class meeting shall abide by the following procedures:

Two or more shareholders holding in aggregate more than 10% of the shares carrying the right to vote at the meeting sought to be held shall sign one or more counterpart requisitions requiring the board of directors to convene an extraordinary general meeting or a class meeting and stating the objectives of the meeting. The board of directors shall, in accordance with the requirements of laws and regulations and these Articles, furnish a written reply stating its agreement or disagreement to convene the extraordinary general meeting or the class meeting within ten days upon receipt of such requisition. If the board of directors agrees to convene the extraordinary general meeting or the class meeting, a notice for convening the extraordinary general meeting or the class meeting shall be issued within five days upon adoption of the resolution by the board of directors. Any changes made to the original requisition in the notice shall require the approval of the supervisory committee. The above-mentioned shareholdings shall be calculated as at the date the written requisition is made by the shareholders.

If the board of directors does not agree to convene the extraordinary general meeting or the class meeting, or if it fails to give its feedback in writing within ten days upon receipt of such requisition, shareholders individually or jointly holding an aggregate of more than 10% of the shares carrying the right to vote at the meeting sought to be held shall be entitled to propose to the supervisory committee to convene an extraordinary general meeting or a class meeting, and shall submit its proposal in writing to supervisory committee. If the supervisory committee agrees to convene the extraordinary general meeting or the class meeting, a notice for convening such meeting shall be issued within five days upon receipt of such requisition. Any changes made to the original requisition in the notice shall require the approval of relevant shareholders. If the supervisory committee fails to issue a notice for such meeting within the prescribed period, the supervisory committee shall be deemed

not to convene and preside at the meeting, and shareholders individually or jointly holding an aggregate of more than 10% of the shares of the Company for more than 90 consecutive days themselves may convene and preside at the meeting at their own discretion.

If the board of directors does not issue a notice of meeting within 30 days upon receipt of the aforesaid written requisition, the requisitioning shareholders themselves may convene such a meeting according to procedures as similar as possible to that in which general meetings are to be convened by the board of directors within four months from the date of receipt of the requisition by the board of directors.

Any reasonable expenses incurred by the requisitioning shareholders by reason of the failure of the board of directors to convene a meeting upon the aforesaid requests shall be repaid to the requisitioning shareholders or the supervisory committee by the Company and any sum so repaid shall be set off against sums owed by the Company to the directors in default.

The board of directors and the supervisory committee shall make response to or give explanation of the inquiries and suggestions made by shareholders at the general meeting, unless the same involve trade secrets of the Company which shall not be disclosed.

Article 89 A general meeting shall be convened and presided over by the chairman of the board of directors. If the chairman is unable to attend the meeting, the vice-chairman of the board of directors shall convene and take the chair of the meeting. If both the chairman and vice-chairman of the board of directors are unable to attend the meeting, then the board of directors may designate a director to convene and take the chair of the meeting. If no chairman of the meeting has been designated, shareholders present shall choose one person to be the chairman of the meeting. If for any reason the shareholders fail to elect a chairman, then the shareholder (including his/her proxy) holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.

Article 90 The chairman of the meeting shall be responsible for determining whether a resolution is passed. His/her decision, which is final and conclusive, shall be announced at the meeting and recorded in the minutes of meeting.

Article 91 If the chairman of the meeting has any doubt as to the result of a resolution put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, and the chairman of the meeting shall have the votes counted promptly.

Article 92 If votes are counted at a general meeting, the vote counting result shall be recorded in the minutes of the meeting.

The minutes of meeting together with the attendance register of the attending shareholders and the power of attorney of their proxies shall be kept at the company's domicile. The aforesaid minutes of meeting, attendance register and power of attorney shall not be destroyed within ten years.

Article 93 Copies of the minutes of meeting shall be available for inspection free of charge by shareholders during business hours of the Company. If a shareholder requests the Company for a copy of such minutes, the Company shall send a copy of such minutes to him within seven days after having received reasonable charges.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

Article 94 Shareholders holding different classes of shares are "different

classes of shareholders”.

Different classes of shareholders enjoy rights and assume obligations according to requirements of the laws, administrative regulations and these Articles.

Where the share capital of the Company contains shares without voting right, the words “non-voting” must appear in the designation of such shares.

Where the share capital includes shares carrying different voting rights, the designation of each class of shares, (other than those with the most favorable voting rights), shall include the words “restricted voting” or “limited voting”.

Article 95 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting conducted in accordance with Articles 97 to 101, except for the conversion of unlisted shares to overseas-listed foreign-invested shares pursuant to paragraph 5 of Article 17.

Article 96 The following circumstances are deemed as varying or abrogating rights of certain classes of shareholders:

(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 or equity rights or other privileges equal or superior to those of the shares of such class;

(ii) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into the shares of such class;

(iii) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of such class;

(iv) to reduce or remove a dividend preference or a liquidation preference attached to shares of such class;

(v) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of such class;

(vi) to remove or reduce rights attached to shares of such class to receive payment payable by the Company in particular currencies;

(vii) to create a new class of shares having voting or equity rights or other privileges equal or superior to those of the shares of such class;

(viii) to restrict the transfer or ownership of the shares of such class or add to such restriction;

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

(x) to increase the rights and privileges of shares of another class;

(xi) to restructure the Company where the proposed restructuring will result in different classes of shareholders bearing a disproportionate burden of such proposed restructuring; and

(xii) to vary or abrogate the provisions of these Articles.

Article 97 Shareholders of the affected class, whether or not otherwise having the right to vote at general meetings, shall nevertheless have the right to vote at class meetings in respect of matters concerning items (ii) to (viii), (xi) and (xii) of Article 96, but interested shareholder(s) shall not be entitled to vote at class meetings.

The meaning of “interested shareholder(s)” referred to in the preceding paragraph is:

(i) in the case of a repurchase of shares by offers to all shareholders on a pro rata basis or public dealing on a stock exchange under Article 31, a “controlling shareholder” within the meaning of Article 59;

(ii) in the case of a repurchase of share by an off-market contract on a stock exchange under Article 31, a holder of the shares to which the proposed contract relates;

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

Article 98 Resolutions of a class of shareholders shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class represented at the relevant meeting who, according to Article 97, are entitled to vote at class meetings.

Article 99 A written notice of a class meeting shall be given forty-five days before the date of the class meeting to notify all of the shareholders in the share register of the class of the matters to be considered, the date and the place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply concerning attendance at the class meeting to the Company twenty days before the date of the class meeting.

If the number of shares carrying voting rights at the class meeting represented by the shareholders who intend to attend the meeting reaches more than one half of the voting shares at the class meeting, the Company may hold the class meeting; if not, the Company shall within five days notify the shareholders again by public notice of the matters to be considered, the date and the place for the class meeting. The Company may then hold the class meeting after such publication of notice.

Article 100 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Any meeting of a class of shareholders shall be conducted according to procedures as similar as possible to that of general meetings. The provisions of these Articles relating to the procedures to conduct any general meeting shall apply to any meeting of a class of shareholders.

Article 101 In addition to other classes of shareholders, holders of domestic shares and holders of overseas-listed foreign-invested shares are deemed to be different classes of shareholders.

The special procedures for voting at any meeting of a class of shareholders shall not apply to the following circumstances:

(i) where the Company issues, upon the approval by special resolution of its shareholders in general meeting, either separately or concurrently once every twelve months, not more than 20% of each of its issued and outstanding domestic shares and overseas-listed foreign-invested shares;

(ii) where the Company's plan to issue domestic shares and overseas-listed foreign-invested shares at the time of its establishment is carried out within fifteen months from the date of approval by securities regulatory authorities of the State Council; or

(iii) upon receiving the approval from securities regulatory authorities of the State Council, shareholders of the Company may list and trade their unlisted shares overseas.

CHAPTER 10 BOARD OF DIRECTORS

Section I Directors

Article 102 Directors are natural persons who are not required to hold any qualifying shares in the Company. Directors of the Company comprise executive directors, non-executive directors and independent non-executive directors. Executive directors are directors who hold operation and management positions within the Company. Non-executive directors are directors who do not hold operation and management positions in the Company and have no independence in accordance with the laws.

Independent non-executive directors are directors who satisfy the provisions as set out in Section II of chapter 10 herein. Directors shall possess qualifications to become a director as required under the laws.

The Company shall have a board of directors which shall consist of eleven directors. Of the directors, four members shall be independent non-executive directors. The board of directors shall have one chairman and one vice-chairman.

Article 103 A director shall be elected at the general meeting, with a term of office of three years. Upon expiry of his/her term, a director shall be eligible for re-election.

The chairman and the vice-chairman of the board of directors shall be elected or removed by a majority of all the directors. The term of office of each of the chairman and the vice-chairman is three years which is renewable upon re-election.

Article 104 Written notice of intention to nominate a candidate for the post of director and the candidate's agreement to be nominated, as well as written materials on particulars of the candidate shall be given to the Company no earlier than that date of issue of the notice of the general meeting and no later than seven days prior to the date of the general meeting. The term of the nomination and the acceptance of the nomination shall be no less than seven days.

Article 105 A director may submit his/her resignation before the expiry of his/her term. He should deliver a written resignation letter to the board of directors. The board of directors shall disclose such resignation within two days.

If a director resign before the expiry of his/her term, or if the term of office of a director expires but re-election is not made responsively and result in the number of directors falling below the legally prescribed minimum, his/her resignation shall not come into force until his/her vacancy is filled by another person. The original director(s) shall continue to assume the responsibilities in accordance with the requirements of laws and regulations and these Articles before the new director(s) takes office.

If the number of directors falls below the legally prescribed minimum when a director resigns, the notice of resignation of the resigning director shall not come into force until a new director is appointed to fill the vacancy. Other directors shall convene an extraordinary general meeting to elect a new director to fill the vacancy arising from resignation of the director as soon as possible.

