



DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

東江環保股份有限公司

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

(Stock Code: 00895)

ARTICLES OF ASSOCIATION
of
DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

** For identification purpose only*

TABLE OF CONTENTS

CHAPTER1 GENERAL PROVISIONS

CHAPTER2 PURPOSES AND SCOPE OF BUSINESS

CHAPTER3 SHARES AND REGISTERED CAPITAL

CHAPTER4 DECREASE IN CAPITAL AND REDEMPTION OF SHARES

CHAPTER5 FINANCIAL ASSISTANCE TO THE PURCHASE OF THE SHARES OF THE COMPANY

CHAPTER6 SHARES CERTIFICATE AND REGISTER OF SHAREHOLDERS

CHAPTER7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

CHAPTER8 GENERAL MEETING

Section I General Provisions in respect of General Meetings of Shareholders

Section II Convening General Meetings of Shareholders

Section III Proposals at and Notices of General Meetings of Shareholders

Section IV Holding General Meetings of Shareholders

Section V Voting and Resolutions at General Meetings of Shareholders

CHAPTER9 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

CHAPTER10 BOARD OF DIRECTORS

Section I Director

Section II Non-independent

Section III The Board of Director

CHAPTER11 SECRETARY OF THE BOARD OF DIRECTORS

CHAPTER12 GENERAL MANAGER OF THE COMPANY

CHAPTER13 SUPERVISORY COMMITTEE

CHAPTER14 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS, SUPERVISORS,
GENERAL MANAGER AND OTHER SENIOR OFFICERS OF THE COMPANY

CHAPTER15 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

CHAPTER16 ENGAGEMENT OF ACCOUNTING FIRM

CHAPTER17 INSURANCE

CHAPTER18 LABOR SYSTEM

CHAPTER19 ORGANIZATION OF LABOR UNION

CHAPTER20 MERGER AND DIVISION OF THE COMPANY

CHAPTER21 DISSOLUTION AND LIQUIDATION OF THE COMPANY

CHAPTER22 PROCEDURES FOR AMENDMENT OF THE ARTICLES OF ASSOCIATION OF THE
COMPANY

CHAPTER23 NOTICE

CHAPTER24 DISPUTES SETTLEMENT

CHAPTER 25 SUPPLEMENTARY PROVISIONS

DONGJIANG ENVIRONMENTAL COMPANY LIMITED*

ARTICLES OF ASSOCIATION

CHAPTER 1 GENERAL PROVISIONS

ARTICLE 1 In order to protect the legitimate interests of Dongjiang Environmental Company Limited (hereinafter referred to as the “Company”), shareholders and creditors, and to regulate the organization and acts of the Company, this articles have been formulated in accordance with the “Company Law of the People’s Republic of China” (hereinafter referred to as the “Company Law”) and the “Securities Law of the People’s Republic of China” (hereinafter referred to as the “Securities Law”), the Constitution of the Communist Party of China (hereinafter referred to as the “Party Constitution”), the Mandatory Provisions for Companies Listing Overseas (hereinafter referred to as the “Mandatory Provisions”), Guidelines for Articles of Association of Listed Companies (hereinafter referred to as the “Guidelines for Articles of Association”), and other relevant regulations.

ARTICLE 2 The Company is a joint stock limited company incorporated in accordance with the Company Law, “The Rules of the State Council on the Overseas Issuance and Listings” (hereinafter referred to as the “Special Provisions”) and other relevant laws and administrative regulations of the state.

The Company was established by way of promotion approved by the “An Approval in relation to the Restructuring and Establishment of Shenzhen Dongjiang Environmental Company Limited” by the Shenzhen Municipal Government (Shen Fu Gu [2002] No. 26), and was registered with the Shenzhen Industry and Commerce Administration Bureau and obtained its business license on 18 July 2002. The Company’s unified social credit code is: 91440300715234767U.

The promoters of the Company are Zhang Wei Yang, He Jian Jun, Shanghai New Margin Vecture Capital Company Limited, Shenzhen Fang Yuan Petrochemical Industries Company Limited, China Venture Capital Inc., Shenzhen High and New Technology Investment Guarantee Company Limited and Shenzhen Wenying Trading Company Limited.

ARTICLE 3 The Company has obtained approval from the China Securities Regulatory Committee (hereinafter referred to as the “CSRC”) for the initial public offering of 177,900,000 overseas listed foreign shares to overseas investors on 29 November 2002 and was listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “HKEx”) on 29 January 2003.

The Company has obtained approval from the CSRC for the initial public offering of 25,000,000 shares ordinary shares to domestic public on 26 March 2012 and was listed on

Shenzhen Stock Exchange on 26 April 2012.

ARTICLE 4 Registered Chinese name of the Company: 東江環保股份有限公司.

English name of the Company: Dongjiang Environmental Company Limited

ARTICLE 5 Address of the Company: 1st Floor, 3rd Floor, North of 8th Floor, 9th Floor, 10th Floor, 11th Floor, 12th Floor, Dongjiang Environmental Building, No. 9 Langshan Road, North Zone of Hi-tech Industrial Park, Nanshan District, Shenzhen.

Postal Code: 518034

Telephone number: 86-755-8824 2601

Facsimile number: 86-755-8667 6002

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

ARTICLE 6 The legal representative of the Company is the chairman of the board of directors of the Company.

ARTICLE 7 The Company is a limited liability company of permanent existence and also an independent corporate legal person under the governance and protection of the law of the People's Republic of China.

ARTICLE 8 The entire share capital of the Company shall be divided into equivalent shares. The liabilities of the shareholders shall be limited to the amount of the shares in the Company they have subscribed to. The Company's liability on its debt shall be borne by the Company with its entire property.

ARTICLE 9 Upon the effective date of the articles of association of the Company, it shall act as a legally binding document for the regulation of the organization and acts of the Company, as well as the rights and liabilities between the Company and the shareholders and also among the shareholders.

ARTICLE 10 The articles of association of the Company shall be binding on the Company, the shareholders, directors, supervisors, chief executives and other senior management officers. All the aforementioned persons may claim the right in relation to the Company in accordance with the articles of association of the Company. Shareholders may sue the Company pursuant to the articles of association of the Company subject to Chapter 25 of this articles. The Company may sue the shareholders, directors, supervisors, chief executives and other senior management officers pursuant to the articles of association of the Company. The shareholders can sue the shareholders, directors, supervisors, chief executives and other senior management officers pursuant to the articles of association of the Company.

The aforementioned litigations include lawsuits filed in courts or arbitration applied through arbitration institutions.

“Other senior management officers” in the articles of association of the Company refers to the deputy chief executives, secretary to the board of directors and chief financial officer of the Company and people decided by the board of the Company.

ARTICLE 11 The Company may invest in other enterprises and its liability to the investee company shall be limited to its contribution in such investee company. However, except otherwise stipulated by laws, the Company shall not act as an investor bearing a joint liability with its investee company.

Subject to the national laws and administrative regulations, the Company shall have financing or borrowing rights, including (but not limited to) rights to issue new shares, bonds, to mortgage or pledge all or part of the Company’s assets and business, and other rights allowed by the national laws and administrative regulations.

ARTICLE 12 The Company shall keep the articles of association of the Company, registers of shareholders (original or copy), counterfoil of bonds, minutes of the general meetings of shareholders, minutes of the meetings of the board of directors, minutes of the meetings of the Supervisory Committee, and the financial accounting report in the Company.

CHAPTER 2 PURPOSES AND SCOPE OF BUSINESS

ARTICLE 13 The purposes of the Company is to promote sustainable economic and social development, carry out the basic state policy of environmental protection, develop the environmental protection undertaking of China, research and develop new environmental protection equipment and products, provide enterprises with environmental protection engineering design, construction and technical consultancy, engage in the collection, disposal and reclamation of industrial wastes so as to obtain good economic benefit and social benefit.

ARTICLE 14 The business scope of the Company includes: processing and comprehensive utilization of wastes (permits to be applied separately); treatment for liquid waste, gas waste and noise; design, construction and operation of facilities for environmental protection; sale of chemical products (permits to be obtained prior to the sale of hazardous products); manufacturing and sales of environmental protection materials, recycled products, environmental protection equipment (business license for production premise to be applied separately); development, promotion and implementation of new environmental protection products and technologies; conducting businesses (specific projects to be declared separately); import and export of goods and technologies (excluding distribution and state-monopolized products); property rental; biomass power generation like biogas.

The business scope of the Company as approved by the company registration authority of the People’s Republic of China shall prevail.

Subject to the passing of resolution at the general meeting of shareholders and the

approval from the relevant state authority, the Company may adjust its business scope, investment orientation and methods etc. according to the changes in the domestic and foreign markets, domestic and foreign demand and the development capability of the Company.

CHAPTER 3 SHARES AND REGISTERED CAPITAL

ARTICLE 15 All the shares issued by the Company shall be ordinary shares, including domestic shares and foreign shares. Subject to the approval from the regulatory department authorized by the State Council, the Company may create other class(es) of shares according to its needs. The shares shall be issued on an open, fair and equitable of shares according to its needs.

The shares shall be issued on an open, fair and equitable basis. Shares of the same class shall rank paripassu in all respects among each other.

For the same class of shares issued at the same time, the conditions and price of issue for each share shall be identical; the price for each of the shares subscribed by any entity or individual shall be identical.

ARTICLE 16 The shares issued by the Company shall bear a par value. Each share shall have a par value of RMB 1 yuan.

ARTICLE 17 Upon approval by the securities regulatory authority of the State Council, the Company may issue shares to domestic investors and foreign investors.

“Foreign investors” aforementioned means investors from overseas, Hong Kong Special Administrative Region of the PRC, Macau Special Administrative Region of the PRC, and Taiwan region who have subscribed for the shares issued by the Company; “Domestic investors” means investors from the People’s Republic of China (except for the aforementioned regions) who have subscribed for the shares issued by the Company.

ARTICLE 18 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as “domestic shares”. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to as “foreign shares”. Domestic shares listed within the border are referred to as “domestic listed domestic shares (A Shares)”. Foreign shares listed overseas are referred to as “overseas listed foreign shares (H Shares)”. Both holders of domestic shares and holders of foreign shares are ordinary shareholders, bearing identical rights and liabilities.

“Foreign Currencies” aforementioned means lawful currencies of other countries or regions recognized by the foreign currency management department of the state as currencies capable of paying share capital for shares in the Company other than Renminbi.

Domestic shares of the Company are centrally entrusted with the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited.

Foreign shares listed on the HKEx are principally entrusted with the Hong Kong Securities Clearing Company Limited, and may also be held by a shareholder in the name of an individual.

ARTICLE 19 Upon examination and approval by company approval department authorised by the State Council, the Company issued 46,565,460 ordinary shares, which represent 100% of the Company's issued ordinary shares, to its promoters at its establishment. Among which 26,188,415 shares were owned by Zhang Wei Yang, 7,450,474 shares were owned by Shanghai New Margin Capital Company Limited (now known as Shanghai New Margin Venture Capital Company Limited), 3,538,975 shares are owned by Shenzhen Wenying Trading Company Limited, 3,538,975 shares are owned by Shenzhen Fang Yuan Petrochemical Industries Company Limited, 1,862,618 shares are owned by China Venture Capital Inc., 1,862,618 shares are owned by Shenzhen High and New Technology Estate Investment Services Company Limited (now known as Shenzhen High and New Technology Investment Guarantee Company Limited) and 2,123,385 shares are owned by He Jian Jin, representing 56.24%, 16%, 7.6, 7.6%, 4%, 4%, 4.56% of the aggregate number of issued shares, respectively.

According to the resolution adopted at the second extraordinary general meeting of shareholders of the Company in 2002 convened on 18 September 2002, the Company has reduced the par value of each share from Renminbi 1 per share to Renminbi 0.1 per share, that is, splitting one share into 10 shares. The total number of shares of the Company has changed from 46,565,460 to 465,654,600.

The Company increased its capital for the first time after its establishment by issuing 177,900,000 (with a par value of RMB0.1 per share) overseas listed foreign shares (hereinafter referred to as "H Shares").

Upon the aforementioned capital increase and issue, the share capital structure of the Company comprised: 627,381,872 ordinary shares, among which 449,481,872 are domestic shares representing 71.6% of the aggregate number of ordinary shares issued by the Company, 261,884,150 of which are owned by the promoter Zhang Wei Yang, 61,566,558 of which are owned by Shanghai New Margin Venture Capital Company Limited, 35,389,750 of which are owned by Shenzhen Wenying Trading Company Limited, 35,389,750 of which are owned by Shenzhen Fang Yuan Petrochemical Industries Company Limited, 18,626,180 of which are owned by China Venture Capital Inc., 15,391,634 of which are owned by Shenzhen High and New Technology Investment Guarantee Company Limited, 21,233,850 of which are owned by He Jian Jun, and 177,900,000 are H Shares owned by holders of overseas listed foreign Shares, representing 28.4% of the aggregate number of ordinary shares issued by the Company.

ARTICLE 20 A domestic listed domestic shares have been issued by the Company, representing 16.61% of the aggregate number of ordinary shares upon approval the CSRC on 26 March 2012.

ARTICLE 21 The share capital of the Company currently is 879,267,102 ordinary shares, with a par value of RMB1 per share, including 679,129,602 A shares, representing 77.24% of the total

share capital of the Company, and 200,137,500 H shares, representing 22.76% of the total share capital of the Company.

ARTICLE 22 The Board of Directors of the Company may make separate issuing arrangements for domestic shares and foreign shares, in accordance with the issuing plans for overseas listed foreign shares and domestic shares. However, such a plan should be subject to the approval of the securities regulatory authority of the State Council.

In accordance with such a plan in the preceding paragraph, the Company may separately issue overseas listed foreign shares and domestic shares within the required time frame after approval by the securities regulatory authority of the State Council.

ARTICLE 23 The issue of domestic listed domestic shares and overseas listed foreign shares, respectively, within the aggregate number of shares confirmed to be issued in the Company's plan, shall be fully subscribed at once, respectively. Upon obtaining approval from the CSRC, the issue may be carried out more than once in the event there is any special condition where the shares could not possibly be fully subscribed at once.

ARTICLE 24 The registered capital of the Company currently is RMB 879,267,102 .

ARTICLE 25 The Company may increase its capital in accordance with the relevant requirements of the articles of association of the Company based on its operation and development needs.

The Company may increase its capital by the following methods:

1. public offer;
2. non-public offer;
3. issue of bonus shares to existing shareholders;
4. increase of share capital by way of transfer from the capital reserve fund;
5. any other methods as approved by laws, administrative regulations and the CSRC.

Capital increase and issue of new shares by the Company, upon approval in accordance with the requirements of the articles of association of the Company, shall be executed in accordance with the procedures stipulated under the relevant laws and administrative regulations of the state.

ARTICLE 26 Unless otherwise provided by laws and regulations, the shares of the Company may be transferred freely without any lien imposed thereon.

Once transferred, the name of the transferee of the shares of the Company will be set out in the registry of members and become the holder of such shares.

The issue or transfer of all H shares will be registered in the registry of holders of H shares of the Company in Hong Kong according to article 43 hereof.

Any H shareholder may transfer all or part of the shares it holds with any common and ordinary written transfer instrument in Hong Kong, which must be signed underhand or in printing by the transferor and the transferee.

ARTICLE 27 The Company does not accept its shares being the subject to be charged.

ARTICLE 28 No share held by the promoters shall be transferred within one year after the establishment of the Company.

All directors, supervisors and senior management officer of the Company shall report regularly to the Company regarding the status and any change of their respective shareholding in the Company. The shares transferred by such individual in each year shall not exceed 25% of the total number of shares held by him or her, during his or her term of office in the Company. No share held by such individual shall be transferred within one year upon the listing of and dealings in the domestic shares. No share held by such individual shall be transferred within six months upon the termination of his or her service with the Company unless mandatorily enforced by the court.

ARTICLE 29 Any profits accrued by disposing shares within six months after the purchase of such shares or by purchasing shares within six months after the disposal of shares held by the directors, supervisors, senior management officers of the Company or any person holding over 5% of the domestic shares, shall be accounted to the Company and collected by the board of directors of the Company. Any security companies holding over 5% of the shares as a result of acquiring the remaining shares pursuant to the underwriting arrangement shall not be subject to the aforementioned restriction of disposal of shares within the said six months period.

If the board of directors of the Company fail to comply with the requirements stated in the aforementioned paragraph, shareholders are entitled to request the board of directors to comply with such requirements within thirty days. If the board of directors of the Company fails to comply within the prescribed period, shareholders are entitled to commence litigation in its personal capacity directly at the People's Court or, in the case of holders of overseas listed foreign shares, to apply for arbitration in accordance with the requirements of this articles for the interests of the Company.

All responsible directors shall be jointly liable pursuant to the laws in the event the board of directors of the Company fail to comply with the requirements stated in the first paragraph.

CHAPTER 4 DECREASE IN CAPITAL AND REDEMPTION OF SHARES

ARTICLE 30 According to the articles of association of the Company, the Company may decrease its registered capital.

ARTICLE 31 The Company shall prepare a balance sheet and a list of inventory if it reduces its registered capital.

Notice shall be sent to the creditors within ten (10) days, and the relevant announcement shall be made on the newspapers within thirty (30) days, upon the Company resolved to reduce its registered capital. Creditors are entitled to request the Company to settle its debts or to provide proportionate guarantee for its debt within thirty days after receiving such notice or, for those who have not received such notice, within forty-five (45) days after the announcement is made. Such announcement shall be published in the newspapers or magazines in conformity with the requirements in relation to announcement of reduction of registered capital of regulatory department regarding domestic companies in the People's Republic of China, and in media prescribed under the "Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited" (hereinafter referred to as the "Listing Rules").

The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum limit of registered capital.

ARTICLE 32 The Company may purchase its issued shares under the following circumstances in accordance with the laws, administrative regulations, departmental regulations and the articles of association of the Company and upon approval from the relevant governing body of the State Council:

1. Reduce the registered capital of the Company;
2. Merger with other companies holding shares of the Company;
3. Use shares in employee shareholding plan or incentive plan;
4. Purchase shares at the request of shareholders against resolutions of merger or division of the Company approved at the general meetings of shareholders;
5. Use shares in convertible bonds issued by the Company;
6. Maintain the Company value and shareholders' rights and interests.
7. Any other circumstances allowed by the laws and administrative regulations.

Unless mentioned above, the Company shall not be involved in the trading of its own shares.

Purchase shares, in the case of items 1 and 2 above, it shall be subject to the resolution of the general meeting of shareholders. Purchase shares, in the case of items 3, 5 and 6, it shall be subject to the resolution of the board meeting in which more than two-thirds of the directors attend upon authorization from the general meeting of shareholders.