Apart from the above, the resignation of a director shall become effective when the written resignation letter is submitted to the board of directors.

Article 106 When a director resigns or his term of office expires, his obligation of confidentiality relating to the Company's trade secrets remains in force after the end of his/her office until such secrets become public information.

Article 107 No director shall act on behalf of the Company or the board of directors under his/her name without the requirement of these Articles or the lawful authorization of the board of directors. In the event that a director is acting under his/her name, which may be reasonably deemed to be acting on the behalf of the Company or the board of directors by a third party, such director shall state his/her stance and identity in advance.

Article 108 Directors shall be held responsible for compensation to the Company's loss due to his/her breach of laws, administrative regulations, departmental rules or these Articles in performing duties of the Company.

Article 109 In case of the unilateral termination of employment by a director whose term of office has not expired, such director shall be liable for the losses of the

Company caused thereby.

Subject to compliance with relevant laws, administrative regulations and provisions of the Listing Rules of the Hong Kong Stock Exchange, a director (including managing director or other executive directors) may be removed by way of ordinary resolution before expiry of his/her term of office. Removal of a director shall be without prejudice to such director's right to claim damages based on any contract.

Any director who has been absent from two consecutive board meetings and failed to designate other directors as proxies shall be regarded as having failed to fulfill his/her duty. The board of directors may propose to the general meeting to dismiss and replace such director.'

Section II Independent Non-executive Directors

Article 110 The Company shall set up a system for the independent non-executive directors. Independent non-executive directors are directors who do not hold any positions in the Company other than as director and do not maintain with the Company and its substantial shareholders a connection which may hamper their independent and objective judgments.

Independent non-executive directors are appointed for a term of three years which is renewable upon re-election. Unless otherwise stipulated by the relevant laws and regulations and the listing rules of the stock exchange on which the Company's shares are listed, an independent non-executive director's term of office shall not exceed nine years.

Article 111 The independent non-executive directors should possess the following basic qualifications:

- (i) having the qualifications to assume the office of a director in a listed company according to the laws, administrative regulations, the listing rules of the stock exchange on which the Company's shares are listed and other relevant provisions;
- (ii) being independent as specified in the listing rules of the stock exchange on which the Company's shares are listed;
- (iii) having the basic knowledge of the operation of a listed company and being familiar with relevant laws, administrative regulations, rules and regulations;
- (iv) having not less than five years' working experience in the legal or economic field or other experiences required for performing the duty of an independent non-executive director;
- (v) other qualifications specified by these Articles.

Article 112 Apart from the powers granted by the Company Law and other relevant laws, regulations, the listing rules of the stock exchange on which the Company's shares are listed and these Articles of Association, the independent non-executive directors shall have the following special powers:

- (i) make recommendations to the board of directors on engagement or cessation of engagement an accounting firm;
- (ii) request the board of directors to convene an extraordinary general meeting;
- (iii) propose to convene a board meeting;
- (iv) with the consent of all the independent non-executive directors, the independent non-executive directors may engage external audit institutions or consultative institutions independently to provide audit and consultation for specific matters of the Company, the relevant costs of which shall be borne by the Company.

Except for item (iv) above, with the consent of more than half of all the independent non-executive directors shall be obtained for exercise of the aforesaid powers by the independent non-executive directors. If the above recommendations are not accepted or the above powers cannot be exercised ordinarily, the Company shall disclose the circumstances accordingly.

Article 113 Independent non-executive directors shall not be removed without legitimate cause before expiry of their terms of office. Where an independent non-executive director was removed from office before expiry of his/her term, the matter shall be disclosed by the Company as a special issue.

If an independent non-executive director fails to attend three consecutive board meetings in person, the board of directors may recommend his/her removal to a general meeting.

Article 114 Matters related to the system for independent non-executive directors but are not determined by this Section shall abide by the relevant laws, administrative regulations, departmental rules and the listing rules of the stock exchange on which the Company's shares are listed.

Section III Board of Directors

Article 115 The board of directors shall be responsible to the general meeting and shall exercise the following powers:

- (i) to be responsible for convening general meeting and reporting its work to the general meeting;
- (ii) to implement resolutions approved at general meetings;
- (iii) to decide on the Company's business operating plans and investment proposals, detailed annual business objectives, financing proposals other than for the issuance of corporate bonds or other securities and listing;
- (iv) to formulate the Company's proposed annual financial Budget and final accounts;
- (v) to formulate the Company's profit distribution plans and plan for loss recovery plans;
- (vi) to formulate proposals for the increase in or reduction of the Company's registered capital and the issuance of corporate bonds or other securities and listing;
- (vii) to draft plans for major acquisition, repurchase of shares, merger, division, dissolution or change in corporation form;
- (viii) to decide on the establishment of the Company's internal management structure, and decide on the establishment or cancellation of the Company's branches and other branch organizations;
- (ix) to elect the Company's chairman and vice-chairman; nominate, appoint or dismiss the Company's general manager;
- (x) according to the chairman's nomination, to appoint or dismiss the secretary to the board of directors, and to appoint or dismiss the chairmen of all special committees under the board of directors;
- (xi) according to the general manager's nomination, to appoint or dismiss the deputy general manager, chief accountant, chief engineer or chief economist and to decide on their remuneration, incentives and punishments;
- (xii) to formulate the Company's basic management systems;
- (xiii) to formulate proposals for the amendments to these Articles;
- (xiv) to formulate proposals for share incentive schemes;
- (xv) to manage disclosure of the Company's information;
- (xvi) to decide on the establishment of special committees;
- (xvii) to decide on the risk management system, including risk assessment, financial control, internal audit and legal risk control, and monitor the implementation of the system;
- (xviii) to propose to the general meeting the appointment or replacement of the auditing firm providing audit services to the Company;
- (xix) to receive regular or irregular work reports submitted by the Company's general manager or senior management personnel appointed by the general manager, and to approve the work reports of the general manager;
- (xx) to examine and approve external guarantees of the Company beyond the scope of discussion at the general meeting as stipulated herein;
- (xxi) to decide on projects outside the budget but related to the main business of the Company, with an investment amount of no more than RMB1 billion on an individual basis;

(xxii) to authorize operational officers of the Company to decide on expenditures outside the budget, with an accumulated amount of no more than RMB50 million for twelve consecutive months;

(xxiii) to exercise other powers specified by the requirements of laws and regulations, the listing rules of the stock exchange on which the Company's shares are listed and as authorized by the general meeting and these Articles.

Except for resolutions of the board of directors in respect of matters specified in items (vi), (vii) and (xiii) of this Article which shall be passed by more than two-thirds of all the directors, resolutions of the board of directors in respect of all other matters may be passed by a majority of directors. The board of directors shall perform its duties in accordance with the laws and administrative regulations of the State, these Articles and resolutions of the shareholders.

The board of directors shall give explanations at the general meeting on the qualified audit opinion in the audit reports issued by the certified public accountants in respect of the Company's financial statements.

Article 116 The board of directors shall formulate rules of procedure of its meetings to ensure that the board of directors have put into action the resolutions passed at the general meeting so as to promote work efficiency and make scientific decisions. The rules of procedure of board meetings shall specify the convention and voting procedures of board meetings, which shall be formulated by the board of directors and approved at the general meeting.

The board of directors may set up certain special committees such as audit committee, remuneration and assessment committee, nomination committee and strategic committee. Such committees shall assist the board of directors to execute its powers under the leadership of the board of directors, or to provide advice or consultation opinions for the decisions of the board of directors. Members and rules of procedure of the special committees shall be determined by the board of directors.

Article 117 Unless otherwise stipulated by the laws and regulations, the listing rules of the place of listing of the Company's shares and these Articles, investment in other enterprises or provision of guarantee to others by the Company shall be resolved by the board of directors.

The Company has established a strict internal control system over external guarantee. The whole board of directors shall cautiously handle and strictly control the risk of debt created by external guarantee.

The external guarantee of the Company shall be arranged under risk avoidance measures such as a counter guarantee given by the guaranteed party, and the party giving the counter guarantee shall have actual ability to perform its obligation under the counter guarantee.

Directors in charge shall be jointly liable for compensation for the Company's loss due to provision of external guarantee in breach of laws and regulations, departmental rules and these Articles.

Article 118 The board of directors shall not, without the prior approval of shareholders at a general meeting, dispose of or agree to dispose of any fixed assets of the Company where the aggregate of the expected value of the consideration for the proposed disposal and the value of the consideration for any similar disposal of fixed assets in the four months immediately preceding the proposed disposal, exceeds 33% of the value of the Company's fixed assets as stated in the last balance sheet placed before the general meeting.

A "disposal of fixed assets" referred to in this Article includes an act involving the transfer of an interest in certain assets but does not include the provision of fixed assets by way of

security.

Breach of the first paragraph of this Article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.

Article 119 The chairman of the board of directors shall exercise the following powers:

(i) to preside over the general meeting, and to convene and preside over the meetings of the board of directors;

(ii) to supervise and check the implementation of board resolutions and receive relevant report;

(iii) to supervise and arrange for and formulate various rules and systems for the operations of the board of directors, and to coordinate the work of the board of directors;

(iv) to sign the securities issued by the Company;

(v) to sign important board of directors documents;

(vi) to execute legally binding and important documents on behalf of the Company;

(vii) to exercise special rights of disposal over the Company's affairs that are in line with the requirements under the laws and the interests of the Company in the event of force majeure such as natural disasters in massive scale and under the critical situation where a board meeting cannot be held timely, and to report at board meetings afterwards;

(viii) to exercise other powers prescribed by the laws and regulations or these Articles and conferred by the board of directors.

If the chairman of the board of directors is unable to perform his/her duties, he/she may designate a vice-chairman to perform the duty on his/her behalf.

Article 120 The vice-chairman of the Company shall assist the chairman. Where the chairman is unable to perform his/her duties nor has he/she designated the vice-chairman to perform the duty on his/her behalf, or the chairman fails to perform his/her duties, the vice-chairman shall perform the duty on behalf of the chairman (and if the Company has two or more vice-chairman, the duty shall be performed by the vice-chairman jointly elected by more than a half of the directors). Where the vice-chairman is unable or fails to perform his/her duties, a majority of the directors may jointly elect one director to perform the duties.

Article 121 Board meetings shall be held at least four times a year and be convened by the chairman of the board of directors. A notice shall be given to all directors 14 days before the date of the meeting.

Extraordinary board meetings may be convened under one of the following circumstances:

(i) jointly requested by over one third of the directors;

(ii) requested by the supervisory committee;

(iii) requested by over half of the independent non-executive directors;

(iv) the chairman of the board of directors considers necessary;

(v) requested by the shareholders representing more than one tenth of the voting power;

(vi) requested by the general manager.

Article 122 Notice of board meetings and extraordinary board meetings shall be served in the following ways: by telephone, facsimile, post, personal delivery, email or other means of notice authorized by relevant regulatory authorities. The period of notice for board meetings shall be at least fourteen days before convening of the meeting. The aforesaid period of notice is not applicable to but reasonable notice shall be given for extraordinary board meetings.

The time and venue of board meetings may be specified by the board of directors in advance and recorded in the minutes of board meetings. Where the minutes of the meeting

has been sent to all directors at least fourteen days before the date of meetings, the notice of meeting is not required.

The agenda of the regular board meetings and its related documents shall be submitted to all directors in full and in time and be delivered at least three days before the date (or within other days agreed) of the planned board meeting or meeting of any board committees.

Where a director, who is present at the meeting, has not raised any objection that he/she has not been notified of the meeting before or at the meeting, such director shall be deemed to have notified of the meeting.

Board meetings may be held in the form of telephone conference or by means of similar communication facilities. So long as the directors participated in the meeting are able to hear the speech of other directors clearly and communicate, all the directors participated in the meeting shall be deemed to have attended the meeting in person.

Article 123 Except for circumstances where connected transactions are to be considered by the board of directors under Article 125 herein, board meetings shall be held only if more than half of all the directors are present.

Each director shall have one vote. Except for circumstances where connected transactions are to be considered by the board of directors under Article 125 herein, the board of directors' resolutions must be voted for by more than half of all the directors.

In the case of an equality of votes, the chairman shall have a casting vote.

Written resolutions signed by each and every director and for which the number of directors voting for it constitutes the valid number required by the laws and regulations and these Articles shall be valid and effective as if they had been passed at a meeting of board of directors lawfully convened. Such written resolutions may consist of several counterparts each signed by one or more directors. A resolution signed by a director or bearing the name of a director and delivered to the Company by post, facsimile or personal delivery shall be deemed to be a document signed by him/her for the purposes of this Article.

Article 124 Directors shall attend the board meeting in person. Where a director is unable to attend the meeting in person due to some reasons, he/she may authorize in writing another director to attend the meeting on his/her behalf and the proxy form shall specify the name of the proxy, matters to be dealt with by the proxy, scope of authorization and valid period, and shall be signed and sealed by the appointer.

The director attending the meeting for another director shall exercise the rights of the latter director within the scope of authorization. Any director who is unable to attend a particular board meeting and has not authorized a proxy to attend on his/her behalf shall be deemed as waiving the right to vote at that meeting.

Article 125 A Director may not vote in respect of board resolutions approving any contract or arrangement or any other proposals in which he/she or his/her associates (as defined in the Listing Rules) has material interest, nor shall he be taken into account in determining a quorum except for the exceptional circumstance permitted by note 1 as set out in Appendix III to the Listing Rules or the Hong Kong Stock Exchange.

When the board of directors considers any transaction between the Company or any of its subsidiaries and the controlling shareholder of the Company or any associate of such controlling shareholder (excluding the Company and its subsidiaries), any director who is concurrently serving as a director and/or senior management personnel of the controlling shareholder of the Company or any subsidiary of such controlling shareholder (excluding the Company and its subsidiaries) shall abstain from voting, and shall not be counted in the quorum present at such board meeting.

If no quorum is present at the board meeting as a result of the aforesaid abstention, the relevant transaction shall be submitted for shareholders' consideration at a general meeting.

"Controlling shareholder", "subsidiary" and "associate" referred to in this Article mean the definition in the Listing Rules.

If a substantial shareholder (as defined in the Listing Rules) or a director has a conflict of interest in a matter to be considered by the board of directors which the board of directors has determined to be material, the matter should not be dealt with by way of circulation or by a committee under the board of directors (other than a committee particularly set up for such matter by a resolution passed at a board meeting), but a board meeting shall be held. Independent non-executive directors who, and whose associates (as defined in the Listing Rules), have no material interest in the transaction should be present at such board meeting.

Article 126 All matters discussed at a board meeting or a meeting of a committee under the board of directors shall be recorded in the form of minutes of meeting, which shall record in sufficient details the matters considered by the directors and decisions reached thereat. Any doubts or objective opinions expressed by the directors shall be included in the minutes. Opinions expressed by the independent non-executive directors shall be stated in the board resolution. Directors and the secretary to the board of directors (who takes the minutes) attending the meeting shall sign their names on the minutes of the meeting. The draft and final versions of the minutes of a board meeting shall be sent to all directors within a reasonable time after the meeting is held. Draft version shall be for directors' comments and final version for their records. Minutes of meeting shall be kept for ten years.

The directors shall be responsible for the resolutions of the board meeting. Where a resolution of the board meeting violates the laws, administrative regulations or these Articles and causes serious losses to the Company, the directors who took part in such a resolution shall be liable to compensate the Company. However, if a director can prove that he/she had expressed his/her opposition to such resolution when it was put to the vote, and such opposition is recorded in the minutes of the meeting, the director may be relieved of such liability. Any director who abstained from voting or who neither attended in person nor appointed a proxy to attend the meeting shall not be exempted from liability. Any director who had expressed his/her opposition to such resolution during discussions but did not vote against such resolution shall not be exempted from liability.

The minutes of the board meeting shall include the following contents:

- (i) date and place of the meeting and name of the convener;
- (ii) names of directors and directors appointed by other (proxies) present at the meeting;
- (iii) agenda;
- (iv) main points of directors' speeches;
- (v) voting method for each matter and its result (the voting result should specify the number of votes for and against or abstentions).

Minutes of board meetings and meetings of board committees shall be kept by a duly appointed secretary of the meeting and such minutes shall be available for inspection at any reasonable time on reasonable notice by any director.

Article 127 In respect of the matters to be passed by voting on an extraordinary board meeting, if the board of directors has delivered in written form (including by facsimile and email) the proposal to be voted to all directors, and has ensured that the directors can fully express their opinions, the board meeting may pass resolution by voting through telecommunications, instead of holding the board meeting. To be valid, the number of the directors who give their signatures and consent for the resolution shall constitute the required number for making a decision pursuant to Article 115 herein.

Article 128 Board meetings shall in principle be held at the Company's legal address, but may be held in other places within or outside the PRC by resolution of the board of directors.

Article 129 The Company shall pay for reasonable expenses incurred by directors in attending board meetings. Such expenses include travelling expenses from the location of the directors to the places of the meetings (if different from the location of the directors), lodging expenses during the duration of the meetings, rental of the venue of meetings and local travelling expenses.

CHAPTER 11 SECRETARY TO THE BOARD OF DIRECTORS

Article 130 The Company shall have one secretary to the board of directors. The secretary shall be a senior management personnel of the Company, who is accountable to the board of directors.

Article 131 The secretary of the board of directors shall be a natural person who has necessary professional knowledge and experience and shall be appointed by the board of directors. The main responsibilities of the secretary of the board of directors include:

(i) to be responsible for the communication and liaison between the Company and the related parties and the stock exchange and other securities regulatory authorities, to ensure that the Company prepares and delivers in accordance with the laws those reports and instruments required by competent authorities entitled thereto; and

(ii) to be responsible for dealing with the disclosure of corporate information affairs, to urge the Company to develop and implement the management systems of information disclosure and the internal reporting system of material information in order to promote the Company and the related parties to carry out their information disclosure obligations according to the laws, and handle disclosure of the periodic reports and the interim reports to the stock exchange in accordance with the relevant provisions;

(iii) to coordinate the relationship between the Company and its investors, to play host to investors' visits, to answer investors' enquiries, to provide investors with an access to information disclosure of the Company;

(iv) to prepare general meetings and board meetings in accordance with the legal procedures, and to prepare and submit the documents and information for the relevant meetings;

(v) to participate in board meetings and produce minutes of meeting with signatures;

(vi) to be responsible for the confidentiality of the Company's information disclosure, to draw up security measures, to procure the directors, supervisors, general manager and other senior management personnel and the informed associated personnel to keep information in confidentiality prior to its disclosure, and to take timely remedial measures upon divulging of insider information and report accordingly to the stock exchange;

(vii) to be responsible for keeping the Company's register of members, roster of directors, as well as the information about the holding of shares of Company by the major shareholders, directors, supervisors, general manager and other senior management personnel, and the documents and minutes of a general meeting and a board meeting and so on, to assure the Company of a complete organization of documents and records for ensuring that the relevant records and documents of the Company shall be obtained in a timely manner by those with the right of access to such relevant records and documents;

(viii) to assist the directors, supervisors, general manager and other senior management

personnel to understand the information disclosure related laws, regulations and rules, the listing rules of the stock exchange, other provisions and these Articles, and their legal responsibilities regarding the listing agreement;

(ix) to procure the board of directors to exercise their powers in accordance with the laws; to remind the attending directors in case of any violation of the laws, regulations, rules, the listing rules of the stock exchange, and other provisions or these Articles by a resolution intended to be made at a meeting of the board of directors, and seek for expression of views from the attending supervisors in this respect; if the aforesaid resolution is insisted by the board of directors, the secretary to the board of directors shall record the views of supervisors and individuals in the minutes, and report to the stock exchange at the same time;

(x) to discharge such other duties as provided by the applicable laws, regulations, rules, the listing rules of the stock exchange, other provisions and these Articles.