Shares repurchased by the Company under item 1 shall be deregistered within ten days upon the date of purchase. Shares repurchased under item 2 or 4 above shall be transferred or deregistered within six months after the date of purchase. In the case of items 3, 5 and 6 above, the total number of shares held by the Company shall not exceed 10% of the total

issued shares of the Company and the shares shall be transferred or cancelled within 3 years.

ARTICLE 33 Upon approval from the relevant governing body of the state, the Company may repurchase shares by any one of the following methods:

1. making a repurchase offer to all shareholders on a pro rata basis;
2. repurchasing at the stock exchange through market transaction;
3. repurchasing outside the stock exchange by way of agreement;
4. any other methods allowed by the laws, administrative regulations and the securities regulatory authority of the State Council.

In the event where the Company purchases its shares in accordance with the circumstances as stipulated in the first paragraph (3), (5) and (6) of Article 32 of the Articles of Association, it shall be conducted through opened and centralised trading channels.

ARTICLE 34 The Company may repurchase its own shares outside the stock exchange by way of agreement upon prior approval at the general meeting of the Company in accordance with the articles of association of the Company. The Company may terminate or amend the aforementioned agreement entered into or waive any rights provided in such agreement upon obtaining prior approval at the general meeting in the same way.

The terms of the abovementioned agreement for repurchase of shares includes but not limited to agreement to undertake obligations to repurchase shares and agreement to acquire rights of the repurchased shares.

The Company shall not transfer agreement for repurchase of its shares or any rights prescribed in such agreement.

The price of redeemable shares that may be repurchased by the Company, other than those repurchased through the market transaction or bidding, shall not exceed a certain limit. If the shares are repurchased by bidding, a bidding offer with identical conditions must be offered to all shareholders in the same market.

ARTICLE 35 After the redemption of the shares, the Company shall, within the period stipulated by the applicable laws and regulations, cancel or transfer such shares; in case of cancellation, the Company shall apply to the original company registry for a registered capital change registration.

The total par value of the cancelled shares shall be reduced accordingly from the registered capital of the Company.

ARTICLE 36 Unless the Company has come to the liquidation stage, the redemption of its issued and outstanding shares by the Company shall abide by the following provisions:

1. Where the Company redeems the shares with par value, the payment for such redemption shall be deducted from the balance of the book value of the distributable profit or the proceeds from the issue of the new shares of the Company in order to redeem the old shares;

2. Where the Company redeems the shares at a price above the par value, the part equal to the par value may be deducted from the balance of the book value of the distributable profit or the proceeds from the issue of the new shares of the Company in order to redeem the old shares and the part above the par value will be deducted as follows:

(1) from the balance of the book value of the distributable profit of the Company if the redeemed shares are issued at the price equal to the par value; or

(2) from the balance of the book value of the distributable profit or the proceeds from the issue of the new shares of the Company in order to redeem the old shares if the redeemed shares are issued at a price above the par value; however, the amount deducted from the proceeds from the issue of new shares shall not exceed the total premium of the proceeds from the issue of the old shares redeemed nor exceed the amount of the capital reserve of the Company upon redemption (including the premium amount of the new shares issued);

3. The sums paid by the Company for the following purposes shall be deducted accordingly from the distributable profit of the Company:

(1) to obtain the right to redeem its shares;

(2) to change contract for the redemption of its shares; and

(3) to release its obligations under the redemption contract.

4. The amount deducted from the distributable profit and used to redeem the shares in par value after the total par value of the cancelled shares are reduced from the registered capital of the Company as required shall be accounted into the capital reserve account of the Company.

CHAPTER 5 FINANCIAL ASSISTANCE TO THE PURCHASE OF THE SHARES OF THE COMPANY

ARTICLE 37 The Company or its subsidiaries shall not, at any time and in any form, provide any financial assistance to any person who purchase or proposed to purchase shares of the Company. The aforementioned purchaser includes those undertaking, directly or indirectly, liabilities as a result of the purchase of the shares.

The Company or its subsidiaries shall not, at any time and in any form, provide any financial assistance to reduce or discharge the liabilities of the aforementioned purchaser.

This article shall not apply to the circumstances stated in article 39.

Subsidiary means any legal entity invested by the Company that satisfies one of the following conditions and is consolidated into the consolidated financial statements of the Company, unless there is evidence showing that Company cannot control such entity:

1.the Company directly, or indirectly through its subsidiaries, owns more than half of the voting right at the general meeting of such entity;

2. the Company owns not more than half of the voting right at the general meeting of such entity, but satisfies one of the following conditions:

(1) the Company owns more than half of the voting right of such entity through agreement entered into with other investors of such entity;

(2) the Company is entitled to determine the financial and operation policies of such entity through the articles of association of such entity or related investment agreement;

(3) the Company is entitled to appoint or dismiss more than half of the members of the board of directors or similar bodies of such entity;

(4) the Company owns more than half of the voting right at the meeting of the board of directors or similar bodies of such entity.

The consolidated financial statements of the Company under this Article means the financial statements reflecting the total assets and liabilities, sales revenue and cash flow of the Company and all of the subsidiaries of the Company.

ARTICLE 38 The “financial assistance” mentioned in this Chapter includes (without limitation to) the following modes:

1. donation;

2. advances;

3. guarantee (including the assuming of obligations or the provision of properties by the guarantor to ensure the performance of the obligator to its obligations), compensation (other than that caused by the error of the Company), release or waiver;

4. the provision of loan or the execution of the contract under which the Company performs its obligations earlier than other parties, the change of such loan or contract parties, the transfer of the rights under the contract, etc.; or

5. other financial assistances provided in any other manner in the case where the Company is insolvent, has no net assets or has the possibility to reduce its net assets.

The assuming of obligations mentioned in this Chapter refers to the obligations the obligator assumes due to the execution of a contract or arrangement (whether such contract or arrangement may be enforced compulsorily or not or is assumed by the

obligator separately or jointly with others) or the change of its financial position in any other manner.

ARTICLE 39 The following acts shall not be regarded as prohibited acts in article 37 of this Chapter:

1. The related financial assistance provided by the Company is for the interest of the Company in good faith and the main objective of such financial assistance is not to buy the shares of the Company or such financial assistance is one part attached to one plan of the Company;
2. The Company distributes its properties as dividend according to law;
3. The Company distributes dividends in the form of shares;
4. The Company reduces its registered capital, redeems shares, adjusts its equity structure, etc. according to the articles of association of the Company;
5. The Company, within its business scope, provides loans for purpose of its normal business (which, however, shall not result in the reduction of the net assets of the Company or although the reduction of the net assets of the Company occurs, such financial assistance is from the distributable profit of the Company); and
6. The Company provides loans for the employee stock ownership plan (ESOP) (which, however, shall not result in the reduction of the net assets of the Company or although the reduction of the net assets of the Company occurs, such financial assistance is from the distributable profit of the Company).

CHAPTER 6 SHARES CERTIFICATE AND REGISTER OF SHAREHOLDERS

ARTICLE 40 The shares of the Company shall take the form of registered stock.

The share certificate of the Company shall state, apart from matters required by the Company Law, all other matters required by the stock exchange on which the shares of the Company are listed.

ARTICLE 41 The share certificate shall be signed by the chairman of the board of directors. Other relevant senior management officer shall also sign on the share certificate if so required by stock exchange on which the shares of the Company are listed. The share certificate shall take effect upon the Company's seal or the security seal as required under the Special Provisions is affixed or is affixed in printed format on the share certificate as authorized by the board of directors. The signatures of the chairman of the board of directors and other relevant senior management officer of the Company on the share certificate may be in printed format.

If the shares are issued and traded in scripless format, the respective requirements of the stock exchange where the Share are listed shall be adopted.

ARTICLE 42 The Company shall establish a register of shareholders registering the following information:

1. the name, address (residence), occupation or nature of every shareholder;
2. the class and quantity of shares held by every shareholder;
3. the sum paid or payable for the shares held by every shareholder;
4. the number of the shares held by every shareholder;
5. the date on which every shareholder is registered as a shareholder; and
6. the date on which every shareholder ceases to be a shareholder.

The register of shareholders is the sufficient evidence to prove the holding of the shares by the shareholder unless a contrary evidence exists otherwise.

ARTICLE 43 The Company may, in accordance with the understanding or agreement reached by the securities supervision and management authority of the State Council and the overseas supervision authority, store its register of shareholders of foreign shares for overseas listing overseas and entrust a foreign agency to manage it. The original of the register of shareholders of foreign shares listed in Hong Kong shall be stored in Hong Kong and in the charge of an entrusted Hong Kong agency.

The Company shall store the copy of the register of shareholders of foreign shares for overseas listing in the residence of the Company and the entrusted foreign agency shall at any time ensure the consistency of the original and copy of the register of shareholders of foreign shares for overseas listing

Where the original and copy of the register of shareholders of foreign shares for overseas listing are inconsistent with each other, the original shall prevail.

ARTICLE 44 The Company shall maintain a complete register of shareholders. The register shall include the following components:

1. register of shareholders, other than those required by items 2 and 3; below, that is kept at the residence of the Company;
2. register of holders of the overseas listed foreign shares kept in the local place where such shares are listed;
3. register of shareholders kept at other locations of which the board of directors may decided for the listing of the shares of the Company.

ARTICLE 45 All parts of the register of shareholders shall not overlap with each other. The transfer of the shares registered in one part of the register of shareholders shall not be registered in any other part of the register of shareholders in the duration of the registration of such shares.

The change or correction of every part of the register of shareholders shall be conducted

according to the law of the place where such part is stored.

ARTICLE 46 All overseas listed foreign shares of the Company listed in Hong Kong which have been fully paid up shall be freely transferrable in accordance with the articles. However, the Board may refuse to recognize any instrument of transfer without giving any reason unless the following conditions are satisfied:

1. all transfer documents related to or may affect the ownership of the shares and other documents have been registered, and fees for such transfer have been paid to the Company in accordance with fee standards stated in the Listing Rules;
2. the instrument of transfer involves the overseas listed foreign shares listed in Hong Kong only;
3. the stamp duty in relation to the instrument of transfer have been paid;
4. the relevant share certificate and any proof to the effect that the transferor is entitled to transfer such share a reasonably requested by the board of directors have been provided;
5. in the event shares are to be transferred to joint owners, the number of such joint owners shall not exceed four; and
6. such shares are free from any lien of any company.

If the Company refuses to register the transfer of shares, a written notice of the refusal of registration of such transfer shall be issued to the transferor and the transferee within 2 months upon the submission of transfer application.

The aforesaid transfer can be processed using the standard transfer form of the HKEx.

The overseas listed foreign shares listed in Hong Kong shall be transferred in ordinary or standard form of transfer or any other form of transfer in writing acceptable the board of directors. Such form of transfer may be signed in person or by printed signatures if the transferee or the transferor is clearance house or its agent. All the form of transfer shall be maintained at the statutory address of the Company or any other locations designated by the board of directors from time to time.

ARTICLE 47 Within thirty (30) days before the holding of the general meeting or within five (5) days before the Company determines the base date for the distribution of dividends, change registration of the register of shareholders due to the transfer of shares shall not be made.

ARTICLE 48 In the event that the Company convenes a general meeting of shareholders, distributes

dividend, goes into liquidation or conducts any other activities that requires ascertaining the shareholding, the date for ascertaining such shareholding shall be determined by the board of directors. The shareholders registered on the register of shareholders by the close of trading on the date for ascertaining the shareholding shall be recognized as the shareholders of the Company entitled to the relevant rights.

ARTICLE 49 In the event that any person disagrees with the register of shareholders and requires registering its name into or deleting its name from the register of shareholders, it may make an application to the court with jurisdiction for correcting the register of shareholders.

ARTICLE 50 If any shareholder registered in the register of shareholders or any person requesting to register his or her name (designation) in the register of shareholders has lost his or her share certificate (“original share certificate”), he or she may apply to the Company for re-issue of new share certificate of such shares (“relevant shares”).

Re-issue application of holder of domestic shares who has lost his or her share certificate shall be processed in accordance with the requirements of the relevant provisions of the Company Law.

Re-issue application of holder of overseas listed foreign shares who has lost his or her share certificate shall be processed in accordance with the laws, rules of stock exchange or other relevant requirements of the location where the original register of the overseas listed foreign shares is kept.

Re-issue of share certificate of holder of H shares who has lost his or her share certificate and applies for re-issue shall satisfy the following requirements:

1. the applicant shall submit the application in the standard format prescribed by the Company together with notarial deed or statutory declaration documents. The reasons for application, circumstances and evidence of the loss of the share certificate, and the declaration that no other person can request to register as shareholder of the relevant shares shall be stated in the notarial deed or the statutory declaration documents by the applicant;
2. no declaration of requesting to register as shareholder of the relevant shares other than that of the applicant is received by the Company before the Company decides to re-issue new share certificate;
3. if the Company decides to re-issue the new share certificate to the applicant, an announcement regarding the proposed re-issue of new share certificate shall be published on the newspapers specified by the board of directors. The period of announcement shall last for ninety (90) days and the same announcement shall be published at least every thirty (30) days;

4. before publication of the announcement regarding the proposed re-issue of new share certificate by the Company, a copy of the announcement proposed to be published shall be submitted to the stock exchange where the Company's shares are listed. The announcement may be published upon receiving reply from the relevant stock exchange confirming that the announcement has already been exhibited in the relevant stock exchange. The announcement shall be exhibited in the stock exchange for a period of ninety (90) days;

5. if the application of re-issue of share certificate is not agreed by the holder of the relevant shares registered in the register of shareholders, the Company shall mail copy of the proposed announcement to such shareholder;

6. upon the lapse of the ninety days period of the publication and exhibition of announcement as required by items 3 and 4 of this Article, the Company may re-issue new share certificate based on the application by the applicant if no objection from any person regarding the re-issue of share certificate has been received;

7. the original share certificate shall be de-registered immediately upon the re-issue of new share certificate in accordance with the requirement of this articles and such matters of de-registration and re-issue shall be registered in the register of shareholders; and;

8. all costs associated with the de-registration of original share certificate and the re-issue of new share certificate by the Company shall be borne by the applicant. The Company is entitled to refuse to take any action before the applicant provides reasonable guarantee.

ARTICLE 51 For any purchaser in good faith for the new shares aforesaid or any shareholder (if a purchaser in good faith) to be registered as the owner of such shares after the Company reissue of new shares according to the articles of association of the Company, its name shall not be deleted from the register of shareholders.

ARTICLE 52 The Company shall not be liable to compensate any person suffering damages due to the cancellation of the original shares or the reissue of new shares, unless such person can prove the Company has acted fraudulently.

ARTICLE 53 Should domestic listed ordinary shares issued by the Company cease to be listed, such domestic listed ordinary shares of the Company shall continue to be traded under the entrusted share transfer system. Unless the consent from the stock exchange where the domestic shares are listed is obtained, this article shall not be amended when the Company amend the articles.

CHAPTER 7 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

ARTICLE 54 Any person who holds the shares of the Company in accordance with laws and whose name (designation) is registered in the register of shareholders shall be the shareholder of the

Company.

The shareholders shall enjoy such rights and undertake such liabilities in accordance with the class and amount of shares they hold. Shareholders of the same class of shares shall enjoy the same rights and undertake the same liabilities.

In the event that one of the joint holders of the share dies, only the other surviving joint holder is deemed by the Company to be the owner of such share. The board of directors is entitled to demand the proof of the death of the joint holder where it deems appropriate for the purpose of amending the register of shareholders. In case of any share owned by joint holders, only the joint holder ranked first at the register of shareholders is entitled to receive the share certificate of such share, to receive any notice from the Company, and to attend and exercise voting right at the general meeting of the shareholders of the Company. Any notice served to such person shall be deemed to have been served to all other joint holders of such share.

The Company shall not freeze or damage the rights of any person as a result of the non-disclosure of the rights attached to the shares held directly or indirectly by such person.

ARTICLE 55 The shareholders of ordinary shares of the Company shall be entitled to:

1. receive dividend and distribution of other forms of benefit according to the amount of their shares held by them;
2. attend or appoint proxies to attend and exercise voting right at the general meetings of the shareholders;
3. supervise and make recommendations or queries regarding the business activities of the Company;
4. transfer shares in accordance with requirements of the laws, administrative regulations and the articles of association of the Company;
5. receive such information in accordance with articles of association of the Company, including:
 - (1) the articles of association upon paying its costs;
 - (2) reviewing and copying the following upon paying a reasonable fee:
 - (i) all parts of the register of shareholders;
 - (ii) the personal information of all directors, supervisors, chief executives and other senior management officers of the Company, including their:
 - (a) current and previous names and alias;
 - (b) principal addresses (residential);
 - (c) nationalities;
 - (d) professions and all other part time occupations and duties; and
 - (e) identification documents and their numbers;

- (3) status of the Company's capital;
 - (4) the total par value, number, highest and lowest price of each class of shares repurchased by the Company since the previous accounting year and the report of the total expenses of the Company on the aforementioned items;
 - (5) the minutes of the general meetings of the shareholders;
 - (6) the counterfoil of the bonds of the Company;
 - (7) the resolutions at the meetings of the board of directors;
 - (8) the resolutions at the meetings of the Supervisory Committee; and
 - (9) the financial reports.
- 6. receive distribution of the remaining assets of the Company in accordance with the amount of shares they hold at the termination or liquidation of the Company;
 - 7. repurchase of shares at the request of shareholders against resolutions of merger or division of the Company approved at the Company's general meetings; and
 - 8. any other rights in accordance with the laws, administrative regulations and the articles of association of the Company.

ARTICLE 56 If the shareholders request to review or obtain such information under the preceding article, they shall provide proof of the class and amount of the shares of the Company they hold in writing to the Company. The Company shall provide the requested information to the shareholders upon verification of their identities.

ARTICLE 57 Should the resolutions approved at the general meetings of the Company or the meetings of the board of directors are in breach of the laws or the administrative regulations, the shareholders are entitled to apply to the People's Court to nullify such resolutions.

Should the procedures convening the general meetings of shareholders or the meetings of the board of directors or the voting procedures at such meetings are in breach of the laws, administrative regulations and the articles of association of the Company, or the resolutions approved at such meetings are in breach of the articles of association of the Company, the shareholders are entitled to apply to the People's Court, or arbitration in accordance with this articles in the case of overseas listed foreign shares, and to revoke such resolutions within sixty days upon the approval of such resolutions.

In the event that the application for change of registration has been submitted by the Company in accordance with the resolutions approved at the general meetings of shareholders or the meeting of the board of directors, the Company shall apply to the

relevant company registration authority to withdraw such application if the People's Court has declared the nullity of or revoked such resolutions.

ARTICLE 58 Should the directors and the senior management officers of the Company be in breach of the laws, the administrative regulations or the articles of association of the Company while performing duties of the Company and results in losses of the Company, any shareholder(s) individually or jointly holding over 1% of the shares of the Company for a consecutive one hundred and eighty days may request the Supervisory Committee in writing to commence litigation at the People's Court.