Article 132 A director or other senior management personnel (other than general manager and chief accountant) of the Company may hold the office of secretary to the board of directors concurrently. However, the accountant(s) of the accountant firm appointed by the Company shall not act as secretary to the board of directors.

Provided that where the office of secretary to the board of directors is held concurrently by a director and an act is required to be done by a director and a secretary to the board of directors separately, the person who holds the office of director and secretary to the board of directors may not perform the act in dual capacity.

CHAPTER 12 GENERAL MANAGER

Article 133 The Company shall have one general manager and three to six deputy general managers, who shall assist the work of the general manager; one chief accountant, chief engineer and chief economist. The general manager, deputy general managers, chief accountant, chief engineer and chief economist shall be appointed or dismissed by the board of directors.

The general manager and other senior management personnel shall serve for a term of three years, which shall be renewable upon re-election.

Article 134 The general manager shall be accountable to the board of directors and exercise the following powers:

- (i) to be in charge of the Company's production, operation and management and to report duty to the board of directors;
- (ii) to organize the implementation of the resolutions of the board of directors;
- (iii) to organize the implementation of the Company's annual business plan, investment and financing plans formulated by the board of directors;
- (iv) to draft plans for set up of the Company's internal management department;
- (v) to draft plans for set up of the Company's branches and other branch organizations;
- (vi) to draft plans for the establishment of the Company's basic management system;
- (vii) to formulate detailed rules of the Company;
- (viii) to propose to the board of directors on appointment or dismissal of the Company's deputy general manager(s), chief accountant, chief engineer and chief economist, and to make recommendations on their remuneration;
- (ix) to appoint or dismiss other management personnel other than those required to be appointed or dismissed by the board of directors, and to decide on their performance assessment, remuneration, incentives and punishments ;
- (viii) other powers conferred by these Articles and the board of directors.

Article 135 The general manager shall be present at board meetings. The general manager has no voting rights at the board meetings unless he is also a director.

Article 136 The general manager shall, upon requests of the board of directors or supervisory committee, report to the board of directors or the supervisory committee on the signing and performance of the Company's material contracts and usage of capital. The general manager shall ensure authenticity of the reports.

Before drawing up a package concerning staff's immediate interests, such as staff's wages, benefits, safe production, labor insurance, and dismissal of staff, the general manager shall consult the labor union and the meeting of staff representatives.

Article 137 The general manager shall formulate working rules of general manager and submit them to the board of directors for approval.

Article 138 The general manager, in exercising his powers, shall act honestly and diligently in accordance with the laws, administrative regulations and the provisions of these Articles.

CHAPTER 13 SUPERVISORY COMMITTEE

Article 139 The Company shall have a supervisory committee.

The supervisory committee shall comprise five supervisors. The supervisors shall serve for a term of three years, which shall be renewable upon re-election.

The supervisory committee shall have one chairman. Election, appointment and dismissal of the chairman of the supervisory committee shall be approved by votes of more than two-thirds of the members of the supervisory committee.

Article 140 Supervisors who are not staff representatives shall be elected and dismissed at the general meeting and those who are staff representatives shall be elected and dismissed by the Company's staff democratically. Supervisors who are staff representatives shall not less than one-third of the total number of the supervisors.

Article 141 Directors, general manager, chief accountant and other senior management personnel of the Company shall not also serve as supervisors.

Article 142 Meetings of the supervisory committee shall be held at least twice a year or at least once every six months and convened and presided over by the chairman of the supervisory committee. The supervisors may propose to convene an extraordinary meeting of the supervisory committee. Where the chairman of the supervisory committee is unable to or does not perform the duty, a supervisor nominated by more than half of the supervisors shall convene or preside over the meetings of the supervisory committee.

Article 143 The supervisory committee shall be accountable to the general meeting and exercises the following powers in accordance with laws:

- (i) to review the Company's financial position;
- (ii) to supervise directors, general manager and other senior management personnel in respect of their act during exercise of the Company's powers and make recommendations on removal of such directors and senior management personnel who are in violation of laws, administrative , these Articles or resolutions of the general meeting;
- (iii) to demand the directors, general manager and senior management personnel of the Company to rectify their error if they have acted in a manner harmful to the Company's interest;
- (iv) to check and inspect the financial information such as the financial reports, business reports and plans for distribution of profits to be submitted by the board of directors to the general meeting and to engage, in the Company's name, certified public

accountants and practicing auditors to assist in the review on such information should any doubt arise in respect thereof;

(v) to propose to convene an extraordinary general meeting, and to convene and preside over the general meeting in the event that the board of directors fails to perform its duties in convening and presiding over the general meeting;

(vi) to make proposals at the general meetings;

(vii) to negotiate with directors, general manager and other senior management personnel or sue the aforesaid persons on behalf of the Company;

(viii) to propose to convene extraordinary meetings of the board of directors;

(ix) to elect the chairman of the supervisory committee;

(x) to conduct an investigation of any abnormality identified in the operations of the Company and, when necessary and at the expense of the Company, engage such professional organizations as accounting firm or law firm, etc, to assist in the investigation;

(xi) other powers stipulated in these Articles.

Supervisors shall be present at the board meetings.

Article 144 With reasonable grounds, a supervisor shall be entitled to require the chairman of the supervisory committee to convene an extraordinary meeting of the supervisory committee. A notice shall be given ten (10) days prior to the date of the meeting of the supervisory committee. The extraordinary meeting of the supervisory committee will not be limited by above-mentioned time limit, but the reasonable notice shall be given. The notice shall be conducted by telephone, fax, mail, specially-assigned person, emails or notification ways approved by relevant supervision organization. The notices shall specify the date, place, term, cause and subject of the meeting and the date of the notice..

A meeting of the supervisory committee may only be held when more than two-thirds of the supervisors are present. Voting at the meeting shall be taken by poll, and each supervisor shall have one vote. Supervisors shall be present at the meetings in person. If a supervisor is unable to attend the meeting, he/she may assign in writing other supervisors to attend on his/her behalf, and should state the scope of authorization in the proxy form.

Resolutions of regular meetings and of extraordinary meetings of the supervisory committee shall be resolutions of the supervisory committee, and are subject to approval by votes of more than two-thirds of the members of the supervisory committee.

Article 145 The supervisory committee shall take minutes of its meetings. Supervisors shall be entitled to require explanatory statements of their speeches made during the meetings be recorded in the minutes. Supervisors attending the meetings and the person taking the minutes shall sign the minutes. Minutes of the meetings of the supervisory committee shall be kept by secretary to the board of directors as documents of the Company and shall be kept for ten years.

Article 146 The supervisory committee shall implement a record system of the resolution of the supervisory committee. All resolutions of the supervisory committee shall be implemented by or under the supervision of designated supervisors. The supervisors so designated shall record the implementation of the resolution of the supervisory committee and report the result to the supervisory committee.

Article 147 Supervisors and the supervisory committee shall not be held responsible for resolutions of the board of directors. However, shall the supervisory committee considers that the resolutions of the board of directors are in violation of the laws and regulations and these Articles or harmful to the interests of the Company, the supervisory committee may resolve and propose to the board of directors for re-consideration.

Article 148 All reasonable expenses incurred in respect of the employment of professionals, such as lawyers, certified public accountants or practicing

auditors, which are required by the supervisory committee in the exercise of its powers, shall be borne by the Company.

The Company shall pay for reasonable expenses incurred by supervisors in attending meetings of the supervisory committee. Such expenses include travelling expenses from the location of the supervisors to the places of the meetings (if different from the location of the supervisors), food and lodging expenses during the duration of the meetings, rental of the venue of meetings and local travelling expenses.

Article 149 A supervisor shall perform his supervisor duties faithfully in accordance with the laws, administrative regulations and the provisions of these Articles.

CHAPTER 14 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR MANAGEMENT PERSONNEL

Article 150 A person shall be disqualified from being a director, supervisor, general manager or other senior management personnel of the Company in any one of the following circumstances:

- (i) The person is without civil capacity or with only limited civil capacity;
- (ii) a period of five years has not yet elapsed since the penalization on conviction of corruption, bribery, unauthorized taking of properties, misappropriation of properties or disrupting social and economic order; or a period of five years has not yet elapsed since being deprived of political rights for commission of offences;
- (iii) a period of three years has not yet elapsed since the completion of the liquidation of any company or enterprise which was insolvent and where the person acted as a director, factory manager or manager of such company or enterprise and was personally liable for such insolvency;
- (iv) a period of three years has not yet elapsed since revocation of the business license of a company or enterprise due to illegal business operations or being ordered to close where the person was the legal representative of such company or enterprise and for which he/she was personally liable;
- (v) the person is personally liable for a substantial loan which was due for payment but remains unpaid;
- (vi) the person is under investigation by judicial organizations for violation of criminal law and the case is not yet concluded;
- (vii) the person, according to requirements of laws and administrative regulations, cannot act as a leader of an enterprise;
- (viii) the person other than a natural person;
- (ix) a period of five years has not yet elapsed since the person has been convicted by the relevant competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly;
- (x) the person is under prohibited by the CSRC from participating in the securities market and his/her prohibited has not been released;
- (xi) other circumstances stipulated by the relevant laws and regulations of the place where the Company's shares are listed.

Personnel who hold positions other than directors in the controlling shareholders and de facto controller's entities shall not serve as a senior management personnel of the Company.

Article 151 Where the director, general manager and other senior management personnel of the Company acts on behalf of the Company, the effectiveness of such act against any bona fide third party shall not be affected by the non-compliance in terms of incumbency, election or qualification of such persons.

Article 152 Apart from the obligations provided in laws, administrative regulations, or listing rules of the stock exchange on which the Company's shares are

listed, the directors, supervisors, general manager and other senior management personnel of the Company shall also assume the following obligations towards every shareholder, when exercising their powers conferred by the Company:

- (i) not to operate business beyond the business scope specified in the business license of the Company;
- (ii) acting in good faith in the best interests of the Company;
- (iii) not to deprive the Company of its assets, including (but not limited to) opportunities which are beneficial to the Company, by any means;
- (iv) not to deprive shareholders of their personal interests, including (but not limited to) rights to distributions and voting rights, excluding a restructuring which has been submitted for approval at a general meeting in accordance with these Articles.

Article 153 When exercising their rights or performing their obligations, the directors, supervisors, general manager and other senior management personnel of the Company shall be responsible for behaving with prudence, diligence and skills a reasonably prudent person would exercise under similar circumstances.

Article 154 When performing their duties, the directors, supervisors, general manager and other senior management personnel of the Company shall observe the principle of good faith, and shall not place themselves in a position where their interest may conflict with their obligations. The principle includes (but is not limited to) the following obligations:

- (i) acting in good faith in the best interests of the Company;
- (ii) exercising rights within the scope of authority, without exceeding such scope;
- (iii) personally exercising the discretionary powers without manipulated by other persons; the discretionary powers shall not be delegated to any other person, unless as approved by laws, administrative regulations, or the informed general meeting;
- (iv) equally treating shareholders of the same class and fairly treating those of different classes;
- (v) except as otherwise provided in these Articles or approved by the informed general meeting, not to sign contracts, conducting transactions or making arrangements with the Company;
- (vi) without approval of the informed general meeting, not to utilize the Company's property by any means for their own interests;
- (vii) not to take advantage of their powers to accept bribes or other illegal income, or misappropriate the capital of the Company, expropriate the assets of the Company, including (but not limited to) opportunities which are beneficial to the Company, by any means;
- (viii) without approval of the informed general meeting, not to accept commissions related to the Company's transactions;
- (ix) complying with these Articles, faithfully performing their responsibilities and protecting interests of the Company, and not to take advantage of their positions and powers to seek personal interests;
- (x) without approval of the informed general meeting, not to compete with the Company by any means; not to use his/her associated relationship to harm the interests of the Company;
- (xi) not to misappropriate the Company's funds or to lend such funds to other persons, not to deposit the Company's funds in the account opened in his/her personal name or otherwise, or utilize the assets of the Company to provide guarantee for the personal debt of the Company's shareholders or other persons; and
- (xii) without approval of the informed general meeting, not to reveal the confidential information of the Company gained during their term of office; unless for the interests of the Company, not to take advantage of such information, however, in any one of the following circumstances; such information may be disclosed to the court or other competent governmental authorities:
 - (1) provided by laws;
 - (2) required for public interests;
 - (3) required by the directors, supervisors, general manager and other senior

management personnel for his/her own interests.

Article 155 The directors, supervisors, general manager and other senior management personnel of the Company shall not instigate the following persons or institutions (collectively “related persons”) to do anything that they are forbidden to do:

- (i) the spouse or minor children of directors, supervisors, general manager and other senior management personnel of the Company;
- (ii) trustees of the directors, supervisors, general manager and other senior management personnel of the Company or those specified in item (i) of this Article;
- (iii) partners of the directors, supervisors, general manager and other senior management personnel of the Company or those specified in items (i) and (ii) of this Article;
- (iv) companies in which the directors, supervisors, general manager and other senior management personnel of the Company, whether alone or jointly with those specified in items (i), (ii) and (iii) of this Article or other directors, supervisors, general manager and other senior management personnel of the Company, has effective control; and
- (v) the directors, supervisors, general manager and other senior management personnel of the controlled companies specified in item (iv) of this Article.

Article 156 The obligations of good faith of the directors, supervisors, general manager and other senior management personnel of the Company shall not necessarily terminate upon expiry of their terms of office, and their obligations to keep the business secrets of the Company confidential shall remain valid after the expiry of their terms of office. The duration of other obligations shall be decided in accordance with the principle of fairness, depending on the interval between the date when an event arises and the date when they leave their post, and depending on the circumstances and conditions under which their relationship with the Company terminates.

Article 157 The responsibilities borne by the directors, supervisors, general manager and other senior management personnel of the Company due to violation of a certain obligation may be discharged by the informed general meeting, with the exception of the circumstances specified in Article 58 herein.

Article 158 Where the directors, supervisors, general manager and other senior management personnel of the Company has direct or indirect material interest with the contracts, transactions or arrangements (except the employment contracts between the Company and its directors, supervisors, general manager and other senior management personnel) signed or planned by the Company, such person shall notify the board of directors of the nature and extent of the interest as soon as possible, regardless of whether such matter, in general situations, shall be subject to approval of the board of directors.

Unless otherwise permitted by Note 1 of Appendix 3 to the Main Board Listing Rules or the Hong Kong Stock Exchange, directors shall not approve he/she or any of his/her associates (as defined in the applicable listing rules of securities effective from time to time) vote on any resolution of the board of directors approving contracts, transactions or arrangements or other relevant recommendations in which he/she or any of his/her associates (as defined in the applicable listing rules of securities effective from time to time) has material interests. In determining the quorum of the meeting, such directors shall not be counted.

Unless the interested directors, supervisors, general manager and other senior management personnel of the Company have disclosed to the board of directors of their interests in accordance with the requirements specified in the preceding paragraph of this Article, and the board of directors has approved such matters at a meeting where such persons are neither counted in the quorum nor participated in the voting, the Company shall have the right to cancel such contracts, transactions or arrangements, except that the counterparty is an innocent party who is unaware of the violation of their obligations by relevant directors, supervisors, general manager and other senior management personnel

of the Company.

When the relevant persons or associates of the directors, supervisors, general manager and other senior management personnel of the Company have an interest in a particular contract, transaction or arrangement, it shall be deemed that the directors, supervisors, general manager and other senior management personnel of the Company have an interest as well.

Article 159 Before a contract, transaction or arrangement is first taken into consideration by the Company, if the interested directors, supervisors, general manager and other senior management personnel of the Company have notified the board of directors in writing, declaring that because of the reasons specified in the notification, they will have an interest in the contracts, transactions or arrangements of the Company in the future, it shall be deemed that they have made the disclosure as required in the preceding Article in this chapter, within the scope of the disclosure of the notification.

Article 160 The Company shall not pay taxes for its directors, supervisors, general manager and other senior management personnel by any means.

Article 161 The Company shall not, directly or indirectly, provide loans or loan guarantee for the directors, supervisors, general manager and other senior management personnel of the Company and its parent company, nor shall it provide the same to their related persons.

This article shall be not applicable in the following circumstances:

- (i) the Company provides loans or loan guarantee for its subsidiaries;
- (ii) pursuant to the employment contracts approved at the general meeting, the Company provides loans, loan guarantee or other funds for its directors, supervisors, general manager and other senior management personnel, to enable them to make payment for the objectives of Company or for the expenses arising from the performance of their duties; and
- (iii) if the ordinary scope of business of the Company includes the lending of money or the giving of guarantees, the Company may provide loans or loan guarantee for its directors, supervisors, general manager and other senior management personnel and their related persons on normal commercial terms.

Article 162 Where the Company provides loans in violation of the preceding Article, the payee shall return the loans immediately, regardless of the loan conditions.

Article 163 The Company shall be free from compulsory execution of the loan guarantee the provision thereof is in violation of the first paragraph of Article 161, with the exception of the following circumstances:

- (i) when providing loans to the related persons of the directors, supervisors, general manager and other senior management personnel of the Company and its parent company, the lender is not aware of the violation; or
- (ii) the collateral provided by the Company has been legally sold by the lender to a bona fide purchaser; or

Article 164 The “guarantee” referred to in the preceding Article of this chapter shall include the acts whereby the guarantor bears the responsibility or provides property to ensure performance of obligation of the obligor.

Article 165 In case the directors, supervisors, general manager and other senior management personnel of the Company violate their obligations towards the Company, apart from the rights and remedial measures provided by laws and administrative regulations , the Company shall have the right to take the following

measures:

(i) requiring relevant directors, supervisors, general manager and other senior management personnel to compensate the Company for the losses resulted from their dereliction of duty;

(ii) cancelling any contract or transaction between the Company and relevant directors, supervisors, general manager and other senior management personnel and that between the Company and a third party (if the third party have known or should have known that the directors, supervisors, general manager and other senior management personnel on behalf of the Company had violated their obligation towards the Company);

(iii) requiring relevant directors, supervisors, general manager and other senior management personnel to hand over the proceeds generated in violation of their obligations;

(iv) recovering from relevant directors, supervisors, general manager and other senior management personnel the funds that originally shall be collected by the Company, including (but not limited to) commissions;

(v) requiring relevant directors, supervisors, general manager and other senior management personnel to return the interest generated by or possibly generated by the fund that originally shall be handed over to the Company; and

(vi) initiating legal procedures to cause the ownership of the property possessed by directors, supervisors, general manager and other senior management personnel for breach of obligations to vest in the Company.

Article 166 The Company shall enter into a written contract with each director, supervisor and senior management personnel, which shall at least include the following provisions:

(i) directors, supervisors and senior management personnel shall undertake to the Company that they will comply with the Company Law, the Special Provisions, these Articles, the Codes on Takeovers and Mergers and the Codes on Share Repurchases approved by the Securities and Futures Commission of Hong Kong and other provisions stipulated by the Hong Kong Stock Exchange, and shall agree that the Company shall have the right to take remedial measures provided in these Articles, and that neither such contract nor their offices shall be transferred;

(ii) directors, supervisors and senior management personnel shall undertake to the Company (on behalf of each shareholder) that they will observe and fulfill their obligations to shareholders under these Articles;

(iii) terms of arbitration as stipulated in Article 213 herein.