Should the Supervisory Committee be in breach of the laws, the administrative regulations or the articles of association of the Company while performing duties of the Company and results in losses of the Company, such shareholders may request the board of directors in writing to commence litigation at the People's Court. With regards to the holders of the overseas listed foreign shares, they may apply for arbitration in accordance with the articles of association of the Company.

In the event that the Supervisory Committee or the board of directors refuses to commence litigation upon receiving such written request under the previous article or fails to commence litigation within thirty days upon receiving such request, or under emergency circumstances where failure to commence immediate litigation may result in irreversible loss of the Company, the aforementioned shareholders are entitled to commence litigation in its personal capacity to the People's Court directly for the interests of the Company.

Should any third party infringes upon the legal rights of the Company and results in losses of the Company, the shareholders stated in the paragraph 1 of this article may commence litigation at the People's Court in accordance with paragraphs 2 and 3 above.

ARTICLE 59 Should the directors and senior management officers are in breach of the laws, the administrative regulations or the articles of association of the Company and results in damaging the interests of the shareholders, the shareholders may commence litigation at the People's Court. With regards to the holders of the overseas listed shares, they may apply for arbitration in accordance with this articles of association of the Company.

ARTICLE 60 The holders of the ordinary shares of the Company shall undertake the following duties:

1. to obey the laws, the administrative regulations and the articles of association of the Company;
2. to pay for the shares in accordance with the shares they subscribed and the subscription method;
3. to refrain from withdrawal unless so required by the laws and the regulations;

4. to refrain from abuse of their rights to damage the interests of the Company or other shareholders, and from abuse of the status of independent legal person of the Company and their limited liabilities to damage the interests of the creditors of the Company;

If the shareholders of the Company damage the interests of the Company or other shareholders by abusing their rights, they shall be liable to compensate for the damage in accordance with the laws.

If the shareholders of the Company evade from debts and seriously damage the interests of the creditors of the Company by abusing the status of independent legal person of the Company and their limited liabilities, they shall be jointly liable to the debts of the Company.

5. to assume any other duties as required by the laws, the administrative regulations and the articles.

Holders of ordinary shares shall not undertake any other additional liabilities as a result of the increase of the share capital except for those agreed upon during subscription by the subscriber.

ARTICLE 61 Any shareholder holding over 5% of domestic shares carrying voting rights of the Company who charges the domestic shares held by them shall submit a written report to the Company upon the date where the shares are charged.

ARTICLE 62 No controlling shareholder or the de facto controller of the Company shall use their connected relationship to damage the interests of the Company. In the event that they violate such requirement and cause damage the Company is resulted, they shall be liable for such damages.

The controlling shareholders and the de facto controller of the Company shall owe fiduciary duty to the Company and other shareholders of the Company. The controlling shareholder shall exercise his or her rights as a capital contributor in strict compliance with the laws and shall not damage the lawful interests of the Company and public shareholders through profit distribution, asset restructuring, foreign investment, appropriation of capital, provision of guarantee for loans, and so on, and shall not make use of his or her controlling status to damage the interests of the Company and public shareholders.

ARTICLE 63 Except for duties so required by the laws, the administrative regulations or the listing rules of the stock exchange where the shares of the Company are listed, the controlling shareholder (in accordance with the definition under Article 64 of this articles), in exercising his or her right of shareholder to decide on the following matters, shall not exercise his or her voting right in such way which would result in the damage of the interests of all or part of the shareholders:

1. the duty to act in good faith for the greatest benefit of the Company regarding dismissal of directors and supervisors;
2. approving the directors and supervisors of the Company (for interest of their own or others) to deprive the properties of the Company in any form including (but not limited to) any opportunities beneficial to the Company; and
3. approving the directors and supervisors of the Company (for interest of their own or others) to deprive the personal rights of other shareholders including (but not limited to) any right to distribution or voting right, but excluding the Company restructuring proposed and approved at general meetings of the shareholders in accordance with the articles of association of the Company.

ARTICLE 64 The controlling shareholder stated in this articles means any person who satisfies any of the following conditions:

1. such person may elect over 50% of the directors while acting individually or acting jointly with others ;
2. such person may exercise over 30% (including 30%) of voting rights of the Company or control the exercise of over 30% (including 30%) of voting rights of the Company while acting individually or acting jointly with others;
3. such person holds over 30% of the shares issued by the Company while acting individually or acting jointly with others; and
4. such person exercises de facto control of the Company by other means while acting individually or acting jointly with others.

“Acting jointly with others” under this article means concerted action taken by two or more persons by agreement (oral or in writing) to attain or strengthen control of the Company through acquiring the voting right of the Company by any one of them.

“De facto controller” under this articles means any person other than a shareholder of the Company who has actual control of the acts of the Company through investor relations, agreements or other arrangements.

ARTICLE 65 The Company shall actively establish and strengthen the working system of investor relations management and shall take initiative to strengthen the communications and exchange with the shareholders, in particular the public shareholders. The secretary to the board of directors of the Company shall be specifically responsible for the work of investor relations management of the Company.

CHAPTER 8 GENERAL MEETING

Section I General Provisions in respect of General Meetings of Shareholders

ARTICLE 66 The general meetings of the Shareholders is the authority of the Company to exercise the following functions and powers according to law:

1. To decide the operation direction and investment plan of the Company;
2. To elect and change directors and decide on matters of remuneration related to directors;
3. To elect and change supervisors who are not staff representative and decide on matters of remuneration related to supervisors;
4. To consider and approve the report of the Board of Directors;
5. To consider and approve the report of the Supervisory Committee;
6. To consider and approve the annual financial budget and final accounts of the Company;
7. To consider and approve the profit distribution plan and loss recovery plan of the Company;
8. To consider and approve the increase or reduction of the registered capital of the Company;
9. To consider and approve matters including merger, spin-off, change in form of company, dissolution and liquidation;
10. To consider and approve the issue and purchase of the Company's shares;
11. To consider and approve the issue of the Company's debentures;
12. To consider and approve equity incentive scheme;
13. To consider and approve change of proceeds raised;
14. To consider and approve the engagement, dismissal or non-reappointment of accounting firm;
15. To consider and approve proposals by shareholders who own more than 3% (including 3%) of outstanding issued shares with voting rights, individually or jointly, of the Company;

16. To consider and approve the following transactions (the transaction has the same meaning as defined under the listing rules of the stock exchanges where the Company is listed):

- (1) Total amount of assets involved in the transaction represents 50% or above of the Company's audited total assets for the latest period; in case total assets involved in the transaction have carry value and appraised value simultaneously, the higher amount will be used in calculation;
- (2) Operating income of subject matter of the transaction (such as equity) for the latest accounting year represents 50% or above of the Company's audited operating income for the latest accounting year and the absolute amount exceeds RMB50 million;
- (3) Net profit of subject matter of the transaction (such as equity) for the latest accounting year represents 50% or above of the Company's audited net profit for the latest accounting year and the absolute amount exceeds RMB5 million;
- (4) Consideration of the transaction (including assumed debts and expenses) represents 50% or above of the Company's audited net assets for the latest period and the absolute amount exceeds RMB50 million;
- (5) Profit generated from the transaction represents 50% or above of the Company's audited net profit for the latest accounting year of the Company and the absolute amount exceeds RMB5 million;
- (6) Transactions where the amount of material assets purchased and disposed by the Company within a year represents over 30% of the Company's audited total assets for the latest period.

17. To consider and approve the following guarantees:

- (1) Guarantee where the amount of a single guarantee exceeds 10% of the Company's audited net assets for the latest period of the Company;
- (2) Any subsequent guarantee to be provided when the total amount of external guarantees made by the Company and its subsidiaries exceeding 50% of the Company's audited net assets for the latest period;
- (3) Guarantee to be provided in favour of a party with an asset-liability ratio over 70%;
- (4) Guarantee where the amount of guarantee provided in 12 consecutive months

exceeds 30% of the Company's audited total assets for the latest period of the Company;

- (5) Guarantee where the amount of guarantee provided in 12 consecutive months exceeds 50% of the Company's audited net assets for the latest period of the Company and the absolute amount exceeds RMB50 million;
- (6) Guarantee to be provided to shareholders, de facto controller and connected parties thereof;

The above guarantees are required to be considered at the Board meeting and passed by two-thirds of directors attending the Board meeting before submitting to the shareholders' meeting for consideration. When the guarantee specified in item (iv) above is considered at the shareholders' meeting, it shall be passed by two-thirds of voting rights held of shareholders attending the shareholders' meeting.

Guarantees to be provided by the Company to connected parties, regardless of the amount, should be considered and passed at the Board meeting before being submitting to the shareholders' meeting for consideration.

When considering the resolution of providing guarantee to shareholders, de facto controllers and connected parties thereof, such shareholders or shareholders controlled by such actual controllers shall not vote on such resolution. Such resolution requires a simple majority of the voting rights of other shareholders attending the shareholders' meeting to be passed.

- 18. To consider and approve the following connected transactions:

A connected transaction between the Company and the connected party (excluding receipt of cash assets by the Company as gift and provision of guarantee by the Company) with a transaction amount of RMB30 million and more and representing 5% or above of the absolute value of the latest audited net assets of the Company. The principle of aggregate calculation shall apply to connected transactions of the Company entered into within 12 consecutive months with the same connected party (including other connected party(s) under common control of that connected party or involving controlling shareholding relationship with that connected person or with different connected parties but related to the same subject matter;

- 19. To consider and approve amendments to the articles of association of the Company;

- 20. To consider and approve other matters which should be determined and authorised by the shareholders' meetings according to requirements of law, regulations, the listing rules of the stock exchange where the Company is listed or the Articles of Association of the

Company.

The general meeting of shareholders may authorize or appoint the board of directors to deal with matters they are so authorized or appointed.

Notwithstanding anything contained therein, for Article 66 (16), (17) and (18), in the event that any transactions or guarantees and their approval procedures are subject to the requirements of the listing rules of the stock exchange where the Company is listed, those transactions or guarantees shall comply with such requirements.

ARTICLE 67 General meeting of shareholders shall be classified into annual general meeting of shareholders and extraordinary general meeting of shareholders. General meeting of shareholders shall be convened by the board of directors. Annual general meeting of shareholders shall be held once a year and shall be held within six (6) months after the end of the preceding accounting year.

An extraordinary general meeting of shareholders shall be held within two (2) months after the occurrence of any of the following circumstances:

1. the number of the directors is less than the number required by the Company Law or less than two-thirds (2/3) of the number required by the articles of association of the Company;
2. the unrecovered loss of the Company reaches one-third of the total share capital of the Company;
3. any shareholder(s) individually or jointly holding over ten per cent (10%) (including ten per cent (10%)) of shares carrying voting right issued by the Company request in writing to convene an extraordinary general meeting of shareholders;
4. the board of directors considers necessary or the Supervisory Committee proposes to convene;
5. more than half of the independent directors propose to convene; or
6. any other circumstances as required by the laws, administrative regulations, departmental regulations or the articles of association of the Company.

The shareholding aforementioned at item 3 shall be calculated on the date when the shareholders make such written request.

ARTICLE 68 General meeting of shareholders shall be held at the location of production and operation of the Company or any other place decided by the convener of the general meeting of shareholders.

The Company shall set the meeting venue by way of on-site meetings. The company will also provide online voting to facilitate shareholders' participation in the shareholders' meeting. Shareholders attending the general meeting of shareholders via the abovementioned methods are considered to be present at such meeting.

Section II Convening General Meetings of Shareholders

ARTICLE 69 The board of directors shall convene the general meeting of shareholders in accordance with the requirements set out in the articles of association of the Company.

ARTICLE 70 More than half of the independent directors are entitled to propose to the board of directors for convening an extraordinary general meeting of shareholders. The board of directors shall, in accordance with the laws, administrative regulations and the articles of association of the Company, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting of shareholders within 10 days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting of shareholders, it shall serve the notice of such meeting within 5 days after the relevant board of directors resolution is passed. In the event that the board of directors does not agree to convene an extraordinary general meeting of shareholders, it shall give reasons and make an announcement in respect thereof.

ARTICLE 71 The Supervisory Committee is entitled to propose to the board of directors for convening an extraordinary general meeting of shareholders and such proposal shall be made in writing. The board of directors shall, in accordance with the laws, administrative regulations and the articles of association of the Company, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting of shareholders within 10 days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting of shareholders, it shall serve the notice of such meeting within five days after the relevant board of director's resolution is passed. Consent of the Supervisory Committee shall be obtained in the event of any changes made to the original proposal in the notice.

In the event that the board of directors does not agree to convene an extraordinary general meeting of shareholders or does not furnish any written reply within ten days after receiving such proposal, the board of directors is deemed to be unable to perform or fail to perform the duty of convening a general meeting of shareholders, in which case the Supervisory Committee may convene and preside over such meeting by itself.

ARTICLE 72 The shareholders shall comply with the following procedures where they propose to

convene an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders:

1. Any shareholder(s) individually or jointly holding over 10% of the Company's Shares may sign one or more written request(s), the form and substance of which being the same, to propose to the board of directors for convening an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders, and shall list out clearly the agenda of the meeting in the request. The shareholding mentioned above shall be calculated on the date when the shareholders make such written request. The board of directors shall, in accordance with the laws, administrative regulations and the articles of association of the Company, furnish a written reply stating its agreement or disagreement to the convening of the extraordinary general meeting of shareholders or class meeting for the relevant class of shareholders within ten days after receiving such proposal.

In the event that the board of directors agrees to convene an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders, it shall serve the notice of such meeting within five days after the relevant board of directors resolution is passed. Consent of the relevant shareholders shall be obtained in the event of any changes made to the original proposal in the notice.

2. In the event that the board of directors does not agree to convene an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders or does not furnish any written reply within ten days after receiving such proposal, any shareholder(s) individually or jointly holding over 10% of the shares carrying voting rights at the meeting proposed to be held is/are entitled to propose to the Supervisory Committee for convening an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders and such proposal shall be made in writing.

In the event that the Supervisory Committee agrees to convene an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders, it shall serve the notice of such meeting within five days after receiving such proposal. Consent of such shareholders shall be obtained in the event of any changes made to the original proposal in the notice.

In the event that the Supervisory Committee does not serve any notice of an extraordinary general meeting of shareholders or a class meeting for the relevant class of shareholders within the prescribed period after receiving such proposal, the Supervisory Committee is deemed not to convene and preside over such meeting, in which case the shareholder(s) individually or jointly holding over 10% of the Shares (carrying voting rights at the meeting proposed to be held) for ninety consecutive days or more may convene and preside over such a meeting by themselves.

Any reasonable cost incurred in connection with the convening and holding of the meeting by the shareholders themselves as a result of the failure on the part of the board of directors and the Supervisory Committee to hold such meeting as required above shall be borne by

the Company, and shall be deducted from the amount due to the directors and supervisors of the Company who are in default.

ARTICLE 73 Where the Supervisory Committee or the shareholders decide to convene a general meeting by itself/themselves, it/they shall notify the board of directors in writing and file with the local office of the securities regulatory authority of the State Council and stock exchange where the Company is located.

The shareholding of the convening shareholders shall not be less than 10% before the announcement of the resolutions of the general meeting of shareholders is made.

The Supervisory Committee and the convening shareholders shall submit the relevant proof to the local office of the securities regulatory authority of the State Council and stock exchange where the Company is located upon the issuance of the notice of the general meeting of shareholders and the announcement of the resolutions of the general meeting of shareholders.

ARTICLE 74 The board of directors and the secretary to the board of directors shall provide assistance regarding a general meeting of shareholders convened by the Supervisory Committee or the shareholders. The board of directors shall provide the register of shareholders as at the date of the share registration. In the event that the board of directors fails to provide the register of shareholders, the convener may apply to the securities registration and clearing institution for obtaining the register of shareholders with the relevant announcement on the convening of the shareholders' general meeting. The register of shareholders obtained by the convener shall not be used for purposes other than convening of the shareholders' general meeting. Any necessary cost incurred in connection with the convening and holding of the meeting by the Supervisory Committee itself or the shareholders themselves shall be borne by the Company.

Section III Proposals at and Notices of General Meetings of Shareholders

ARTICLE 75 The content of proposals shall fall within the scope of power of the general meeting of shareholders. The subject issues for discussion and the specific matters to be resolved shall be clearly stated therein. The proposals shall comply with the requirements of the laws, administrative regulations and the articles of association of the Company.

ARTICLE 76 Where a general meeting is to be held, the Company shall deliver a written notice forty-five (45) days before the meeting to tell all registered shareholders the proposed matters on and the date and place of the meeting. The shareholders proposing to attend the general meeting shall reply in writing to the Company that they will attend the meeting twenty (20) days before the meeting.

ARTICLE 77 The board of directors, the Supervisory Committee and the shareholder(s) individually or jointly holding over 3% of the shares carrying voting rights of the total issued shares of the Company may submit new proposals in writing to the Company and the Company shall include such proposals within the scope of power of the general meeting of shareholders into the agenda of the meeting.

Shareholder(s) individually or jointly holding over 3% (including 3%) of the shares carrying voting rights of the total issued shares of the Company may submit their provisional proposals in writing to the convener ten days before the convening of the general meeting of shareholders. The convener shall issue a supplementary notice of the general meeting of shareholders within two days after the proposals have been received and announce the content of the provisional proposals.

After the issue of the notice of the general meeting of shareholders by the convener, no changes shall be made to the proposals stated in the notice of the meeting nor new proposals shall be added, save as those provided in the preceding paragraphs.

Proposals not stated in the notice of the general meeting of shareholders or proposals which do not meet the requirements in article 75 of the articles of association of the Company, shall not be voted or resolved at the general meeting of shareholders.

ARTICLE 78 The Company may, on the basis of the written replies received twenty (20) days before the holding of the general meeting, calculate the number of the shares with voting rights represented by the shareholders to attend the meeting. If the number of the shares with voting rights represented by the shareholders to attend the general meeting reaches above one-half (1/2) of the aggregate number of the shares with voting of the Company, the Company may hold a general meeting; if the number of the shares with voting represented by the shareholders to attend the general meeting does not reach above one-half (1/2) of the aggregate number of the shares with voting of the Company, the Company shall, within five (5) days, inform the shareholders in the form of announcement the proposed matters, date and place of the meeting; after such announcement, the Company may hold the general meeting. Such announcement must be published on the designated newspapers.

The extraordinary general meeting shall not decide the matters not listed on the announcement.