(iv) such contract was entered into between the directors, supervisors and senior management personnel and the Company on behalf of itself and each shareholder;

(v) any reference to arbitration submitted shall be deemed as authorizing the arbitral tribunal to conduct a public hearing and announce its award.

Article 167 With the prior approval of the general meeting, the Company shall sign written contracts with its directors and supervisors in respect of compensation. The aforesaid matter of compensation shall include:

(i) compensation of directors, supervisors or senior management personnel of the Company;

(ii) compensation of directors, supervisors or senior management personnel of the Company's subsidiaries;

(iii) compensation of other services supporting the management of the Company and its subsidiaries; and

(iv) compensatory amounts for the loss of office or retirement of such directors or supervisors.

Except for the aforesaid contracts, the directors and supervisors shall not file any lawsuit against the Company for claiming the benefits they shall obtain for the foregoing matters.

Article 168 The compensation contracts between the Company and its

directors and supervisors shall provide that when the Company is acquired, with the prior approval of the general meeting, directors and supervisors of the Company shall have the right to obtain the compensatory or other amounts to which they are entitled due to loss of office or retirement.

The acquisition referred to above shall mean any one of the following circumstances:

- (i) any person makes an offer of acquisition to all shareholders; or
- (ii) any person makes an offer of acquisition with the aim to make the offeror become the controlling shareholder of the Company. The term "controlling shareholder" shall have the same meaning as defined in Article 59 herein.

If relevant directors and supervisors violate the provisions of this Article, any fund received by them shall be owned by the persons who accept the foregoing offer and sell their shares and meanwhile the directors and supervisors shall bear the expense incurred by allocation of the fund proportionally. The expenses shall not be subtracted from the fund.

CHAPTER 15 FINANCIAL AND ACCOUNTING SYSTEMS AND PROFIT DISTRIBUTION

Article 169 The Company shall establish its financial and accounting systems in accordance with the laws, administrative regulations as well as the provisions of PRC accounting standards formulated by the competent financial authority of the State Council.

Article 170 At the end of each accounting year, the Company shall prepare a financial report which shall be audited by accounting firm in accordance with the laws.

The accounting year of the Company shall adopt the calendar year, that is, starting from 1 January of every calendar year to 31 December of every calendar year.

Article 171 The board of directors of the Company shall place before the shareholders at every annual general meeting such financial reports which the relevant laws, administrative regulations as well as directives promulgated by local governments and competent authorities require the Company to prepare. The balance sheet date for the preparation of the annual accounts of the Company shall be no earlier than six months before the date of annual general meeting.

The Company shall make the financial report available at the Company for examination by its shareholders twenty days prior to the convening of the annual general meeting. Every shareholder of the Company shall have the right to access to the financial reports mentioned in this chapter.

The aforesaid financial reports shall include the report of the board of directors, balance sheet (including each document required to be attached thereto in accordance with PRC or other laws and administrative regulations), profit and loss account or income and expenditure statement, or (to the extent that it is not in violation of the relevant PRC laws) the summary of financial reports approved by Hong Kong Stock Exchange.

The Company shall send, in the manner stipulated by Hong Kong Stock Exchange or by prepaid mail, the aforesaid annual financial reports or report of the board of directors together with the financial statements of the Company to each holder of H shares 21 days before the date of the annual general meeting (and in any event no later than four months after the end of the financial period) at his/her/its address, as shown in the register of members. Subject to compliance with the laws and regulations of the place where the Company's shares are listed and the Listing Rules, the Company may also send or provide with the shareholders with the aforesaid documents via the stock exchange and the

Company's website or via electronic means and not necessary by the aforesaid means.

The Company shall also send interim financial reports to each holder of H shares for the first six months of each financial year. The time of delivery shall be within three months after the end of such six-month period.

Article 172 The Company shall prepare its financial statement not only in accordance with the PRC accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place. In case there are major differences between the financial statements prepared in accordance with the two accounting standards, they shall be indicated clearly in the notes of the financial statements. When distributing the after-tax profit for the relevant accounting year, the Company shall adopt the lower of the after-tax profit in the aforesaid two financial statements.

Article 173 The Company shall prepare its interim results or financial information to be published or disclosed not only in accordance with the PRC accounting standards and regulations but also the international accounting standards or the accounting standards in the overseas listing place.

Article 174 The Company shall publish its financial report twice in each accounting year, that is, to publish its interim financial report within 60 days after the end of the first six months of an accounting year, and to publish its annual financial report within 120 days after the end of an accounting year.

Article 175 The Company shall not have any account book other than its statutory ones. The Company's funds shall not be deposited in the account opened in the name of any individual.

Article 176 The Company shall establish a fund for the Board, which can be withdrawn once a year according to specific situations. The maximum amount to be drawn shall be one thousandth of the profit before tax for that year. Such fund shall be used mainly as rewards to the directors, supervisors, general manager, other senior management personnel and staff of the Company for their special contribution or as the source for the risk fund of directors, supervisors, general managers and other senior management personnel. Specific management measures shall be formulated by the remuneration committee.

Article 177 The capital reserve shall include the following items:

- (i) the premium gained from shares issuance in excess of the par value;
- (ii) other incomes that shall be included into the capital reserve as required by the competent financial authority of the State Council.

Article 178 In the distribution of after-tax profit of a year, 10% of the profits shall be allocated to the statutory reserve of the Company. No further allocation to the statutory reserve is required where the accumulated amount of such reserve exceeds 50% of the registered capital of the Company.

Where the statutory reserve is insufficient to make up losses of previous financial years, the profits for the current year shall be applied to make up such losses before allocation to the statutory reserve shall be made in accordance with the preceding Article.

Upon the approval of the shareholders in general meeting, where the Company has made allocation to the statutory reserve from the profit after tax, the Company may also make allocation to the discretionary reserve for such profits.

Any surplus of after-tax profits after the Company has made up losses and made allocations to the statutory reserve may be distributed to shareholders in proportion to their

shareholdings except for such profits which shall be not distributed according to the proportion of the shareholding as stipulated in these Articles.

Where the shareholders at general meeting, in breach of the preceding Article, distribute profits to shareholders before the Company has made up losses and made allocations to the statutory reserve, such profits distributed in breach of the preceding Article shall be returned to the Company.

No profits shall be distributed in respect of the corporate shares held by the Company.

Article 179 The basic principles of profit distribution policies of the Company:

- (i) The Company shall implement active profit distribution methods;
- (ii) The profit distribution policy of the Company shall keep continuity and stability, and meanwhile take the long-term interests of the Company, overall profits of all Shareholders and sustainable development of the Company into consideration;
- (iii) The Company preferentially adopts the profit distribution method of cash dividends

Article 180 The Board, board of supervisors and Shareholders independently or jointly holding over 3% of shares of the Company have the right to propose the proposals with regard to profit distribution policies. During study, discussion and decision-making process of profit distribution policy of the Company in board meeting, board of supervisors and general meeting, the views of Shareholders, especially medium and small investors and independent non-executive Directors shall be fully listened to and considered. The Board, independent non-executive Directors and Shareholders complying with certain conditions can collect voting rights of Shareholders of the Company in general meetings.

In case of force majeure events such as wars and natural disasters, when the external operating environment of the Company changes and causes significant impact on production and operation of the Company, or the operating conditions of the Company change greatly, or the Board and general meeting believes necessary, the Company can adjust the profit distribution policies, which shall be passed by deliberation of the general meeting.

Article 181 The Company may distribute dividends in the form of any one of the following (or both):

- (i) cash;
- (ii) shares.

Dividends and other payments distributed by the Company to domestic shares holders shall be calculated and declared in RMB, and paid in RMB within three months after the date of dividend declaration. Those payable to the holders of the overseas-listed foreign-invested shares shall be calculated and declared in RMB, and paid in foreign currency within three months after the date of dividend declaration. The exchange rate shall be based on the average closing price of the relevant foreign currency against RMB published by the People's Bank of China for the five working days preceding the date on which such dividends or other payments are distributed. Foreign currency payable by the Company to the holders of the overseas-listed foreign-invested shares shall be made pursuant to the relevant state regulations on the administration of foreign exchange. Dividend distribution of the Company shall be delegated to the board of directors for implementation by ordinary resolution at the general meeting.

Article 182 After each accounting year of the Company, the Board, according to operation requirements, and fully considering the factors such as Company profit scale, cash flow, development fund requirements, financing cost and external financing environment etc., shall devise the profit distribution plan of the Company and submit to the general meeting for deliberation. The Company can conduct mid-term profit distribution.

Except special circumstances, when the Company makes profits and accumulative undistributed profits are positive during the year, the dividends can be distributed by cash. The specific dividend distribution proportion shall be devised by the Board according to relevant regulations and operating situations of the Company, and decided through deliberation of the general meeting.

When the Board believes share dividends issuance helps the overall profits of Shareholders, the share dividends distribution plan can be devised, and determined by deliberation of the general meeting.

After the general meeting of the Company made resolution for profit distribution plan, the Board will generally finish distribution within three months since the date announcing the dividends. The board of supervisors shall supervise the implementation situations of Board for profit distribution.

Article 183 Any amount paid up in advance of calls on any share may carry interest but shall not entitle the relevant shareholders to participate in respect thereof in a dividend subsequently declared.

Article 184 The Company shall appoint receiving agents for holders of the overseas-listed foreign-invested shares. The receiving agents shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong. The receiving agents shall, on behalf of the relevant shareholders, receive the dividends distributed and other amounts payable to the shareholders in respect of overseas-listed foreign-invested shares and proceeds from which shall be managed by it on such shareholders' behalf to be paid to them.

The receiving agents appointed by the Company shall comply with the relevant requirements of the laws of the place where and relevant provisions of the stock exchange on which the Company's shares are listed.

Subject to the relevant laws and regulations of the PRC and the provisions of Hong Kong Stock Exchange, the Company may exercise its right of forfeiture over unclaimed dividends, but such right shall not be exercised prior to the expiration of the applicable statute of proceedings.

The Company shall have the right to terminate the despatch of dividend warrants to holders of overseas-listed foreign-invested shares by mail, but such right shall only be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the recipient initially and returned, the Company may also exercise such right.

For the exercise of the right to issue warrants to the holders, except that the Company is satisfied that the original warrants have been destroyed, the Company shall not issue any new warrant to replace the lost warrant.

The Company shall have the right to sell the shares of untraceable shareholders of overseas-listed foreign-invested shares in the manner as the board of directors thinks appropriate, subject to compliance with the following conditions:

- (i) dividends in respect of the underlying shares have been declared at least three times in the past 12 years, and such dividends remain unclaimed during such period; and
- (ii) upon the expiry of 12 years and the Company has made an announcement in one or more newspaper in the place of listing of the Company of its intention of selling the shares, and has notified the stock exchange on which such shares are listed of the same.

CHAPTER 16 ENGAGEMENT OF ACCOUNTING FIRMS

Article 185 The Company shall appoint an independent accounting firm

which is qualified under the relevant regulations of the PRC to audit the Company's annual financial report and review other financial reports of the Company.

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

If the inaugural meeting fails to exercise the aforesaid powers, those powers shall be exercised by the board of directors.

Article 186 The term of appointment of the accounting firm shall commence from the conclusion of the current annual general meeting and end at the conclusion of the next annual general meeting.

Article 187 The accounting firm appointed by the Company shall have the following powers:

(i) to review the Company's books of accounts, records or vouchers at any time, and has the right to require the directors, general manager or other senior management personnel of the Company to provide related information and descriptions;

(ii) to require the Company to adopt all reasonable measures to obtain any information and descriptions from its subsidiaries that are required by the accounting firm to perform its duties;

(iii) to attend general meetings, and to have equal access to notification of meetings or any other information related to the meetings as available to all shareholders, and speak at any general meeting on matters involving its appointment as the Company's accounting firm.

Article 188 Should there be a vacancy for the post of accounting firm, the board of directors may appoint an accounting firm to fill the vacancy before a general meeting. Any other accounting firm which is still in service may continue to act as the accounting firm during the period the vacancy remains unfilled.

Article 189 Notwithstanding any terms stipulated in the appointment contract signed between the accounting firm and the Company, a general meeting can, before the expiry of the term of office of the accounting firm, pass an ordinary resolution to dismiss the accounting firm. The accounting firm's right to claim for compensation from the Company for such dismissal shall remain unaffected.

Article 190 The remuneration or the method of determining the remuneration of an accounting firm shall be determined at the general meeting. In the case of an accounting firm appointed by the board of directors, the remuneration of such accounting firm shall be determined by the board of directors.

Article 191 The decision on engaging, dismissing or not renewing the engagement of an accounting firm shall be made by the shareholders at the general meeting, and reported to the securities regulatory authority of the State Council for filing.

If the general meeting plans, by passing resolutions, to recruit a non-incumbent accounting firm to fill up any vacancy of the post of accounting firm, or renew the engagement of an accounting firm appointed by the board of directors to fill up the vacancy, or dismiss an accounting firm before the expiry of its term of office, it shall comply with the following regulations:

(i) the relevant proposal on engagement, re-appointment or dismissal shall be sent to the accounting firm proposed to be engaged or proposing to leave the post or the firm which has left the post in the relevant accounting year before the issuance of the notice of

general meeting.

Leaving herein shall include leaving by dismissal, resignation and retirement.

(ii) if the accounting firm which is about to leave the post makes a written statement, and requires the Company to inform the shareholders of its statement, unless the time of receiving such written statement is too late, the Company shall adopt the following measures:

(1) state in the notice of meeting issued for making resolutions that the accounting firm which is about to leave the post has made a statement; and

(2) send a duplicate copy of the statement in the manner stipulated in these Articles to each shareholder who is entitled to receive notices of general meetings.

(iii) if the Company fails to send the statement of the relevant accounting firm according to the provisions of item (2) above, the accounting firm may request the statement be read at the general meeting and make further appeal.

(iv) An accounting firm about to leave the post shall have the right to attend the following meetings:

(1) general meeting at which its term of office shall expire;

(2) general meeting at which the vacancy due to its dismissal is to be filled up; and

(3) general meeting convened due to its resignation from its post.

The accounting firm about to leave the post shall have the right to receive all notices of the aforesaid meetings or other information in relation to the meetings and give speeches at the aforesaid meetings with regard to matters involving its duties as the previous accounting firm appointed by the Company.

Article 192 Prior notice shall be given to the accounting firm if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall have the right to make representations at the general meeting. Where the accounting firm resigns from its position, it shall make clear to the shareholders in a general meeting whether there has been any impropriety on the part of the Company.

(i) If an accounting firm resigns from its office, it may deposit at the Company's legal address a resignation notice which shall become effective on the date of such deposit or on such later date as may be specified in such notice. Such notice shall contain the following statements:

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

(2) a statement of any such circumstances.

(ii) The Company shall send duplicate copies of the written notice mentioned in item (i) in this Article to the relevant competent authorities within 14 days from the date of receiving the aforesaid notice. If the notice contains the statement mentioned in clause (ii) of Article 188, the Company shall make available the duplicate statement at the Company for shareholders' inspection. The Company shall also despatch by prepaid mail the aforesaid duplicate of such statement to each shareholder who is entitled to receive financial reports of the Company at his/her/its address, as shown in the register of members.

(iii) If the resignation notice of an accounting firm contains any statement mentioned in item (2) in clause (i) of this Article, the accounting firm may require the board of directors to convene an extraordinary general meeting to listen to its explanation on relevant matters about its resignation.

CHAPTER 17 INSURANCE

Article 193 The different types or items of the Company's insurance shall be insured in accordance with the relevant insurance laws in the PRC and decided by

the board of directors.

CHAPTER 18 LABOR SYSTEM

Article 194 The Company may at its discretion employ and dismiss employees and enter into labor contracts with all employees based on the business development needs of the Company and in accordance with the requirements of the laws and regulations of the State.

Article 195 The Company may formulate its labor and payroll systems and payment methods in accordance with the relevant laws and regulations of the State, these Articles and the economic benefits of the Company. And implement labor contract system in the Company.

Article 196 The Company shall endeavor to improve its employee benefits and to continually improve the working environment and living standards of its employees.

Article 197 The Company shall make contribution to medical, retirement and unemployment insurance funds for its employees and establish a labor insurance system in accordance with the requirements of relevant laws and regulations of the State.

CHAPTER 19 LABOR UNION

Article 198 The employees of the Company shall, according to the laws, organize a labor union, which shall carry out union activities and safeguard the lawful rights and interests of the employees. The Company shall provide necessary conditions for its labor union to carry out activities.

CHAPTER 20 MERGER AND DIVISION

Article 199 For a merger or division of the Company, the board of directors shall put forward a proposal, and the formalities for approval shall be handled according to laws after the proposal has been adopted according to procedures stipulated in these Articles. Shareholders who oppose the Company's merger or division plans shall have the right to require the Company or the shareholders who approve the merger or division plans to purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be made into special document, which shall be available for shareholders.

The aforesaid documents shall be delivered to each holder of overseas-listed foreign-invested shares by mail or other manners stipulated in these Articles.

Article 200 Merger of the Company may take the form of either merger by absorption or merger by the establishment of a new company.

In the case of a merger of the Company, the parties to the merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date on which the Company's merger resolution is passed and shall publish a public notice in newspapers within 30 days from the date on which the Company's merger resolution is passed. The creditors may within 30 days upon receipt of a written notice or, for those who have not received a written notice, within 45 days from the date the notice is announced, require the Company to repay its debts or to provide a corresponding guarantee.

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

Article 201 In the case of a division of the Company, its assets shall be divided accordingly.

In the case of a division of the Company, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days from the date on which the Company's division resolution is passed and shall publish a public notice in newspapers recognized by the stock exchanges on which the Company's shares are listed within 30 days of the date on which the Company's merger resolution is passed.

Debts of the Company prior to division shall be assumed jointly by the companies which exist after the division, except those debts that have otherwise agreed by the Company with the creditors in writing for the settlement of the debts before the division.

Article 202 Where a merger or division of the Company involves changes in registered items, such changes shall be registered according to laws with the company registration authority; if the Company is dissolved, its deregistration shall be carried out according to laws; where a new company is established, the registration of establishment of the company shall be carried out according to laws.

CHAPTER 21 DISSOLUTION AND LIQUIDATION

Article 203 The Company shall be dissolved and liquidated according to laws upon the occurrence of any of the following events:

- (i) the term of its operations has expired;
- (ii) a resolution regarding its dissolution is passed by the general meeting;
- (iii) dissolution is necessary due to a merger or division of the Company;
- (iv) the Company is legally declared insolvent due to its failure to repay debts as they fall due;
- (v) the Company had its business license revoked, is ordered to close or withdraw according to laws;
- (vi) shareholders holding more than 10% of the voting rights of all shareholders of the Company may apply to the People's Court to dissolve the Company if the Company experiences extreme difficulties in respect of its operations and management, which cannot otherwise be resolved, such that if the Company continues to operate, its shareholders will suffer significant losses;
- (vii) other circumstances stipulated by laws and regulations stating that the Company shall be dissolved.

Article 204 Where the Company is dissolved under the circumstances described in items (i) and (ii) of the preceding Article, a liquidation committee shall be formed within 15 days from the date of the occurrence of the events under which it is dissolved and the general meeting shall select the appropriate persons by way of ordinary resolutions.

In the case of dissolution of the Company under item (iv), (vi) of the preceding Article, a liquidation committee shall be formed within 15 days from the date of the occurrence of the events under which it is dissolved and the People's Court shall, according to the requirements of relevant laws, organize the shareholders, relevant authorities and professionals to form a liquidation committee to carry out the liquidation.