ARTICLE 79 Notice of general meeting of shareholders shall fulfill the following requirements:

1. be issued in writing;
2. specify the venue, the date, the time and the duration of the meeting;
3. set out the matters to be considered at the meeting;
4. provide shareholders with such information and explanation necessary for them to make prudent decision on the matters to be considered. Such principle includes (but is not limited to) that where the Company proposes merger, repurchase of shares, share capital restructuring, or other restructuring of the Company, the specific terms and contracts (if any) of the proposed transactions shall be provided in detail and the causes and effects of such transactions shall be properly explained;

5. disclose the nature and extent of material interest of any director, supervisor, chief executive or other senior management officer in the matters to be considered. In the event that the impact of the matters to be considered on such director, supervisor, chief executive or other senior management officer as a shareholder is different from that on the other holders of the same class of shares, such difference shall be explained;

6. set out the full text of any special resolutions proposed to be resolved at the meeting;

7. set out in clear text that shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/ her behalf and that such proxy needs not be a shareholder;

8. specify the time and the place for serving the proxy forms for voting at the meeting;

9. specify the share registration date of the shareholders who are entitled to attend the general meeting of shareholders;

10. provide the name and phone number of the contact person of the general meeting of shareholders.

ARTICLE 80 Where the matters regarding election of the directors or the supervisors are proposed to be considered at the general meeting of shareholders, the detailed information of the candidates for directors or the supervisors shall be fully disclosed in the notice of such meeting, which shall at least include:

1. the personal particulars including the educational background, working experience, concurrent professions and so on;

2. whether any connected relationship with the Company, its controlling Shareholders and its de facto controllers exists;

3. the number of the shares held;

4. whether he/ she has been subject to the punishment of the security regulatory authority of the PRC and other relevant authorities as well as sanctions by the stock exchange.

Nomination of the director and the supervisor shall be proposed individually except in the case where accumulative voting system is used for the election of two or more directors and the supervisors.

ARTICLE 81 Notice of a general meeting of shareholders and the relevant documents shall be served on shareholder (whether or not such shareholder is entitled to vote at the general meeting of shareholders) by personal delivery or pre-paid mail to the address of the shareholder as shown in the register of shareholders. For holders of domestic shares, notice of a general meeting of shareholders, the circulars and the relevant documents may be given by way of announcement. For holders of overseas listed foreign shares, the notice of a general

meeting of shareholders, the circulars for shareholders and relevant documents may be given by way of announcement through the websites of the Company and the Hong Kong Stock Exchange according to the relevant requirements and procedures under the Listing Rules of the Stock Exchange of Hong Kong Limited.

The aforesaid announcement shall be published in one or more newspapers designated by the securities regulatory authority of the State Council forty-five (45) days to fifty days (50) prior to the date of the meeting. All holders of the domestic shares shall be deemed to have received the notice of the relevant general meeting of shareholders upon the publication of such announcement. For holders of overseas listed foreign shares, the notice of a general meeting of shareholders and the relevant documents may be given in either the English or Chinese version according to the relevant requirements and procedures under the Listing Rules of the Stock Exchange of Hong Kong Limited.

ARTICLE 82 In the event that, due to accidental omission, the notice for meeting is not sent to any person entitled thereto or such person does not receive the notice, the meeting and any resolution made thereon shall still be effective.

ARTICLE 83 Once the notice of a general meeting of shareholders is issued, such meeting shall not be postponed or cancelled and the proposals stated in the notice of such meeting shall not be withdrawn without proper reasons. In the event of postponement or cancellation, the convener shall make an announcement stating the relevant reasons at least two working days prior to the original date of the general meeting of shareholders.

Section IV Holding General Meetings of Shareholders

ARTICLE 84 The board of directors and other conveners of the general meeting of shareholders shall take all necessary measures to ensure the normal order of the general meeting of shareholders. Measures shall be taken to prevent any disturbance, provocation or nuisance to the order of the meeting and any acts infringing the lawful interests of the shareholders, and such matters shall be promptly reported to the relevant authorities.

ARTICLE 85 Any shareholder entitled to attend and vote at a general meeting of shareholders shall be entitled to appoint one or more persons (such persons need not be shareholders) as his/ her proxies to attend and vote on his/ her behalf, and such proxies appointed, in accordance with the appointment of such shareholder, may exercise the following rights:

1. exercise such shareholder's right to speak at the general meeting of shareholders; and
2. exercise such shareholder's right to vote by poll.

Should the shareholder concerned be an authorized clearing house under the definition of the Hong Kong laws (hereinafter referred to as the "authorized clearing house") (or its

agent), such shareholder may authorize any one or more persons deemed suitable as his/her proxy at any general meeting of shareholders or any class meeting for the relevant class of shareholders; however, should there be more than one persons being so authorized, the power of attorney must specify the number and the class of shares in respect of which each person is so authorized. Such authorized persons shall be entitled to exercise the same power on behalf of the authorized clearing house (or its agents), as if these persons were individual shareholders of the Company.

ARTICLE 86 A shareholder shall appoint his/ her proxy in writing, and the proxy form shall be signed by him/ her or his/ her attorney duly authorized in writing. In case of the principal being a legal person, the proxy form shall bear the seal of the legal person and shall be signed by its director, or officer or proxy formally authorized.

ARTICLE 87 Individual shareholders attending the meeting in person shall produce their identity cards or other valid documents or certificates which can prove their identities and their proof of title of their shareholding, while proxies shall produce their valid identity cards, the power of attorney by the shareholder and the proof of title of the shareholding.

A legal person shareholder shall be represented by its legal representative or a proxy appointed by the legal representative to attend the meeting. Legal representatives of a legal person shareholder attending the meeting shall present their identity cards and valid proofs of their capacity as the legal representative and the proof of title of their shareholding. In the case where a proxy is appointed, the proxy shall present his/ her own identity card and the power of attorney in writing issued by the legal representative of the legal person shareholder and the proof of title of the shareholding.

ARTICLE 88 The power of attorney issued by a shareholder authorizing another person to attend the general meeting of shareholders shall state the following information:

1. the full name of the proxy;
2. the number of shares represented by the proxy;
3. whether the proxy has voting power;
- 4 .the respective instructions on voting for, against or abstain on each matter to be considered on the agenda of the general meeting of shareholders;
5. the issuance date and the validity period of the power of attorney;
6. the signature (or the seal) of the principal. In the event that the shareholder is a domestic legal person, the seal of legal person entity shall be affixed.

ARTICLE 89 Any form of power of attorney issued by the board of directors of the Company to any shareholder to appoint a proxy shall allow the shareholder to freely choose to direct the shareholder proxy to cast a pro vote or a nay vote at the general meeting and respectively

state the matters to be voted of every proposal. The power of attorney shall state that, if the shareholder does not make any direction, the proxy may vote at his/her discretion.

ARTICLE 90 Proxy forms shall be deposited at the address of the Company or other places specified in the notice of the meeting twenty-four (24) hours before the relevant meeting for voting according to the proxy form, or twenty-four (24) hours before the designated time of voting. Where the proxy form is signed by a person authorized by the principal, the power of attorney or other authorization instruments shall be notarized. The notarized power of attorney or other authorization instruments, together with the proxy form, shall be deposited at the address of the Company or such other places as specified in the notice of the meeting.

Where the principal is a legal person, its legal representative or other persons as authorized by its board of directors or other governing body to act as its proxy may attend the general meeting of shareholders. For the purpose of this articles, the proxy attending such meeting or any acts performed by the proxy shall be deemed to be the principal attending such meeting in person or (depending on the circumstances) the principal performing such acts.

ARTICLE 91 The Company is responsible for producing a register of the attendees of the meeting. The register shall clearly bear the names (or th organization names) of the attendees, their identity card numbers, home addresses, the number of shares carrying voting rights held or represented, the names (or organization names) of the proxies and so on.

ARTICLE 92 In the event that, before voting, the principal is dead, loses the capacity for action, withdraws the appointment, withdraws the authority for the execution of the appointment or the relevant shares have been transferred, the vote made by the proxy according to the power of attorney shall still be valid, provided that the Company does not receive the written notice about such matter before the holding of the meeting.

ARTICLE 93 The convener and the lawyer engaged by the Company shall together verify the validity of the qualification of the shareholders in accordance with the register of shareholders provided by the shares registration and clearing institution, and register the name (or designations) of the shareholders and the number of shares carrying voting rights held by them. The registration for the meeting shall end before the chairman of the meeting declares the number of the shareholders and the proxies present at the meeting as well as the total number of shares carrying voting rights held by them.

ARTICLE 94 Directors, the supervisors and secretary to the board of directors of the Company shall be present the meeting, while the chief executive and other senior management officer shall also attend.

ARTICLE 95 The general meeting of shareholders shall be convened by the board of directors according to the laws. The general meeting of shareholders shall be presided over by the chairman of the board of directors as the chairman of the meeting. In the event that the chairman of the board of directors is unable or fails to perform his/her duties, the vice-chairman of the

board of directors shall preside over the meeting as the chairman of the meeting (should there be two vice-chairmen of the board of directors, the one elected by more than half of the directors shall preside over the meeting as the chairman of the meeting). In the event that both the chairman and the vice-chairman of the board of directors are unable or fail to perform their duties, the director elected by more than half of the directors shall preside over the meeting as the chairman of the meeting.

General meeting of shareholders convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee as the chairman of the meeting. In the event that the chairman of the Supervisory Committee is unable or fails to perform his/ her duties, the supervisor elected by more than half of the directors shall preside over the meeting as the chairman of the meeting.

General meeting of shareholders convened by the shareholders shall be presided over by a representative nominated by the convener as the chairman of the meeting.

During a general meeting of shareholders, if the chairman of the meeting violates the rules of procedures of meeting and the general meeting of shareholders cannot proceed as the result thereof, a person may be elected at the general meeting of shareholders to act as the chairman of the meeting to proceed with the meeting, subject to the approval of more than half of shareholders carrying voting rights present at the meeting.

ARTICLE 96 The Company shall formulate the Rules of Procedures of General Meetings of Shareholders which specifies the rules of convening the general meeting of shareholders and the voting procedure in the general meeting of shareholders and other matters including the notice, registration, consideration of proposals, voting, counting of votes, announcement of voting results, formulation of resolutions, meeting minutes and its signing, announcement, the principle of conferring powers on the board of directors and the specific content of such powers of the general meeting of shareholders. The Rules of Procedures of General Meetings of shareholders Shall be drafted by the board of directors and approved by the general meeting of shareholders and shall act as the appendix of this articles.

ARTICLE 97 At the annual general meeting of shareholders, the board of directors and Supervisory Committee shall report to the general meeting of shareholders on their work over the previous year. Each and every independent Director shall also submit his/her duty report.

ARTICLE 98 The directors, the supervisors and senior management officer shall provide explanations and illustrations for the enquiries and recommendations made by the shareholders at the general meeting of shareholders.

ARTICLE 99 The chairman of the general meeting of shareholders shall announce the number of shares carrying voting rights held by the shareholders and their proxies present at the on-site meeting before voting. The number of shares carrying voting rights held by the shareholders and their proxies present at the on-site meeting shall be based on the register of the attendees of the meeting.

ARTICLE 100 Minutes of the general meeting of shareholders shall be prepared by the secretary to the board of directors and the following shall be recorded therein:

1. the time, the venue, the agenda and the name or the designation of the convener of the meeting;
2. the names of the chairman of the general meeting of shareholders, and names of the directors, the supervisors, managers and other senior management officers who are present at or attend the meeting;
3. the total number of the shares carrying voting rights held by the holders of domestic shares (including their proxies) and the holders of overseas listed foreign shares (including their proxies), and the percentage of the shares carrying voting rights held by them to the total number of the shares of the Company;
4. the process of consideration, the summary of speeches and the voting results cast by the holders of domestic shares and the holders of overseas listed foreign shares for each proposal,
5. the enquiries or recommendations raised by the shareholders and the Corresponding explanations or clarification;
6. the names of the lawyer, the vote counters and the vote scrutinizers;
7. any other matters that shall be recorded in the minutes as required by the articles of association of the Company.

ARTICLE 101 The directors, the supervisors, the secretary to the board of directors, the convener or his/her representative, the chairman and the responsible person for taking the minutes of the meeting shall sign on the minutes, and shall ensure that the contents of the minutes are true, accurate and complete. The minutes shall be kept, together with other valid information such as the book of signatures of the shareholders present at the meeting and the power of attorney for the proxies, and the valid information regarding the voting via the Internet or other means, for no less than 10 years.

ARTICLE 102 The convener shall ensure the general meeting of shareholders is held without adjournment until the final resolution is reached. Where special reasons such as force majeure and so on cause a suspension of the meeting or non-adoption of resolution, necessary measures shall be taken to resume the meeting, or to end the meeting directly and the same shall be stated in an announcement in a timely manner. Meanwhile, the convener shall report the same to the local office of the securities regulatory authority of the State Council and the stock exchange where the Company is located.

Section V Voting and Resolutions at General Meetings of Shareholders

ARTICLE 103 The shareholders (including their proxies) may exercise their voting right according to the number of shares carrying voting right they represent. Each share enjoys one count of voting right. However, corporate shares held by the Company enjoy no voting right, and such shares shall not be counted towards the total number of shares carrying voting rights held by the shareholders present at the general meeting of shareholders.

When the shareholders' meeting is considering significant events that will impact the interests of small and medium investors, the votes of small and medium investors shall be counted individually. The results of the individually counted votes shall be disclosed forthwith.

The Board of Directors, independent directors and shareholders who meet the relevant requirements can openly gather voting rights from shareholders. Voting rights shall be gathered with sufficient disclosure of information, such as preference of vote, to shareholders from whom voting rights are gathered. Compensation or compensation in disguise for the voting rights gathered is prohibited. The Company shall not set a minimum shareholding limit for gathering voting rights.

ARTICLE 104 Resolutions reached at the general meeting of shareholders shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution adopted by the general meeting of shareholders shall be approved by over half of the voting right held by the shareholders present at the general meeting of shareholders (including their proxies).

A special resolution adopted by the general meeting of shareholders shall be approved by over two-thirds of the voting rights held by the shareholders present at the general meeting of shareholders (including their proxies).

ARTICLE 105 The following items shall be approved at the general meeting of shareholders by way of ordinary resolution:

1. To decide the operation direction and investment plan of the Company;
2. To elect and change directors and decide on matters of remuneration related to directors;
3. To elect and change supervisors who are not staff representative and decide on matters of remuneration related to supervisors;
4. To consider and approve the report of the Board of Directors;

5. To consider and approve the report of the Supervisory Committee;
6. To consider and approve the annual financial budget and final accounts of the Company;
7. To consider and approve the profit distribution plan and loss recovery plan of the Company;
8. To consider and approve change of proceeds raised;
9. To consider and approve the engagement, dismissal or non-reappointment of accounting firm;
10. Any other items, excluding those required to be approved by special resolutions as stipulated by the laws, administrative regulations or the articles of association of the Company.

ARTICLE 106 The following items shall be approved at the general meeting of shareholders by way of special resolution:

1. To consider and approve the increase or reduction of the registered capital of the Company;
2. To consider and approve matters including merger, spin-off, change in form of company, dissolution and liquidation;
3. To consider and approve the issue and purchase of shares;
4. To consider and approve the issue of the Company's debentures;
5. To consider and approve equity incentive scheme;
6. To consider and approve adjustment or change in profit distribution policy;
7. To consider and approve transactions where the amount of material assets purchased or sold by the Company within one year exceeds 30% of the Company's audited total assets for the latest period;
8. To consider and approve any guarantee with guarantee amount provided in 12 consecutive months exceeds 30% of the Company's latest audited total assets for the latest period;
9. To consider and approve amendments to the articles of association of the Company;

10. Any other items stipulated by the articles of association of the Company or determined by ordinary resolution at the general meeting of shareholders as having material effects on the Company and thus requiring approval by special resolution.

ARTICLE 107 The following items require approval by the general meeting of shareholders and approval by over half of the shares carrying voting rights held by the public shareholders who participate in the voting in accordance with the laws, administrative regulations and the articles of association of the Company:

1. the new issue of public shares by the Company (including issue of overseas listed foreign shares or other warrants relating to shares), issue of convertible corporate bonds, placing shares to original shareholders (excluding those which the shareholders who has de facto control have undertaken to fully subscribed with cash before the convening of the meeting);
2. material asset restructuring of the Company, of which the total amount of the assets acquired represents a premium reaching or exceeding 20% of the audited net book value of all acquired assets;
3. where a shareholder repays his or her debt to the Company by means of shares of the Company held by him or her;
4. the overseas listing of subsidiaries that have a major impact on the Company;
5. any relevant matter in development of the Company that may have a major impact on the interests of public shareholders.

A platform for voting via the Internet shall be provided to the shareholders should the Company convene a general meeting of shareholders to consider the abovementioned matters.

ARTICLE 108 The Company shall not, without approval by special resolution at the general meeting of shareholders, enter into contract with any person other than the directors, chief executive and other senior management officer of the Company where the Company agrees to hand over the management of all or major businesses of the Company to such person, except under special circumstances such as where the Company is in a crisis.

ARTICLE 109 For connected transactions to be considered at a general meeting of shareholders, the connected shareholders shall not participate in the voting on such connected transactions, and the number of shares carrying voting rights they represent shall not be counted into the valid quorum for voting.

The announcement of the resolutions passed at the general meeting of shareholders shall fully disclose the voting of the non-connected shareholders. Should there be any special circumstances where the connected shareholders are unable to abstain from voting, the Company may conduct the voting according to normal procedures after obtaining consent

from the authorities, and detailed clarifications shall be made in the announcement of the resolutions of the general meeting of shareholders. The relevant announcement shall be published on the newspapers and magazines in conformity with the related regulations.

In the event that the Company Law or other laws, administrative regulations, or the listing rules of the stock exchange where the Company's shares are listed stipulate that the shareholder shall abstain from voting, or be restricted to only voting for or only voting against on certain individual resolution, any violation of such regulations or restrictions would render the vote cast by such shareholder (or its proxy) invalid.

ARTICLE 110 The list of candidates for the positions of the directors and the supervisors shall be submitted as proposal for voting at the general meeting of shareholders;

The voting of directors and the supervisors at a general meeting of shareholders should take the form of accumulative voting.

The accumulative voting system in the preceding paragraph means that the number of votes held by each share is equal to the number of directors or the supervisors the shareholder is entitled to elect, and the shareholders may concentrate their votes at the election of director or supervisor at the general meeting of shareholders. The board of directors shall announce to shareholders the profile and the basic information of the candidates.

ARTICLE 111 Except for the adoption of the accumulative voting system, each and every proposal shall be voted item by item at the general meeting of shareholders. Should there be different proposals concerning the same issue, they shall be voted in chronological order according to their respective dates of submission. Unless a general meeting of shareholders is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting of shareholders.

ARTICLE 112 No amendment shall be made on the proposals during their consideration at the general meeting of shareholders. Any such amendments shall render it a new proposal of which the voting shall not be proceeded at the current general meeting of shareholders.

ARTICLE 113 Any voting at the general meeting of shareholders shall be conducted by means of poll. The poll results shall be announced by the Company in accordance with requirements of the relevant laws, regulations and the listing rules of the stock exchange where the shares are listed.

ARTICLE 114 Where a poll is demanded with regards to the election of the chairman of the meeting, or on the termination of the meeting, the voting shall be conducted forthwith. Where a poll is demanded with regards to any other matters, the voting shall be taken at such time as the chairman of the meeting directs before the end of the current meeting, and the meeting may proceed with considering other matters. The voting results shall be deemed to be resolutions passed at such meeting.

ARTICLE 115 The same voting right can only be exercised by way of any one of the voting methods, either on-site voting, via the Internet or other means of voting. Should there be repeated voting by the same voting right, the result of the first voting shall prevail.

ARTICLE 116 At a voting by poll, the shareholders (including their proxies) entitled to two or more votes may not necessarily cast all their votes into either for or against.

ARTICLE 117 Before a voting on the proposals is conducted at the general meeting of shareholders, two representatives of the shareholders shall be elected to take part in the counting and scrutinizing of the ballots. Any shareholder interested in the matter to be considered and his/her proxy shall not take part in the vote counting and scrutinizing.

When voting on the proposals is conducted at the general meeting of shareholders, the lawyers, both representatives of the shareholders and the supervisors shall be jointly responsible for the vote counting and scrutinizing.

Shareholders or their proxies who vote via internet or by other means shall be entitled to check and inspect their voting results through the corresponding voting system.

ARTICLE 118 The chairman of the meeting shall determine whether a resolution is passed or not according to the voting results. The decision of the chairman of the meeting shall be final and conclusive, and the chairman of the meeting shall announce the voting results at the meeting. The voting results on the resolution shall be recorded in the minutes.

ARTICLE 119 In the event that the general meeting of shareholders is held by means of the internet, the beginning time for voting via the internet for the general meeting of shareholders shall not be earlier than 3:00 p.m. on the day prior to the on-site general meeting of shareholders, and shall not be later than 9:30 a.m. on the day when the on-site general meeting of shareholders is convened and its closing time shall not be earlier than 3:00 p.m. on the day when the on-site general meeting of shareholders is closed.

The ending time of the on-site general meeting of shareholders shall not be earlier than closing time of voting via Internet or other means.

Before the formal announcement of the voting results, all relevant parties including the companies, the voting counter and scrutinizer, the major shareholders and internet service providers, which are involved in the voting process whether on-site, via the Internet or through other means of voting, shall have the obligation to keep the details of the voting confidential.

ARTICLE 120 Shareholders present at the general meeting of shareholders shall express one of the following opinions on the proposal submitted for voting: “for”, “against” or “abstention”.

Any ballot that is not completed, wrongly completed, is illegible, or not voted shall be deemed to be a waiver of the voting right of the voter, and the voting result of the number of shares held by the voter shall be counted as “abstention”.

ARTICLE 121 If the chairman of the meeting has any doubt as to the result of a resolution put to vote at the meeting, he/she 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 announcement of the result, and the chairman of the meeting shall have the votes counted immediately.

ARTICLE 122 In the event that the votes are counted at the general meeting of shareholders, the counting results shall be recorded into the minutes of the meeting.

The minutes, together with the book of signatures of the shareholders present and the power of attorney for the proxies shall be kept at the Company's residence.

ARTICLE 123 Any shareholder may check the copy of the meeting minutes in the business hours of the Company free of charge. Where any shareholder asks for the copy of the relevant meeting minutes, the Company shall deliver the copy within seven (7) days after the receipt of the reasonable fee.

ARTICLE 124 When convening a general meeting of shareholders, the Company shall engage a lawyer to issue legal opinion and publish an announcement in respect of the following issues:

1. whether the convening of the general meeting of shareholders and its procedures are in accordance with the laws, administrative regulations and the articles of association of the Company;
2. whether the qualifications of the attendees and the convener are lawful and valid;
3. whether the voting procedures and results at the meeting are lawful and valid;
4. legal opinions on any other matters as requested by the Company.

ARTICLE 125 Resolutions of a general meeting of shareholders shall be announced in a timely manner, and the announcement shall include the following details:

1. the time, the venue, the mode, the convener and the chairman of the meeting, together with the information on whether such meeting is in compliance with the laws, administrative regulations, departmental regulations and the articles of association of the Company;
2. the number of the shareholders and their proxies who attended the meeting, the total number of shares carrying voting rights held by them and its percentage to the total number of shares carrying voting rights issued by the Company;
3. the means of voting, the voting results for each proposal, the details of each resolution passed and details of voting by the shareholders; in the event that the proposals are made by the shareholders, the names or designation of the shareholders, percentage of shares

held and the content of the proposals shall be stated; in the event that the proposals involve connected transactions, the details of the abstention of voting by the connected shareholder shall be stated; the relevant details in the event that the proposal is not passed or the resolution from a previous general meeting of shareholders is amended at the current general meeting of shareholders shall be stated in the announcement of the resolutions of the general meeting of shareholders;

4. the concluding opinion of legal opinion issued by the engaged lawyers, and the full text of the legal opinion shall be announced in the event of rejected proposal at the general meeting of shareholders.

In the event that the announcement on resolution passed at the general meeting of shareholders involves items stipulated in article 107 of the articles of association of the Company, the information on the number of public shareholders participated in voting, the total number of shares held by them, its percentage to the total number of public shares issued by the Company and the voting results, together with a disclosure of the number of shares held by the top ten public shareholders and their voting details shall be provided. In the event that a proposal is not passed, or a resolution from a previous general meeting of shareholders is amended at the current general meeting of shareholders, the relevant details shall be specifically provided in the announcement of resolution of the general meeting of shareholders.

ARTICLE 126 In the event that a proposal is not passed, or a resolution from a previous general meeting of shareholders is amended at the current general meeting of shareholders, the relevant details shall be specifically provided in the announcement of resolution of the general meeting of shareholders.

ARTICLE 127 Where the proposal on the election of the directors or the supervisors is passed at the general meeting of shareholders, those newly elected directors or supervisors shall assume office on the day of the passing of the proposal.

CHAPTER 9 SPECIAL PROCEDURES FOR VOTING BY A CLASS OF SHAREHOLDERS

ARTICLE 128 Shareholders holding different classes of shares are shareholders of class. Apart from shareholders of other class, the holders of domestic shares and the holders of overseas listed foreign shares shall be deemed to be shareholders of class.

Shareholders of class shall, in accordance with the laws, the administrative regulations and the articles of association of the Company, enjoy rights and assume obligations.

ARTICLE 129 Any variation or abrogation of the rights of the shareholders of class proposed by the Company shall only come into effect upon the adoption of a special resolution at a general meeting of shareholders and upon approval by the affected shareholders of class at a

separate meeting held in accordance with articles 130 to 134 of this articles.

ARTICLE 130 Any of the following circumstances shall be regarded as varying or abrogating the right of the shareholders of one class:

1. increase or decrease the number of the shares of such class, or increase or decrease of the number of other classes of shares with the same or more rights to vote, right to distribute and other privileges;
2. convert all or part of the shares of such class into other class, or convert all or part of the shares of other class into the shares of such class or grant such right to convert, etc.;
3. cancel or reduce the right the shares of such class have in order to obtain the accrued dividends or accumulated dividends;
4. reduce or cancel the right the shares of such class have to firstly obtain dividends or firstly obtain the distribution of properties in case of the liquidation of the Company;
5. increase, cancel, or reduce the right the shares of such class have to convert shares, select, vote, transfer, firstly place shares or obtain the securities of the Company;
6. cancel or reduce the right the shares of such class have to receive the payables from the Company in specified currencies;
7. establish the shares of new class(es) with the same or more rights to vote, distribute or other privileges as or than the shares of such class;
8. impose restrictions or add such restrictions on the transfer or title of the shares of such class;
9. obtain the right to issue the shares of such class or to subscribe the shares of other class(es) or to convert shares;
10. add the rights and privileges to the shares of other class(es);
11. the reorganization plan of the Company constitutes the responsibilities of the shareholders of different classes not on basis of proportions of shares during the reorganization; and
- 12) revise or abolish the provisions in this Chapter.

ARTICLE 131 The affected shareholders of class, whether or not having the right to vote at the general meeting of shareholders, shall nevertheless have the right to vote at the class meeting for the shareholders on matters concerning items (2) to (8) and (11) to (12) of article 130, but

the interested shareholders shall not be entitled to vote at the class meeting for shareholders.

For the purpose of the preceding paragraph, the “interested shareholders” shall have the following meanings:

1. in the case of the Company’s repurchase of its own shares by making a repurchase offer to all shareholders on a pro rata basis or repurchasing at the stock exchange through market transaction in accordance with the article 33 of this articles, “interested shareholders” shall refer to the controlling shareholders as defined in article 64 of this articles;

2. in the case of the Company’s repurchase of its own shares by repurchasing outside the stock exchange by way of agreement in accordance with the article 33 of this articles, “interested shareholders” shall refer to the shareholders to which such agreement relates; or

3. in the case of a restructuring of the Company, “interested shareholders” shall refer to the shareholders within a class who assumes less liabilities than a proportionate burden imposed on the shareholders of that class or who have interests different from the interests of the other shareholders of that class.

ARTICLE 132 The resolution of the general meeting of a class or classes of shares shall not be made unless the shareholders attending the meeting holding over two-thirds (2/3) of the shares with voting pass it according to article 130 hereof.

ARTICLE 133 Where the Company intends to hold a general meeting of a class or classes of shares, it shall deliver the written notice thereof forty-five (45) days before the holding of the meeting, telling the registered shareholders of the shares of such class(es) the date and place of the meeting. The shareholders to attend the meeting shall, twenty (20) days before the holding of the meeting, send their replies for attending the meeting to the Company.

If the number of the shares with voting represented by the shares intending to attend the meeting reaches above one-half (1/2) of the aggregate number of the shares with voting on such meeting, the Company may hold a general meeting of one class or classes of shares. If the number of the shares with voting represented by the shareholders to attend the general meeting does not reach above one-half (1/2) of the aggregate number of the shares with voting of the Company, the Company shall, within five (5) days, inform the shareholders again in the form of announcement the proposed matters, date and place of the meeting; after such announcement, the Company may hold the meeting. Such announcement must be published on the designated newspapers.

ARTICLE 134 The notice for the general meeting of a class or classes of shares shall be only served to the shareholders with voting on such meeting.

The general meeting of a class or classes of shares shall be held according to the

procedures similar to the general meeting and the provisions in the articles of association of the Company applicable for general meetings shall be applicable for such meeting as well.

ARTICLE 135 Apart from the shareholders of other classes, the holders of the domestic shares and the holders of the overseas listed foreign shares shall be deemed to be shareholder of different classes.

.The special voting procedures of the shareholder of class shall not apply under the following circumstances:

1.where the Company issues, upon the approval by a special resolution of the shareholders at a general meeting of shareholders, either separately or concurrently once every twelve months, domestic shares and overseas listed foreign shares, and the amount of such domestic shares and overseas listed foreign shares intended to be issued does not exceed 20% of its existing issued domestic shares and overseas listed foreign shares respectively;

2.where the Company's plan to issue the domestic shares and the overseas listed foreign shares at the time of its establishment is carried out within fifteen months from the date of approval by the CSRC;

3.where the holder of domestic shares of the Company, upon approval by the securities regulatory authority of the State Council, transfer the shares held by them to overseas investors and the shares are then listed and traded overseas.

CHAPTER 10 THE PARTY COMMITTEE OF THE COMPANY

ARTICLE 136 the core leadership role, holding correct directions, managing overall situations and ensuring the implementations of the government's proposals. The working units of the Party shall be established and certain number of staff shall be assigned in charge of Party-related work. The institution and staffing of the Party Organization shall be included into the Company's management organizations and staffing. The working fund of the Party Organization shall be included into the Company's budget and shall be disbursed from the management fees.

ARTICLE 137 The Party Committee of the Company (the "Party Committee") shall be established by the upper-level Party organization pursuant to relevant administration authorities. It shall play a core role in respect of leadership and political matters of the Company, undertake the responsibility to strengthen Party self-discipline and governance and implement as a principal the cleansing-Party work, conduct pre-study of major corporate matters, exercise the principle of placing cadres and talents under Party's supervision, adhere to and improve the leadership mechanism of cross-appointment, strengthen supervision over the leaders of enterprises, and provide leadership for ideological and political work, spirit civilization construction and mass organizations such as the labor union and the Communist Youth League. The Company shall establish a discipline inspection committee

to supervise the cleansing-Party construction and perform the Party's discipline inspection and supervision duties. Secretary and other members of the Party Committee shall be appointed and removed in accordance with relevant regulations of the Party.

ARTICLE 138 The Party Committee shall function on collective leadership system and follow the following working principles:

1. to adhere to the Party's leadership, ensuring the theory and routes, guidelines and policies of the Party to be observed and implemented in the Company;
2. to comprehensively strengthen Party discipline, carrying out work in conformity with the Part Constitution and other regulations developed among the Party, fulfilling its responsibilities of Party governing and administration;
3. to realize democratic centralism, ensuring the vitality of the Party Committee and the unity of the Party;
4. The Party Committee shall perform the core role in respect of leadership and political matters of the Company, which shall be aligned with the due discharging of duties by the board of directors and management's according to laws and the Articles of Associations, translating the proposals of the Party into the decisions of the board of directors or management through legal and democratic process.

ARTICLE 139 The Party Committee shall discuss and decides on the following issues:

1. to study the routes, principles and policies of the Party and the laws and regulations of the State, the important meetings, documents, decisions, resolutions and directives issued by the superior Party committees and government, and research relevant measures to follow and implement the aforesaid;
2. to strengthen and improve the relevant works such as the Party's thoughts, organization, style, anti-corruption and system building;
3. to implement principle of placing cadres and talents under Party's supervision; improve the mechanism of selection and employment of persons adaptable to the requirements of modern corporate system and the needs of market; determine the standards, standardize the procedures, participate in the investigation and recommend the candidates, so as to construct a high-quality management team the talent pool;
4. to deploy the important work, important documents and important requests in the name of the Party Committee, and review the important matters submitted by the party organizations of the subordinate enterprises;
5. To determine the important matters of the Party Committee such as its annual work projection, work plan, grass-roots Party organization and Party members' team construction;
6. To determine cleansing-Party construction and anti-corruption work, and carries out the principal responsibility of cleansing-Party construction;

7. To determine the significant matters of the Company including the construction of personnel team, spiritual civilization, corporate culture, the maintenance of harmony and stability;
8. Other matters that shall be studied and determined by the Party Committee.

ARTICLE 140 The Party Committee shall conduct pre-study of the following matters:

1. Development strategies and medium-term and long-term development plans of the Company;
2. The business plans and operation plans;
3. Principal and directional issues relating to substantial investments and financing, loan guarantee, financial restructuring, assets transfer, substantial assets disposal and capital operation;
4. Development and modification of significant reform plans;
5. The merger, division, change of control and dissolution of the Company and the set up and adjustment of internal administration organization, the establishment and deregistration of subsidiaries;
6. Draft Articles of Association and modification proposal to Articles of Association;
7. Issues relating the appointment, performance appraisals, remuneration, administration and supervision of the medium to senior management team;
8. Substantial and principal issues relating to the interests of the employees and need to be brought to the employee representative meeting;
9. Substantial and principal arrangements relating to the Company's political responsibility and social responsibility, such as extremely significant safety in production and stability maintenance;
10. Other significant matters (三重一大) that, in the opinion of the board of directors and management, need to be submitted to the Party Committee for discussion.

ARTICLE 141 As for the significant matters relating to the corporate reform, development and stability (三重一大), the board of directors shall, before making a decision, first submit the same to the Party Committee for study. The Party Committee shall hold a meeting for discussion and study and provide opinions and advices, and then submit the same to the board of directors for decision-making in accordance with relevant rules of procedure.

The special rules of procedure and relevant supporting working rules shall be formulated for the Party Committee to ensure its scientific decision-making, efficient operation and sufficient discharging of duties.

CHAPTER 11 BOARD OF DIRECTORS

Section 1 Directors

ARTICLE 142 Directors of the Company shall be natural persons and need not hold shares of the Company.

ARTICLE 143 Directors shall be nominated by the board of directors or the shareholders holding over 3% (including 3%) of the Company's shares (Candidates for Independent Director can be

nominated by the Supervisory Committee and shareholders holding over 1% of shares in issue) and shall be elected or replaced by the general meeting of shareholders, and could be removed by general meeting of shareholders before the expiration of the term of office. Each term of office of directors shall be three years. Upon completion of their terms of office, the directors may be re-appointed by election.

The terms of office of the directors shall commence on the date of approval of the resolutions at the general meeting and shall end on the date of the expiry of the current terms of office of the board. In the event that the terms of office have expired before the re-election of the new directors, the original directors shall continue their duties in accordance with the laws, the administrative regulations, the departmental regulations and the articles of association of the Company.

Written notice for the nomination of the directors and acceptance of nomination by the nominated directors shall be served to the Company within seven days after the issue of the notice of general meeting of shareholders. The minimum period for such written notices is seven days.

The Company shall enter into appointment contract with the directors immediately after they are elected in accordance with requirements of the laws, regulations and this articles, where the rights and duties between the Company and the directors, the terms of office of the directors and the compensation entitled by the directors as a result of early termination of the abovementioned appointment contract of the directors due to their breach duties required by the laws, regulations and this articles or due to any other considerations of the Company shall be specified therein.

ARTICLE 144 The directors shall exercise their powers conferred by the Company in a cautious, serious, and diligent manner to guarantee that:

1. the business activities of the Company are in accordance with the laws

of the state, the administrative regulations and all economic policies of the state and are within the business scope as stated in the business registration;

2. all shareholders are treated fairly;

3. all business and financial reports are reviewed with caution, the business operation and management conditions are understood at all times, the regular reports of the Company are commented in writing and signed, and the truthfulness, accuracy and comprehensiveness of information disclosed by the Company are ensured;

4. their powers conferred by the laws to manage the Company are exercised in person and not manipulated by others; and such powers are not transferred to others unless approved by the laws or administrative regulations or at the general meeting of shareholders in an informed situation;

5. any relevant circumstances and information are provided to the Supervisory Committee

truthfully, and the Supervisory Committee and the supervisors are not obstructed from exercising their powers, and the lawful supervision and reasonable recommendations from the Supervisory Committee regarding the duties of the directors are accepted;

6. any other diligent duties required by the laws, administrative regulations, departmental regulations and the articles of association of the Company are carried out.

ARTICLE 145 Unless duly authorized by the articles of association of the Company or the board of directors, no director shall act on behalf of the Company or the board of directors in their personal capacity. Should a director be acting in his or her personal capacity, he or she shall clarify in advance his or her position and identity in the event that any third party would reasonably believe that his or her acts are representing the Company or the board of directors.