In the case of dissolution of the Company under item (v) of the preceding Article, the relevant competent authorities shall organize the shareholders, relevant authorities and professionals to form a liquidation committee to carry out the liquidation.

Article 205 If the board of directors decides the Company shall carry out liquidation (except for liquidation resulting from the Company's declaration of bankruptcy), it shall state in the notice of general meeting convened for this purpose that the board of

directors has conducted comprehensive investigation on the Company's conditions and believes that the Company is able to pay off all its debts within 12 months following the commencement of liquidation.

The powers of the board of directors shall terminate immediately when the general meeting passes the resolution on liquidation.

The liquidation committee shall follow the directions of the general meeting to report on its income and expenditures, the Company's business and the progress of liquidation at least once a year to the general meeting and make a final report to the general meeting at the end of liquidation.

Article 206 The liquidation committee shall inform the creditors of the Company within ten days following its establishment, and shall make a public notice in a newspaper within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days from the date on which the notice is received or 45 days from the date of the announcement if the notice is not received. When the creditors declare their claims, they shall explain the relevant matters of such claims and provide evidential materials. The liquidation committee shall register all the creditors' rights according to the provisions of laws. During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

Article 207 The liquidation committee shall exercise the following powers during the period of liquidation:

- (i) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (ii) to notify the creditors or to make public notice;
- (iii) to dispose of and liquidate any outstanding businesses of the Company;
- (iv) to pay all outstanding tax and tax incurred during the liquidation process;
- (v) to settle claims and debts;
- (vi) to deal with residual assets after repayment by the Company of its debts; and
- (vii) to represent the Company in any civil proceedings.

Article 208 After the liquidation committee has sorted out the Company's assets and prepared a balance sheet and an inventory of assets, it shall prepare a liquidation plan and submit it to the general meeting or the relevant competent authorities for confirmation.

After the resolution is passed at the general meeting to dissolve the Company or after the Company's being declared as bankrupt or ordered to close down in accordance with the laws, no person shall distribute the Company's assets without the approval of the liquidation committee.

The Company's assets shall be distributed for repayments in the following sequence: payment of liquidation expenses, staffs wages, and social insurance expenses and statutory compensation, outstanding taxes and repayment of the Company's debts.

Any residual assets of the Company remaining after its debts have been repaid in accordance with the provisions of the preceding clauses shall be distributed by its shareholders according to the class of shares and the proportion of shares held. Unless the Company's assets had been distributed to repay debts in according to the previous clause, it shall not be distributed to the shareholders.

The Company shall continue to exist but shall not conduct any operational activities not related to liquidation during the period of liquidation.

Article 209 In the case that the Company is liquidated due to the dissolution, after the liquidation committee had sorted out the Company's assets and

prepared a balance sheet and an inventory of assets and it discovers that there are insufficient assets in the Company to pay off its debts, it shall apply to the People's Court immediately for a declaration of bankruptcy of the Company.

Upon the declaration of bankruptcy of the Company by the People's Court, the liquidation committee shall hand over the liquidation matters to the People's Court.

Article 210 Upon completion of liquidation, the liquidation committee shall prepare a liquidation report and an income and expenditure statement and financial accounts for the period of liquidation and, after the same have been certified by a PRC certified public accountant, submit them to the general meeting or the relevant competent authorities for confirmation.

The liquidation committee shall, within 30 days from the confirmation of the general meeting or the relevant competent authorities, submit the aforesaid documents to the company registration authority for cancellation of the Company's registration and announce the termination of the Company.

CHAPTER 22 PROCEDURES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION

Article 211 The Company may make amendments to these Articles in accordance with the requirements of laws, administrative regulations and these Articles.

The board of directors may be authorized by an ordinary resolution of a general meeting: (i) in the event that the Company increases its registered capital, to amend these Articles in respect of the registered capital of the Company according to specific situations; and (ii) in the event that these Articles approved by the general meeting need to be altered in respect of wordings and numbering of articles when submitted to the authorities that are authorized by the State Council for approval, to make relevant amendments according to the requirements of the securities regulatory authorities of the State Council.

The board of directors may amend these Articles in accordance with the resolution to amend these Articles passed at the general meeting and the approved opinions from the relevant competent authorities.

Article 212 Amendment of these Articles involving the contents of the Mandatory Provisions shall become effective upon approval by the company approving department authorized by the State Council and the securities supervisory and regulatory authorities under the State Council. Amendment to these Articles involving changes in the particulars of registration of the Company shall be made through a change in registration in accordance with laws.

CHAPTER 23 NOTICE

Article 213 Unless otherwise stipulated by these Articles, if the Company issues the notices to the holders of overseas-listed foreign-invested shares by way of announcement, the Company shall, in accordance with the listing rules of the place where the Company's shares are listed, submit the electronic version available on the same day as the issuance of the announcement, for immediate publication to Hong Kong Stock Exchange via HKEx-EPS for publication on the website of the Hong Kong Stock Exchange. The announcement shall be posted on the Company's website at the same time. In addition, the Company's documents shall be given, in accordance with the provisions of Hong Kong Stock Exchange, by way of delivery in person or by mail (with postage full paid) to the holders of overseas-listed foreign-invested shares at their registered address as shown in the register of members, in order to ensure the holders of overseas-listed foreign-invested shares have sufficient notification and enough time to exercise their rights or to take action according to the provisions of the notices.

Holders of overseas-listed foreign-invested shares of the Company may select in writing the method of receiving the Company's communications to shareholders to be in electronic means or by mail and may select to receive the only Chinese or English version or both. He/she/it may also alter the method of receiving and the language of the aforesaid information in accordance with the appropriate procedures by giving written notice to the Company in advance within a reasonable period.

These Articles shall not prohibit the Company to deliver notice to shareholders whose registered addresses are outside Hong Kong.

Article 214 When a notice is delivered by mail, it shall be deemed as having been delivered to the extent that the envelope is properly addressed, the postage is prepaid, the notice is contained in the envelope and the envelope which contains the notice is put into the postbox. The notice shall be deemed to have received 48 hours upon the delivery.

Notice to holders of domestic shares shall be published in one or more newspaper designated by the securities regulatory authority under the State Council. Upon the publication of announcement, all holders of domestic shares shall be deemed to have received the relevant notice.

Article 215 Notwithstanding the aforesaid provisions which stipulated the provision on and/or despatch of written corporate communications and/or corporate communications in different languages to its shareholders, for the purpose of the means by which the Company provides and/or despatch its corporate communications and/or corporate communications in different languages to its shareholders according to the Hong Kong Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Hong Kong Listing Rules as amended from time to time, the Company may despatch or provide corporate communications to its shareholders by electronic means or by posting on its website and/or in appropriate languages. Corporate communications include but not limited to circulars, annual reports, interim reports, quarterly reports, notices of general meetings, and other types of corporate communications as specified in the Hong Kong Listing Rules.

CHAPTER 24 SETTLEMENT OF DISPUTES

Article 216 The Company shall follow the following dispute settlement rules:

(i) if any dispute or claim concerning the Company's business on the basis of the rights and obligations provided in these Articles, the Company Law and other relevant laws and administrative regulations, arises (i) between the Company and its directors, supervisors or senior management personnel; and (ii) between a holder of overseas-listed foreign-invested shares and the Company, between a holder of overseas-listed foreign-invested shares and a director, supervisor, general manager or other senior management personnel of the Company, or between a holder of overseas-listed foreign-invested shares and a holder of domestic shares, the parties concerned shall submit the dispute or claim for arbitration.

When a dispute or claim as described above is submitted for arbitration, such dispute or claim shall be in its entirety, and all persons, being the Company or a shareholder, director, supervisor, general manager or other senior management personnel of the Company, that have a cause of action due to the same facts or whose participation is necessary for the settlement of such dispute or claim shall abide by arbitration.

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

(ii) an arbitration applicant may elect for arbitration to be carried out at either the China International Economic or Trade Arbitration Commission in accordance with its arbitration

rules or the Hong Kong International Arbitration Centre in accordance with its securities arbitration rules. After the arbitration applicant submits the dispute or claim for arbitration, the arbitration shall be carried out in the arbitration institution selected by the applicant.

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

(iii) unless otherwise provided by laws or administrative regulations, laws of the PRC shall apply to the settlement by means of arbitration of disputes or claims referred to in item (i).

(iv) the award of the arbitration institution shall be final and conclusive and binding upon each party.

(v) any reference to arbitration shall be deemed as authorizing the arbitral tribunal to conduct a public hearing and announce its award.

CHAPTER 25 SUPPLEMENTARY

Article 217 For the purposes of these Articles, the term “more than” is inclusive term while “exceeding”, “less than” and “not more than” are exclusive terms.

Article 218 For the purposes of these Articles, “senior management personnel” shall refer to the general manager, deputy general manager, chief accountant, the secretary to the board of directors and other personnel engaged by the board of directors. For the purposes of these Articles, the “general manger”, “deputy general manager” and “chief accountant” shall refer to the “manager”, “deputy general manager” and “person-in-charge of accounting” referred to in the Company Law.

Article 219 In these Articles, the meaning of an accounting firm shall be the same as that of “auditors”.

Article 220 These Articles are drafted in Chinese. The latest Chinese version approved and registered by the company registration authority shall prevail in the case of inconsistency between the version in Chinese and other languages or versions. Chinese version shall prevail in the case of inconsistency between the versions in other languages and in Chinese.

These Articles shall be interpreted by the board of directors, and any matters not covered herein shall be proposed at general meetings by the board of directors for consideration and approval.

Article 221 After the listing of H shares issued by the Company on the Hong Kong Stock Exchange, these Articles shall comply with the Listing Rules as amended from time to time, other laws and regulations. In the case of inconsistency, contravention or conflicts between relevant applicable laws and regulations and the Listing Rules and these Articles, the provisions of relevant laws and regulations and the Listing Rules shall prevail and these Articles shall be amended in due course.

** For Identification purpose only*