ARTICLE 146 Directors with material interest in any contracts, transactions or arrangements or other proposals to be resolved at the general meetings of shareholders shall not cast their votes or authorize any of their associates to vote at such resolutions unless any of the following conditions are satisfied. Such directors shall not be counted into the meeting quorum to determine whether the statutory requirement of attendance is met. The aforementioned “associates” shall have the same meaning ascribed to it in the Listing Rules:

1.(a) any pledge or compensation guarantee provided to the directors or their associates for loans offered by such directors or their associates to the Company or any of its subsidiaries, or for any liabilities incurred or borne by such directors or their associates as demanded by Company or any of its subsidiaries or for the benefits of the Company or any of its subsidiaries; o

(b) any pledge or compensation guarantee provided to a third party by the Company or any of its subsidiaries for its debts or liabilities where the directors or their associates (whether individually or jointly) have borne the liability of such debts or liabilities in full or in part through a guarantee or compensation guarantee or a provision of a pledge;

2.Any proposed offer made by others or the Company to subscribe for or purchase shares, bonds or other securities of the issuer or other companies (established by the Company or which the issuer is interested in), and the directors or the associates have acquired or would acquire interests as a result of participation in underwriting or joint underwriting of such offer;

3.Any proposals in relation to other companies where such directors or their associates are directly or indirectly interested in (regardless of the identity as senior management officer or executive officer or shareholders), or any proposals in relation to other companies where such directors or their associates are beneficially interested in the shares of those companies but such directors and associates jointly (or through a third company in which such directors or associates are interested) do not beneficially own 5% or more than 5% of the issued shares of any class of those companies;

4. Any proposals or arrangement regarding the employee benefits of the Company or its subsidiaries including:

(a) adoption, amendment or implementation of any employee share scheme or any share incentive or share option scheme of which any directors or their associates may benefit from; or

(b) adoption, amendment or implementation of any pension scheme, retirement scheme, compensation scheme for death or disability related to the directors, associates of the directors and staff of the Company or its subsidiaries and no additional privileges or benefits have been granted to the directors (or their associates); and

5. Any contract or arrangement where the directors or their associates are interested in, and they are only interested in such contract or arrangement by means of the interest they own in the Company's shares or bonds or other securities owned in the same form as other holders of the Company's shares or bonds or other securities.

Any director who has connected relationships in any existing or proposed contract or business transaction or arrangement with the Company, whether directly or indirectly arranged through the Director in person or through other enterprises they work for (excluding contracts of appointment), shall disclose the nature and extent of this relationship to the board of directors as soon as possible, regardless of whether such matter would require approval from the board of directors under normal circumstances.

Unless the director with the abovementioned relationship has disclosed such relationship to the board of directors in accordance with the above paragraph and the board of directors have approved such relationship at a meeting where the such director is not counted into the quorum and is excluded from the voting process, the Company shall be entitled to revoke such contract, transaction or arrangement, except if the party concerned is a third party with good faith.

ARTICLE 147 When performing the abovementioned duties, the director shall submit a written statement to the board of directors and the board of directors shall determine, in accordance with the regulations of the stock exchange of where the Company is listed, whether the director shall be regarded as a connected party.

The process of abstention and voting by any connected director shall be: the connected director may abstain by themselves, or at the request of other directors or their representatives.

ARTICLE 148 In the event of absence of two consecutive meetings of the board of directors by any directors and failing to authorise other directors representatives to attend on their behalf, such directors shall be deemed unable to perform their duties and the board of directors shall submit a request to replace such director at the general meeting of shareholders.

ARTICLE 149 Directors may resign before their terms of office expire. Resignation report shall be

submitted to the board of directors in writing by the resigning director. The board of directors shall disclose the information concerned within two days.

If the resignation of the director would cause the number of directors in the board of directors lower than the statutory minimum limit, the original director shall continue to perform his or her duties in accordance with the laws, administrative regulations, departmental rules and the articles of association of the Company until a newly elected director takes office.

Except for the abovementioned condition, the resignation report shall be effective immediately after its submission to the board of directors.

ARTICLE 150 Should any directors resign or their terms of office expire, they shall complete all transition procedures with the board of directors. They shall not be necessarily released from the fiduciary duties they owed to the Company and the shareholders before the resignation report takes effect, or within a reasonable period after the report takes effect or the expiration of their terms. Their duty of confidentiality regarding the Company's business confidence shall remain effective after the end of their term until such confidential information becomes public knowledge. The duration of undertaking other duties shall be determined in accordance with the principle of fairness, the duration between the happening of the incident and the end of their terms of office, and the means and conditions regarding termination of relationship between the directors and the Company.

ARTICLE 151 Should the directors be in breach of the laws, administrative regulations, departmental rules and the articles of association of the Company while performing their duties and results in losses of the Company, the directors shall be liable for the compensation of the losses.

Section 2 Independent Directors

ARTICLE 152 The Company shall establish the position of independent director. Independent directors of the Company means a director who holds no position in the Company other than director, and has no relationships with the Company and any principal shareholders that may prevent them from exercising their independent and objective judgments. Independent directors shall satisfy the following basic conditions:

1. fulfill the qualifications to be directors of a listed company in accordance with the laws, regulations and other relevant requirements;

2. perform their duties independently, and be free from any influence of the Company's principal shareholders, de facto controller or any other entities or individuals who have interest in the Company;

3. have basic knowledge of operations of a listed company and be familiar with the relevant laws, administrative regulations, constitutions and rules;

4. have five years or more working experience in the legal, economic, or financial fields, or other relevant experience that are essential to performing the duties of independent directors;

5. ensure sufficient time and energy to perform the duties of independent directors effectively.

ARTICLE 153 The following persons shall not serve as independent directors:

1. any persons employed by the Company or its subsidiaries, or their direct or social relatives (direct relatives shall mean spouses, parents, children, etc; social relatives shall mean brothers and sisters, parents-in-law, son and daughter-in-law, spouses of brothers and sisters, or brothers and sisters of spouses, etc);

2. any persons directly or indirectly holding over 1% of the shares issued by the Company, or any natural person shareholders among the top ten shareholders of the Company or their direct relatives;

3. any persons employed by a shareholding entity directly or indirectly holding over 5% of the shares issued by the Company, or those employed by the top five shareholding entity or their direct relatives;

4. any persons belonging to any of the three abovementioned categories in the recent one year;

5. any persons providing financial, legal or consultation services to the Company and its subsidiaries;

6. any persons prescribed by the laws and the regulations.

ARTICLE 154 Independent directors shall constitute more than one-third (but at least three members) of the board of directors, amongst whom at least one shall be an accounting professional. Independent directors shall perform their duties honestly, protect the Company's interests, particularly attend to the lawful rights and interests of the public shareholders.

Independent directors shall perform their duties independently and free from any influence of the Company's principal Shareholders, de facto controllers, and any entities or individuals who have interest in the Company or its principal shareholders and de facto controllers.

In the event that the number of independent directors fall below the minimum requirement prescribed by this articles as a result of an independent director failing to comply with the abovementioned conditions of independency or being unfit to perform their duties, the Company shall make up for the short full in accordance with the regulations.

ARTICLE 155 Nomination, election and replacement of independent directors

1. The board, Supervisory Committee, or an individual or entity shareholders holding more than 1% of shares issued by the Company may nominate candidates of independent director to be elected at a general meeting.

2. The person submitting the nomination of independent director shall acquire the before submitting the nomination. The person submitting the nomination shall have a complete understanding on the nominee's professional and educational background, job title and detailed working experience, including all part-time occupations, and shall be able to comment on whether the nominee's qualifications and independence are fit for the position. The nominee shall issue public declaration stating that that there is no relationship between him or her and the Company that would affect his or her independent and objective judgment.

The board of directors shall announce the abovementioned details in accordance with the requirements prior to the convening of the general meeting of shareholders for the election of the independent director.

3. Prior to the convening of the general meeting of shareholders for the election of an independent director, the Company shall submit all information of the nominee to the Shenzhen Stock Exchange where the Company is located. In the event that any nominees are disputed by the board of directors, the Company shall also submit a written report on the dissenting view held by the board of directors of the Company towards the information of the nominee.

In the event that any nominees are disputed by the Shenzhen Stock Exchange, they shall not be nominated as a candidate for independent director but may be nominated as a candidate for the director of the Company.

4. The terms of office of the independent directors are the same as the directors of the Company. The independent director may be re-elected for another term of not more than six years upon expiration of a term of office. Upon expiration of such six-year term, such persons may continue to serve the Company as a director but not as an independent director.

ARTICLE 156 Apart from the rights entitled as the Company's director, an independent director shall also be entitled to the following rights:

1. to approve any major connected transaction before submission to the board of directors for further discussion; the independent directors may seek report from independent financial adviser for reference before forming their view;

2. to recommend the appointment or removal of the accounting firm to the board of directors;

3. to request the convening of extraordinary general meeting of shareholders to the board of directors;

4. to recommend the convening of meeting of the board of directors;

5. to engage independent and external auditor and consultation firm for auditing and consultation regarding specific matters of the Company;

6. to collect voting rights from the shareholders prior to a general meeting of shareholders.

Independent directors shall acquire the consent of more than half of the independent directors before exercising the abovementioned rights (except for item 5). Independent directors shall acquire the consent of all independent directors before exercising the right under the abovementioned item. The Company shall disclose the information concerned in the event that the abovementioned proposals are not accepted or the abovementioned rights are not normally exercised.

ARTICLE 157 Independent directors shall provide independent advice to the board of directors or at the general meeting of the shareholders on the following material issues of the Company:

1. the nomination, appointment or removal of a director;

2. the employment or dismissal of a senior management officer;

3. the remuneration of the directors and senior management officer of the Company;

4. Whether cash dividend policy formulation, adjustment, decision-making procedures, implementation and information disclosure, and profit distribution policies of the Company would harm the legitimate rights and interests of small and medium investors;

5. The issues need to be disclosed, including connected transactions, external guarantees (excluding guarantees for subsidiaries within the scope of consolidated statements), entrusted wealth management, external financial assistance, changes in the use of raised funds, independent changes in accounting policies of listed companies, investment in stocks and derivatives, etc.;

6. The shareholders, de facto controller and affiliates of the Company have borrowed from the Company or other capital transactions with the Company, in which the total amount more than RMB3 million and more than 5% of the latest audited net assets of the Company, no matter it is existing or it is going to happen. It also includes the issue whether the Company takes effective measures to recover arrears;

7. Major asset restructuring plan and share incentive plan;

8. Company share repurchase;

9. Any matters which the independent directors consider damaging to the rights and interests of the minority shareholders;

10. Any matters required by the laws and regulations.

ARTICLE 158 On the abovementioned issues, the independent directors shall provide the following types of opinions: to approve; to reserve opinion and the reasons concerned; to object and the reasons concerned; unable to comment and the obstacles concerned.

If the matters concerned are required to be disclosed, the Company shall announce the relevant opinions of the independent directors. If the independent directors fail to reach a unanimous opinion, the board of directors shall announce the opinions of each of the independent directors respectively.

ARTICLE 159 To ensure the independent directors exercise their powers and perform their duties effectively, the Company shall provide the following necessary working conditions for the independent directors:

1. to ensure the same right to information of the independent directors as other directors. Notice regarding any matters to be decided by the board of directors shall be served to the independent directors within the prescribed time limit and sufficient information concerned shall be provided to the independent directors at the same time. The independent directors are may request for supplementary information if they deem such information provided insufficient. In the event that two or more than two independent directors consider the information incomplete or the reasoning insufficient, they may jointly submit a written proposal to postpone the meeting of the board of directors, or a written proposal to postpone the discussion of the issues concerned at the meeting, and the board of directors shall accept such proposal. Any information provided by the Company to the independent directors shall be maintained by both parties for at least five years;

2.to provide a working system for the independent directors. The secretary of the board of directors shall actively support the independent directors in exercising their powers and performing their duties, provide relevant materials and information to the independent directors in a timely manner, report the state of the operation of the Company to the independent directors regularly, and organize field trips for independent directors if necessary. In case of any independent opinion, proposals and written statement of independent directors that shall be announced, secretary of the board shall handle such announcement matters with the stock exchange in time;

3. to ensure the staff of the Company concerned to actively support and co-operate with the independent directors in exercising their powers, and shall not object, obstruct, withhold any information, or interfere with the their independent exercise of their powers;

4. to be responsible for any expenses and costs incurred in engaging advisors by the

independent directors or in exercising the powers and performing their duties of the independent directors;

5. to offer appropriate allowances for the independent directors. Proposal of the standard of such allowances shall be prepared by the board of directors, approved at the general meeting of shareholders, and disclosed in the annual report. Apart from the abovementioned allowances, the independent directors shall not acquire any additional or undisclosed benefits from the Company and its major shareholders, or any entities or individuals interested in the Company.

ARTICLE 160 The independent directors shall attend the meetings of the board of directors on time, understand the Company's business and operational conditions and actively investigate and obtain materials and information required to make decisions. The independent directors shall draft and submit their report on the performance of their duties to the annual general meeting of shareholders. In case of any independent director who is absent from three consecutive meetings of the board of directors, the board of directors shall propose his or her removal at the general meeting of shareholders.

Except for the abovementioned conditions and other conditions requiring a person not to be appointed as directors or independent directors as stated in the Company Law and other related regulations, no independent directors shall be removed before expiration of their terms without reason. Any early removal shall be disclosed as a special matter. A public declaration may be issued in the event that the removed independent director considers the reasons of removal inappropriate.

Section 3 Board of Directors

ARTICLE 161 A board of directors comprising 9 directors shall be established by the Company. Not less than half of the members of the board of directors shall be external directors (meaning directors who do not hold any positions within the Company, including independent directors).

The board of directors shall have one chairman and the board of directors may have several vice-chairmen, which number shall be determined according to the actual circumstance of the Company.

ARTICLE 162 The chairman of the board of directors and vice-chairman of the board of directors shall be members of the board of directors, and shall be elected or removed by majority of the directors. The term of both the chairman of the board of directors and the vice chairman of the board of directors shall be three years, and the chairman and vice-chairman may serve consecutive terms.

ARTICLE 163 The board of directors shall be accountable to the general meeting of shareholders and perform the following functions and exercise the following powers:

1. To convene the general meeting of shareholders, and report its work to the general meeting of shareholders;
- 2.To implement resolutions adopted at the general meeting of shareholders;
3. To formulate business plans, investment proposals and disposal plans for material assets of the Company;
- 4.To formulate the Company's annual financial budget and final accounts;
- 5.To formulate the Company's profit distribution plan and loss recovery plan;
- 6.To formulate and approve the plan of increasing or reducing registered capital, issuing bonds or other securities and listing;
7. To formulate the plan of major acquisition, repurchase of the Company's shares or merger, spin-off, change in form of company, dissolution and liquidation etc;
8. To formulate the plan of equity incentive scheme;
9. To formulate the plan of changing the proceeds raised;
10. To formulate amendments to the Articles of Association of the Company;
- 11.To formulate the basic management system of the Company;
- 12.To manage information disclosure of the Company;
- 13.To decide on the set up of the internal management organization of the Company;
- 14.To appoint or remove the Chief Executive Officer of the Company, the Secretary to the Board; according to the nomination by the Chief Executive Officer, to appoint or remove the Deputy Chief Executive Officer, Chief Financial Officer and other senior management members, and to decide on matters related to their remuneration and reward and punishment;
- 15.To listen to the work report by the Chief Executive Officer of the Company and review the work by the Chief Executive Officer;
- 16.To submit the engagement, removal or non-reappointment of accounting firm to the shareholders' meeting;
17. To consider and approve the following transactions (the transaction has the same meaning as defined under the listing rules of the stock exchanges where the company is

listed):

- (1) Total amount of the assets involved in the transaction represents 10% or more of the Company's audited total assets for the latest period; if total amount of the assets involved in the transaction represents 50% or more of the Company's audited total assets for the latest period, such transaction should be submitted to the Shareholders' meeting for approval; in case total assets involved in the transaction have carry value and appraised value simultaneously, the higher will be used in calculation.
- (2) Operating income of subject matter of the transaction (such as equity) for the latest accounting year represents 10% or more of the Company's audited operating income for the latest accounting year, and the absolute amount exceeds RMB10 million; if the operating income of subject matter of the transaction (such as equity) for the latest accounting year represents 50% or more of the Company's audited operating income for the latest accounting year, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the shareholders' meeting for approval.
- (3) Net profit of subject matter of the transaction (such as equity) for the latest accounting year represents 10% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB1 million; if the net profit of subject matter of the transaction (such as equity) for the latest accounting year represents 50% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the shareholders' meeting for approval.
- (4) Consideration of transaction (including assumed debts and expenses) represents 10% or more of the Company's audited net assets for the latest period, and the absolute amount exceeds RMB10 million; if the consideration of transaction (including the assumed debts and expenses) represents 50% or more of the Company's audited net assets for the latest period, and the absolute amount exceeds RMB50 million, such transaction should be submitted to the shareholders' meeting for approval.
- (5) Profit arising from transaction represents 10% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB1 million; however, if the profit arising from transaction represents 50% or more of the Company's audited net profit for the latest accounting year, and the absolute amount exceeds RMB5 million, such transaction should be submitted to the shareholders' meeting for approval.
- (6) Transaction that the amount of material assets purchased and disposed by the Company within a year represents 10% to 30% of the Company's audited total assets for the latest period.

18.To consider and approve the guarantees provided by the Company;

19. To consider and approve the connected transactions: If a connected transaction with a connected natural person with a transaction amount of above RMB300,000, or a connected transaction with a connected legal entity with a transaction amount of above RMB3,000,000 and representing over 0.5% of the absolute amount of the audited net assets of the Company for the latest period (excluding receipt of cash assets by the Company as gift and provision of guarantee by the Company). If the threshold for consideration at the shareholders' meeting is met, such transaction should be submitted to the shareholders' meeting for approval;

20.Other functions and powers a specified in law, regulations or the Articles of Association of the Company and authorized by the shareholders' meeting.

However, when a connected transaction involves entrusted financial management, provision of external financial assistance, external entrusted loan and risk investment, regardless of its size, it shall be considered by the Board of Directors. If the transaction meets the requirement for consideration at the shareholders' meeting, such transaction should be submitted to the shareholders' meeting for approval.

When the Board is considering connected transactions, connected directors shall refrain from voting and shall not vote on behalf of other directors as proxy. The Board meeting can be convened with the attendance of over half of the non-connected directors. The resolution of Board meeting shall be passed by a simple majority of non-connected directors. If less than three non-connected directors attend the Board meeting, the Company shall submit the transaction for the consideration of the shareholders' meeting.

Notwithstanding anything contained therein, for Article 157 (17), (18) and (19), in the event that any transactions or guarantees and their approval procedures are subject to the requirements of the listing rules of the stock exchange where the Company is listed, those transactions or guarantees shall comply with such requirements.

ARTICLE 164 In the event that the audited report in relation to the financial statements of the Company issued by the registered accountants contains a qualified opinion, the board of directors shall explain the same at the general meeting of shareholders.

ARTICLE 165 The board of directors shall formulate the Rules of Procedures of the Board in order to ensure the board of directors to implement resolutions approved at general meeting of shareholders, to improve working efficiency, and to ensure scientific decision-making. The Rules of Procedure of the Board shall be drafted by the board of directors and submitted to the general meeting of shareholders for approval.

ARTICLE 166 The board of directors shall confirm its power and limitation in investing the Company's assets and dealing with such assets, establish strict examination and decision-making procedures; material investment schemes and dealings in the assets should be evaluated by

experts and professionals, and shall be submitted to the general meeting of shareholders for approval.

In the event the expected value of the fixed assets proposed to be disposed and the value of the fixed assets already disposed in the four (4) months prior to such proposal for disposal, in aggregate, exceed thirty-three per cent (33%) of fixed asset values shown on the balance sheet approved at the recent general meeting of Shareholders, the board of directors must not dispose of or agree to dispose of such fixed assets until the approval from the shareholders' general meeting is obtained.

The abovementioned disposal of fixed assets includes actions to transfer certain rights and interest in assets, but excludes provision of guarantee by way of fixed assets.

The validity of the Company's disposal of fixed assets shall not be affected by violation of paragraph 1 of this article.

ARTICLE 167 The chairman of the board of directors shall exercise the following powers:

1. Chair the general meeting of shareholders, convene and chair meeting of the board of directors;
2. Supervise and examine the execution and implementation of resolutions adopted at the meeting of the board of directors;
3. Sign important documents of the board of directors and other documents which shall be signed by legal representatives of the Company;
4. Exercise the rights and powers of as the Company's legal representatives;
5. In the event there is any exceptional force majeure events, including natural disaster, exercise special management rights in relation to the Company's affair so far as permitted by the laws and regulations and in the interests of the Company, and report to the board of directors and general meeting of shareholders thereafter;
6. Without prejudice to the requirements under the listing rules of the stock exchange(s) where the Company is listed, approve and to consider transactions which do not require consideration of the Board as stated in item (17) and item (19) of Article 157 of the Articles according to the authorization of the Board to be approved by the chairman and another executive Director, in the event that the Chairman has an interest in the transaction, such transaction shall be approved by the board of Directors;
7. Other rights and powers conferred by the board of directors.

In the event that the chairman of the board of directors cannot perform or fails to perform

his rights and powers, the obligations of the chairman of the board of directors shall be performed by the vice chairman of the board of directors on his behalf (or by the vice chairman of the board of directors approved by a majority of the directors where there are two or more vice chairman of the board of directors). In the event that the vice chairman of the board of directors cannot perform or fails to perform his or her rights and powers, a director approved by a majority of the directors shall perform the abovementioned rights and powers.

ARTICLE 168 The board of directors shall convene at least four meetings of the board every year, which shall be convened by the chairman of the board of directors.

ARTICLE 169 A meeting of the board of directors shall be convened by the chairman of the board of directors within 10 days when:

1. the chairman of the board of directors consider necessary;
2. proposed by one-third or more of the directors jointly;
3. proposed by the supervisory committee of the Company;
4. proposed by the chief executive of the Company;
5. proposed by shareholders representing more than 10% of the voting right of the Company;
6. required by the laws, administrative regulations, departmental rules or this articles.

ARTICLE 170 Notice calling for a meeting of the board of directors or an extraordinary meeting of the board of directors may be delivered in-person, by fax, by email, courier, registered air mail, etc. The notice shall be in Chinese, with English version if necessary, and shall include an agenda of the meeting.

All directors and supervisors of the Company shall be notified of a meeting of the board of directors fourteen (14) days before the meeting. All directors and supervisors of the Company shall be notified of an extraordinary meeting of the board three (3) days before the meeting is held. No notices shall be required if the time and venue of a regular meeting of the board of directors is stipulated by the board of directors beforehand.

If a director attending a meeting, and has not disputed the receipt of notice at or before the meeting, it shall be deemed that the notice has been issued to him.

ARTICLE 171 The notice convening a meeting of the board of directors shall include the following information:

1. date and venue of the meeting;

2. duration of the meeting;
3. reasons for and agenda of the meeting;
4. the date of issue of such notice.

ARTICLE 172 All material matters to be approved by the board of directors shall be notified to all directors in advance in accordance with this Articles, and the directors shall be provided with sufficient information at the same time. The directors may request information be provided. When two or more independent directors consider the information as incomplete or the reasoning as insufficient, they may jointly propose to postpone the meeting of the board of directors, or to postpone discussion on certain matters, and such proposal shall be accepted by the board of directors and the Company shall disclose relevant information in the timely manner.

ARTICLE 173 A meeting of the board of directors shall only be held with more than half of the directors (including their representatives) present. Each director shall have one vote. Any resolution shall be approved by a majority of all directors.

Opinions expressed by independent directors shall be recorded in the resolutions of the meeting of the board of directors.

Any director who is related to the entity involved in the resolutions of the meeting of the board of directors shall not exercise his or her voting right on such resolutions, and shall not authorize other directors to exercise his/her voting rights. Such meeting of the board of directors may convene when more than half of the unconnected directors are present, and its resolution should be approved by votes from more than half of the unconnected directors. Should there be fewer than three unconnected directors at the meeting of the board of directors, the item shall be submitted for discussion at the general meeting of shareholders.

ARTICLE 174 Voting of the board of directors shall be conducted by a show of hands, name-recording ballots or ballots by correspondence.

ARTICLE 175 Ballots by correspondence (Video telephone, conference call, fax, mail, etc.) shall be accepted for voting and reaching resolutions at the extraordinary meeting of the board of directors, under the condition that the directors have fully expressed their opinions and have acquired detailed understanding of the matters and issues of the meeting and the information concerned. The resolution reached shall be signed by the directors present at the meeting.

ARTICLE 176 Directors shall attend the meeting of the board of directors in person. If for any reason the directors are unable to attend, they may authorize other directors in writing to attend on their behalf.

The power of attorney shall clearly state the full name of the representative, the matters they represent the scope of authority, and the effective period of such power of attorney, and shall be signed or sealed by the principal.

The representatives of the directors attending the meeting shall exercise their authorities within the scope so authorised. Any director absent from the meeting of the board of directors who fails to appoint a representative is deemed to have waived their voting rights at such meeting.

ARTICLE 177 In relation to the matters requiring approval from the extraordinary meeting of the board of directors, if the board of directors have distributed the agenda to all directors and the number of directors giving consent by signature have met the prescribed number of directors for decision making required in Articles 167, the matter would be resolved and no meeting of the board of directors would be necessary.

ARTICLE 178 Minutes shall be kept for all meeting of the board of directors. Directors, Secretary of the Board of Directors present at the meeting and the minute-taker shall sign on the minutes. Directors present at meeting have the right to request their speech at the meeting to be recorded as a statement. Minutes of the meetings of the board of directors shall be kept as company documents for no less than ten years.

ARTICLE 179 The minutes of the meeting of the board of directors shall include the following:

1. Date, venue and convener of the meeting;
2. Names of directors and representatives authorized by the directors (representative) present at the meeting;
3. Agenda of the meeting;
4. Summary of key points made by the directors at the meeting;
5. the voting methods and the voting results on each matter (the voting result shall clearly state the number of votes for, against and abstain).

ARTICLE 180 Directors shall sign on the resolutions approved at the meeting of the board of directors and shall bear the responsibility for the resolutions. Should any resolution approved at the meetings of the board of directors be in breach of the laws, regulations, the articles of association of the Company or resolutions approved at the general meeting of Shareholders, and thus causes the Company to suffer losses, the directors who attended the meeting and approved the abovementioned resolution shall be liable to compensate for the loss of the Company. The directors may provide proof that they have expressed their disputes to the abovementioned resolution and if such views are recorded in the minutes, they may be exempted from the liability for the above compensation.

ARTICLE 181 Special committees including strategic development committee, nomination committee, audit committee, and remuneration and assessment committee shall be established by the board of directors. Each of the special committee shall be accountable to the board of

directors. All members of such special committees shall be the directors and shall comprise of at least three members in each committee. Independent directors shall act as the conveners and represent majority of the members in the audit committee, remuneration and assessment committee and nomination committee. At least one of the independent directors in the audit committee shall be from an accounting professional, and the convener of the audit committee is the accounting professional. The board of directors is responsible for formulating the work procedures of the special committees and standardizing the operation of the special committees.

ARTICLE 182 The strategic development committee under the board shall be responsible for conducting research of and making recommendations on the long-term development strategy and the major investment decision of the Company.

ARTICLE 183 The main duties of the audit committee of the board of directors shall be:

1. Supervising and evaluating external audit work. Making recommendation on the appointment or replacement of the external auditors;
2. Supervising and evaluating internal audit work. Supervising the internal audit system of the Company and its implementation;
3. Coordination and communications between the internal and external auditors;
4. Monitoring the financial information of the Company and its disclosure;
5. Supervising and evaluating the internal control system of the Company;
6. Any other matters authorized by the board of directors.

ARTICLE 184 The main duties of the remuneration and assessment committee of the board of directors shall be:

1. conducting research of the assessment criteria of the directors and other senior management officer, and conducting the assessment and making recommendation on the assessment criteria according to the Company's needs;
2. conducting research of and making recommendation on the remuneration policies for the directors and senior management officer;
3. any other matters authorized by the board of directors.

ARTICLE 185 The main duties of the nomination committee under the board of directors shall be:

1. making recommendation on the scale and composition of the board of directors based on the operational activities, scale of assets, and shareholding structure of the Company;
2. conducting research of and making recommendations on the selection criteria and procedures of the directors and senior management officer to the board of directors;
3. conducting a broad search of qualified candidates of directors and senior management officer;
4. conducting initial examination and making recommendation on the candidates of the directors and senior management officer;
5. any other matters authorized by the board of directors.

ARTICLE 186 All special committees may engage advisors to provide professional opinion, the cost of which shall be borne by the Company.

CHAPTER 12: SECRETARY OF THE BOARD OF DIRECTORS

ARTICLE 187 The secretary of the board of directors shall be established by the board of directors. The secretary of the board of directors shall be a senior management officer and shall report to the board of directors.

ARTICLE 188 The secretary of the board of directors shall be a natural person with a university bachelor degree or above and shall have more than three years working experience in the banking, financial or legal sector. The secretary of the board of directors shall have professional knowledge in the financial, taxation, legal, banking and corporate management fields, good character and professional ethics, comply strictly with the related laws, regulations and rules, perform duties with integrity and loyalty, and be capable in managing public affairs; and shall have taken part and passed the relevant professional trainings and examinations for secretary of board of directors organized by the CSRC or other organizations.

ARTICLE 189 The main duties of the secretary of the board of directors shall be assisting the directors in daily operations of the board, consistently providing information of and reminding and ensuring the directors to understand the laws, policies regulations and requirements of the domestic and foreign regulatory authorities governing the Company and assisting the directors and the chief executive to comply with the relevant laws, regulations, the articles of association of the Company and other relevant regulations while exercising their powers; organizing and preparing the documents and minutes of the meetings of the board of directors and the general meetings of Shareholders, ensuring the resolutions approved at such meetings to comply with the legal procedures, keeping track on the implementation of the resolutions approved at the meetings of the board of directors; organizing and coordinating disclosure of information, coordinating the relationship with investors and improving the transparency of the Company; participating in the organization of financing

in the capital market; managing the relationships with advising agencies, regulatory bodies and the media and improving the public relations.

The main responsibilities of the secretary of the board of directors include:

1. to ensure the organizations documents and records of the Company is complete;
2. to ensure the Company to prepare and submit all reports and documents to the regulatory authorities as required by the laws;
3. to ensure the proper establishment of the register of the shareholders of the Company, and to ensure timely access to the relevant minutes and documents by the individuals who are entitled to access such information;
4. to organize and arrange the meetings of the board of directors and the general meetings of Shareholders, to prepare documents for the meetings, to arrange affairs of the meetings concerned, to record minutes of the meetings, to ensure the accuracy of the minutes, to maintain the documents and the minutes of such meetings, to actively keep track of the implementation of the resolutions approved at such meetings, and to report and provide recommendations to the board in case of material issues in implementation of the resolutions;
5. to ensure the major matters decided by the board of directors of the Company is conducted in strict compliance with the requirements of the relevant regulations, to organize the consultation and analysis of matters and to provide relevant comments and recommendations on matters to be decided by the board if so requested by the board, and to be appointed to handle the daily operation of the board of directors and its relevant committees;
6. to act as the contact person between the Company and the securities regulatory authorities, to organize the preparation and ensure timely delivery of the documents required by the regulatory authorities, and be responsible for taking up and completing any assignments ordered by the regulatory authorities;
7. to coordinate and organize the information disclosure of the Company, to establish a sound system of information disclosure, to participate in all meetings related to information disclosure of the Company, and to notice in a timely manner any major operational decisions made by the Company and the related information;
8. to be responsible for the confidentiality of price sensitive information of the shares and to establish effective systems and measures on confidentiality. In the event that any price sensitive information of the shares is leaked out for various reasons, to take necessary remedial actions, to offer timely explanation and clarification, to notify foreign regulatory authorities where the Company is listed and the securities regulatory authority of the State Council;

9. to organize and coordinate marketing activities, to coordinate the reception of guests, to handle the investor relationship, to communicate with investors, advisory and the media, to coordinate and respond to questions raised by the public, and to ensure the investors receive information disclosed by the Company in a timely manner. To organize and arrange the domestic and foreign marketing and promotional activities of the Company, to prepare summary reports on activities such as marketing and important visits, and to organize the reporting of the relevant matters to the securities regulatory authority of the State Council record;

10. to manage and keep records of information, including the of the register of shareholders, the register of the directors, the number of shares held by major shareholders and the shares held by the directors, and the register of holders of bonds issued externally, and may keep the Company seal and establish a sound management system of the Company seal;

11. to assist the directors and the chief executive to exercise their powers and to perform their duties in compliance with the domestic and foreign laws and regulations, and the articles of association of the Company and other relevant requirements. In the event that the secretary of the board of directors acquires knowledge that the Company is reaching or may reach resolutions in breach of the relevant requirements, he or she has the duty to offer timely warning and has the power to honestly report such information to the securities regulatory authority of the State Council and other regulatory authority;

12. To coordinate the submission of necessary information required by the Company' Supervisory Committee and other regulatory committees in order to perform their supervision duties, and to assist in investigation of the integrity of the chief financial officers, directors and chief executive presidents of the Company;

13. To perform any other duties and exercise any other powers authorized by the board of director and other requirements of foreign regulatory authorities where the Company' s listed.

ARTICLE 190 Directors, vice president, financial controller or other senior management personnel can serve as the secretary of the Board of directors. But the president of the Company and supervisors shall not serve as Secretary of the Board of Directors.

ARTICLE 191 The secretary of the board of directors of shall be nominated by the chairman of the board of directors, and shall be appointed or removed by the board of directors. In the event that a director serves concurrently as the secretary of the board of directors, and the matter concerned shall be conducted by the director and the secretary of the board of directors separately, such person serving concurrently as director and secretary of the board of directors shall not conduct such matter with double identities.

CHAPTER 13 GENERAL MANAGER OF THE COMPANY

ARTICLE 192 The Company has one (1) general manager and some deputy general managers, who shall be appointed or dismissed by the board of directors.

ARTICLE 193 Any persons employed in any positions, other than directors, supervisors and administrative positions by the Company's controlling shareholder or de facto controller of the Company shall not serve as the Company's senior management officer.

ARTICLE 194 The office term of each chief executive shall be three years, and the chief executive may serve consecutive terms if re-appointed.

ARTICLE 195 The chief executive is accountable to the board of directors, and shall exercise the following powers and perform the following duties:

1. To lead the production and management of the Company to report to the board of directors;
2. To organize the implementation of the resolutions approved by the board of directors, annual plans and investment projects of the Company;
3. To draft and develop plans of internal management structure of the Company;
4. To draft and develop basic system of management of the Company;
5. To formulate specific regulations of the Company;
6. To nominate the deputy chief executive and the chief financial officer of the Company and to report their appointment and dismissal to the board of directors, and to appoint or dismiss other senior management officer, such as the person-in-charge of each functional department and branch of the Company, other than those who shall be appointed and removed by the board of directors;
7. To determine the remuneration, benefits, rewards and disciplinary matters of employees of the Company, and to determine the appointment and dismissal of employees of the Company;
8. To authorize senior management officer and the person-in-charge of each internal functional department and branch of the Company to conduct the business activities concerned;
9. To propose the convening of extraordinary meetings of the board of directors;
10. To exercise any other powers authorized by the articles of association of the Company and the board of directors.

The deputy chief executive shall assist in the performance the duties of the chief executive. When the Chief executive is unable to perform his or her duties, the deputy chief executive shall exercise and perform, in compliance with proper procedure, the powers and duties concerned.

ARTICLE 196 The chief executive shall attend the meetings of the board of directors and shall not have voting right if he or she is not a director.

ARTICLE 197 The chief executive shall formulate detailed working rules for chief executive and implement such rules upon obtaining approval from the board of directors.

ARTICLE 198 The detailed working rules of the chief executive shall include the following:

1. The conditions, procedures and participating officers of convening a chief executive meeting;
2. The respective specific duties and job allocation of the chief executive, the deputy chief executive and other senior management officer;
3. The use of the capital and assets of the Company, the extent of powers to enter into major contracts, and the system for reporting to the board of directors and the Supervisory Committee;
4. Any other matters deemed necessary by the board of directors.

ARTICLE 199 The chief executive shall comply with the laws, regulations and articles of association of the Company, and shall perform the duties honestly and diligently. Should losses to the Company be resulted from any acts of the chief executive, deputy chief executive and officer of any levels of the Company, and such act is in breach of the laws and regulations, fraudulent, for the purpose of personal gain, or any other serious dereliction of duty, the relevant officer shall be liable to the economic and legal responsibilities.

ARTICLE 200 The chief executive may resign before the expiration of his or her office term. The detailed procedure and method of resignation of the chief executive is governed by the service contract between the Chief executive and the Company.

CHAPTER 14: SUPERVISORY COMMITTEE

Section I SUPERVISOR

ARTICLE 201 The directors, the chief executive and other senior management officer shall not serve concurrently as a supervisor of the Company.

ARTICLE 202 When the term of the supervisor expires and a re-election cannot be organized in time, or the supervisor resigns within the term of office, and causes the number of members of the Supervisory Committee to fall below the statutory requirement, the original supervisor

shall continue to serve as the supervisor and perform his or her duties in compliance with the laws, regulations and this articles until the newly elected supervisor has taken office.

ARTICLE 203 The supervisors shall abide by the laws, regulations and the articles of association of the Company, perform their duties of supervision with honesty, loyalty and diligence. The supervisors shall not take advantage of their powers to accept bribes or any other illegal income, and shall appropriate the assets of the Company. The supervisors shall ensure the information disclosed by the Company is true, accurate and complete.

ARTICLE 204 The supervisors shall not damage the Company's interests through their connection relationships. Should any losses be resulted due to the above reason, the supervisors are liable for compensation to the Company. Should any losses be resulted due to acts of any supervisor while performing their duties, and such acts are in breach of the laws, regulations, departmental regulations or the articles of association of the Company, the supervisor concerned shall be liable for compensation to the Company.

SETICTION II SUPERVISORY COMMITTEE

ARTICLE 205 The Supervisory Committee shall be established by the Company. The Supervisory Committee shall be a permanent supervisory organization within the Company, and shall be responsible for the supervising the board of directors, its members, and the senior management officer of the Company, including the Chief executive, the deputy Chief executive and the Chief financial officer of the Company in order to prevent them from abusing their powers and infringing upon the rights and interests of the shareholders, the Company and its employees.

The Chief executive shall comprise three to seven supervisors, and a chairman of the Supervisory Committee shall be elected. The chairman of the Supervisory Committee shall convene and chair meetings of the Supervisory Committee. Should the chairman be unable to perform the duties, a supervisor shall be elected with more than half of the votes from the supervisors to convene and chair the meetings of the Supervisory Committee.

The term of office of each supervisor shall be three years. Supervisor other than employee representative shall be appointed or removed by voting at the general meeting of Shareholders. Supervisor of employee representative shall be appointed or removed by democratic voting of the Company's employees. Supervisors elected for a consecutive term may continue their service.

Supervisory Committee shall comprise of supervisors elected as the employee representative and Supervisors elected by voting at the general meetings of Shareholders. The number of supervisors who are employee representatives shall not be less than one third of the total number of supervisors.

Appointment and removal of the chairman of the Supervisory Committee shall be approved by voting by more than two thirds of the members of the Supervisory

Committee.

ARTICLE 206 The Supervisory Committee shall be the supervisory organization of the Company, and shall be accountable to the general meeting of Shareholders. The powers and duties of the Supervisory Committee shall be as follows:

1. To supervise and review the finance of the Company;
2. To supervise the directors, the chief executive and other senior management officer in exercising their powers and performing their duties, and to propose impeachment of any persons who are in breach of the laws, the administrative regulations or the articles of association of the Company while exercising such powers or performing such duties;
3. To demand a correction when actions conducted by any director, chief executive or any other senior management officer damage the interests of the Company;
4. To review and submit review comments in writing on regular reports of the Company prepared by the board of directors. To verify financial information such as financial reports, operational reports and profit allocation scheme to be submitted to the general meeting of Shareholder by the board of directors, and should there be any doubts, to request registered accountants or practicing accountants to review such reports on behalf of the Company;
5. To propose the convening of an extraordinary general meeting of Shareholders. To convene and chair general meetings of Shareholders when the board of directors fails to convene and chair the general meeting according to the articles of association of the Company;
6. To submit a proposal at the general meeting of Shareholders;
7. To negotiate on behalf of the Company with the directors, the chief executive, the deputy chief executive and other senior management officer, and may commence instigate litigation against the directors, the chief executive, the deputy chief executive and other senior management officer according to the requirements of the Company Law;
8. To conduct an investigation in the event of any unusual operational situation;
9. To supervise the implementation of the Company's profit distribution policy, shareholders' return plan and decision-making procedures executed by the board of directors and management;
10. To perform any other duties or exercise any other powers authorized by the laws, the administrative regulations, the articles of association of the Company and the general meeting of Shareholders.

The Supervisory Committee shall be entitled to give suggestions on the appointment of the accounting firm of the Company and, if necessary, shall be entitled to appoint another accounting firm, on behalf of the Company to conduct independent examination on the financial matters of the Company, and to directly report the matters concerned to the securities regulatory authority of State Council and other regulatory authorities. The external supervisors of the Company shall submit independent reports to the general meeting of Shareholders on the integrity and diligence of the senior management officer of the Company.

The supervisors shall attend meetings of the board of directors, and may raise enquiries or make proposals on matters being discussed at the meetings of the board of directors.

ARTICLE 207 The Supervisory Committee may engage professional advisors such as law firms and accounting firm to provide assistance in exercise of their powers and performance of their duties if necessary. The relevant costs incurred shall be borne by the Company.

ARTICLE 208 The Supervisory Committee shall establish the Rules of Procedures of the Supervisory Committee, stipulating the formats of discussion and the voting procedure of the Supervisory Committee so as to ensure working efficiency and scientific decision-making in the Supervisory Committee. The Rules of Procedures of the Supervisory Committee shall be submitted to the general meeting of Shareholders for approval.

ARTICLE 209 The Supervisory Committee may engage agencies to provide professional advice and the related costs incurred shall be borne by the Company.

ARTICLE 210 The Supervisory Committee shall hold meetings at least twice a year and at least once every six months. The meeting shall be convened by the chairman of the Supervisory Committee. Supervisors may propose to convene extraordinary meetings of the Supervisory Committee.

ARTICLE 211 A written notice shall be served to all supervisors ten days before the meeting of the Supervisory Committee. Notice for extraordinary meeting of the Supervisory Committee shall be served one day before the meeting.

ARTICLE 212 The notice of meeting of the Supervisory Committee shall include the following information:

1. The date, venue and duration of the meeting;
2. reasons for and agenda proposed to be considered at the meeting;
3. The date on which the notice is issued.

ARTICLE 213 A meeting of the Supervisory Committee shall only be held with more than half of the supervisors present.

ARTICLE 214 Upon receiving the written notice, the supervisors shall attend the meeting of the

Supervisory Committee in person. Should any supervisor be unable to attend the meeting in person with reason, they may authorise other supervisors to represent them at the meeting by writing.

The power of attorney shall clearly stipulate the full name of the representing supervisor, the matters they represent, the scope of the authority and the effective period of such power of attorney, and shall be signed or sealed by the principal.

The representative of the supervisor shall exercise the authority within the scope so authorised. Any supervisor who fails to attend and fails to appoint a representative to attend the meeting is deemed to have waived their rights to vote at the meeting.

ARTICLE 215 Any supervisor who fails to attend and fails to authorise a representative to attend two consecutive meetings of the Supervisory Committee is deemed unable to perform their duties. The Supervisory Committee shall propose the removal of such supervisor at the general meeting of Shareholders or employee representative meeting.

SECTION III RESOLUTIONS OF THE SUPERVISORY COMMITTEE

ARTICLE 216 The format of discussion of the Supervisory Committee shall be: the Supervisory Committee Meeting.

ARTICLE 217 The principle of approval of matters at the meetings of the Supervisory Committee shall be by individual voting of each. Voting shall follow upon completion of the consideration of one proposal. Consideration of the next matter shall not proceed unless the resolution on the previous matter is complied. Each supervisor shall have one vote.

ARTICLE 218 Ballots by correspondence (video telephone, conference call, fax, mail, etc.) may be accepted under the condition that the supervisors have fully expressed their opinions. The resolution reached in this manner shall be signed by the present at the meeting.

ARTICLE 219 The voting at the meeting of the Supervisory Committee shall be conducted by a show of hands, name-recording ballots or ballots by correspondence. According to the voting results, the resolution shall be announced and the circumstances of approved shall be reported, and the voting results shall be recorded in the meeting minutes.

ARTICLE 220 Resolutions and reports of the meeting of the Supervisory Committee shall be approved by at least two-third of the members of the Supervisory Committee.

Should any supervisor has a dissenting opinion in principle on the resolution or the report, such opinion shall be illustrated in the resolution or the report.

ARTICLE 221 The resolution adopted by the Supervisory Committee shall be signed by the Supervisory Committee and they are liable for such resolution. However, the supervisors with dissenting opinion on the resolution, while such opinion have been recorded on the minutes, shall be free from such liabilities.

ARTICLE 222 Minutes of the meetings of the Supervisory Committee shall be prepared, and signed by the attending supervisors and the minutes taker. The supervisors are entitled to demand records of their opinions expressed at the meeting be made in the minutes. Minutes of the meetings of the Supervisory Committee shall be kept as part of the Company documents for at least ten years.

ARTICLE 223 Minutes of the meetings of the Supervisory Committee shall include the following information:

1. The date, venue and convener of the meeting;
2. Full names of supervisors present and supervisors who authorise representative (representative) to attend the meeting of Supervisory Committee;
3. Agenda of the meeting;
4. Summary of opinions expressed by the supervisors;
5. The voting methods and results of each of the resolutions (voting results should include number of votes for, against and abstain).

**CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF THE DIRECTORS,
SUPERVISORS, GENERAL MANAGER AND OTHER SENIOR
OFFICERS OF THE COMPANY**

ARTICLE 224 Persons who fall into any of the following categories shall not be appointed as the directors, supervisors, chief executive, deputy chief executive or senior management officer of the Company:

1. any person incapable of or restricted in performing civil actions;
2. any person sentenced for corruption, bribery, misappropriation or embezzlement of assets, or destruction of the order of the socialist market economy and has served less than five years of his or her sentence, or any person deprived of political rights because of criminal activities and period of execution is less than five years;
3. any person who served as a director, head of factory or manager of a company overenterprise that has become bankrupt and been liquidated, and has been personally liable for such bankruptcy, and less than three years have elapsed since the date of the end of such liquidation;
4. any person who has been legal representatives of a company of which the license has been invalidated, and has been personally liable for such invalidation of the license, and less than three years have elapsed since the day of such invalidation of the license;

5. any person with a relatively large personal debt unpaid;
6. any person who committed a criminal offence and under the investigation of by the judiciary as a current matter;
7. Non-natural persons;
8. any person ruled by the relevant regulatory bodies to have violated the securities laws and regulations, in which fraud or dishonesty is involved, and less than five years have elapsed since the date of such ruling; and
9. any person banned from market entry by the CSRC where such order has not yet been removed, and any other person restricted from appointment of directors, supervisor, or senior management officer by any other laws and regulations,

Any election, appointment or employment of directors, supervisors, chief executive or senior management officer in breach of this article shall be invalid. The Company shall terminate the service of such directors, supervisors, chief executive or senior management officer should any of the above conditions apply during the term of office.

ARTICLE 225 The validity of any action conducted by the directors, chief executive, deputy chief executive and other senior management officers of the Company on behalf of the Company towards any bona fide third person shall not be affected by any non-compliance of such directors, chief executive, deputy chief executive and other senior management officers in relation to its engagement, election or qualifications.

ARTICLE 226 Apart from the requirements of the laws, administrative regulations and regulations of the stock exchange in which the Company's shares are listed, the directors, supervisors, chief executive, Deputy chief executive, and other senior management officer shall owe the following duties to each and every shareholder in addition to their exercise of powers conferred by the Company:

1. not to operate the Company's business out of the scope prescribed in the license of operation;
2. not to enlist interest for himself/herself or other people by using the insider information;
3. not to deprive assets of the Company, including (but not limited to) opportunities that are beneficial to the Company; and
4. not to deprive personal rights and interest of the shareholders, including (but not limited to) rights to distribution and voting rights, but excluding restructuring plans of the Company submitted to and approved by the general meeting of Shareholders according to the articles of association of the Company.

ARTICLE 227 The directors, supervisors, chief executive, Deputy chief executives and other senior management officer of the Company, when exercising their powers or performing their duties, shall perform prudently, diligently and skillfully up to the standard of a reasonably prudent person under similar conditions.

ARTICLE 228 The directors, supervisors, chief executive, deputy chief executive and other senior management officers of the Company, when exercising their powers or performing their duties, shall obey the principle of integrity and shall not place themselves into circumstances where conflict of their personal interests and their duties to the Company would occur. This principle includes (but is not limited to) the performance of the following duties:

1. to act sincerely with the best interest of the Company in mind;
2. to exercise their powers within the prescribed scope of power, and not to act out of such scope of power;
3. to exercise in person and independently their power of discretion conferred to them and not be manipulated by others; not to transfer such power of discretion to other persons unless approved by the laws, administrative regulations or the general meeting of shareholders in which the shareholders are fully informed of such transfer;
4. to treat shareholders in the same class equally, and to treat shareholders in different classes fairly;
5. not to establish contracts, transactions or arrangement with the Company, unless specifically stipulated by the articles of association of the Company or specifically approved at the general meeting of shareholders in which the shareholders are fully informed of such matter, or within the normal scope of operation of the Company and in line with the relevant regulations on connected transactions of the Company;
6. not to make use of the assets of the Company in any ways for personal gains and interests, unless approved at the general meeting of shareholders in which the shareholders are fully informed of such matter;
7. not to abuse their powers and positions to obtain bribes or other illegal incomes, or misappropriate the assets of the Company, including (but not limited to) opportunities that are beneficial to the Company;
8. not to accept commissions generated by transactions between other persons and the Company, unless approved at the general meeting of shareholders in which the shareholders are fully informed of such actions;
9. to comply with the articles of association of the Company, perform their duties with integrity, protect the interests of the Company, and not to make personal gains by the means of their positions and powers in the Company;
10. not to operate, on their own behalf or on others' behalf, businesses that are of the same kind as the Company, and not to carry out activities to the detriment of the Company's

interest, and not to compete with the Company in any manner, unless approved at the general meeting of shareholders in which shareholders are fully informed of such matter ;

11. not to misappropriate the funds of the Company and not to deposit the assets of the Company in accounts under personal name or other names, and except for normal business practice of the Company and approved at the general meeting of shareholders or by the board of directors, not to lend the funds of the Company to others or provide guarantee of others with the assets of the Company;

12. unless approved at the general meeting of shareholders in which shareholders are fully informed, not to disclose confidential information of the Company obtained while holding their positions; not to make use of such information unless it is for the interest of the Company; however, under the following circumstances, may disclose such information to the courts or other government regulatory departments:

(1) required by the laws;

(2) Demanded by public interests; or

(3) Demanded by interests of the directors, supervisors, chief executive, deputy chief executive and other senior management officer.

ARTICLE 229 The director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company shall not direct the following person or organisation (referred as “related person” in this articles) to actions which the director, supervisor, chief executive, deputy chief executive and other senior management officer are not allowed to perform:

1. Spouse or child, who has not reached the age of maturity, of the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company;

2. Trustee of the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company or person mentioned in item 1 of this article;

3. Partner of the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company, or person mentioned in items 1 and 2 of this article;

4. Company of which the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company has de facto and sole control, or company of which the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company has de facto and joint control with any person mentioned in items 1, 2, 3 in this article or with other director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company;
or

5. any director, supervisor, chief executive, deputy chief executive and other senior

management officer of the company mentioned in item 4 in this article.

ARTICLE 230 224 The director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company shall not be necessarily released from the fiduciary duties he or she owed as a result of the expiration of his or her term. His or her duty of confidentiality regarding the Company's commercial secrets shall remain effective upon the end of his or her service. The period of continuation of his or her other duties shall be decided in accordance with the principle of fairness, depending on the length of duration between the occurrence of incident and the end of his or her service, and the circumstances and conditions of the termination of the relationship with the Company.

ARTICLE 231 The liability that should be borne by the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company as a result of his or her breaching of certain specific duty may be relieved by approval at the general meeting of shareholders, the board of directors where shareholders, directors are fully informed of such situation; but this does not include the situation stipulated in article 63 of this articles.

ARTICLE 232 In the event that the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company who is substantially interested, directly or indirectly, in the contract, transaction and arrangement entered into or proposed to be entered into by the Company (excluding the appointment contract between the Company and the director, supervisor, chief executive, deputy chief executive and other senior management officer), the nature and extent of such interest shall be reported to the board of directors as soon as possible, regardless of whether such matter requires approval or consent of the board of directors under the normal circumstances.

Director shall not vote at the resolution of the meeting of the board of directors with regards to any contract, transaction, arrangement or other proposal which he or she or his or her associate has material interests in. He or she shall not be counted in deciding whether the statutory requirement of persons present at the meeting has been met. The abovementioned "associates" has the same meaning ascribed to it in the Listing Rules.

The Company is entitled to cancel the such contract, transaction or arrangement, unless the interested director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company has made the disclosure to the board of directors required by the preceding paragraph of this article, and such matter has been approved at a meeting of the board of directors in which he or she is not calculated into the quorum and has not participated in voting, except under the circumstances where the other party is a bona fide party who has no knowledge of the breach of duty by the director, supervisor, chief executive, deputy chief executive and other senior management officer.

If the related person or associate of a director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company is interested in a contract, transaction or arrangement, such director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company shall be deemed to be

interested as well.

ARTICLE 233 In the event that the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company notifies the board of directors in writing, stating that due to the content of such notice, he or she would be interested in the contract, transaction or arrangement to be entered into by the Company before the Company first considers entering into such contract, transaction or arrangement, such director, supervisor, chief executive, deputy chief executive and other senior management officer is deemed, within the scope specified in the notice, to have made the disclosure required by the preceding article of this chapter.

ARTICLE 234 The Company shall not, in any form, pay tax for the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company.

ARTICLE 235 The Company shall not, directly or indirectly, provide loan or guarantee of loan to the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company and of its parent company; and shall not provide loan or guarantee of loan to the related person of the aforementioned persons. The above paragraph does not apply to the following circumstances:

1. The Company provides loan or guarantee of loan to its subsidiaries;
2. According to the appointment contracts approved at the general meeting of shareholders, the Company provides loan, guarantee of loan or other funds to the director, supervisor, chief executive, deputy chief executive and other senior management officer, so as to pay for the expenses incurred for the purpose of the Company or the performance of his or her duties to the Company; and
3. If the Company's normal scope of business includes the provision of loan or guarantee of loan, the Company may provide loan or guarantee of loan to the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company and his or her related party under the condition that such provision is under normal commercial terms.

ARTICLE 236 Where the Company provides loans in violation against the provisions in the forgoing article, no matter what the conditions of the loan are, any person receiving a loan shall immediately repay such loan.

ARTICLE 237 If the Company provides guarantee of loan in breach of paragraph 1 of article 229 of this articles, the Company shall not be forced into implementation of such guarantee, except for the following circumstances:

1. When providing loans to the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company or of its parent company, the loan provider has no such knowledge; or
2. The collateral provided by the Company is lawfully sold by the loan provider to a bona

fide purchaser.

ARTICLE 238 The “guarantee” mentioned in the previous article shall include the action that the guarantor assumes the responsibilities or provides assets to ensure the performance of obligations by the obligator.

ARTICLE 239 In the event that any director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company breach his or her duty owed to the Company, apart from rights and remedial measures stipulated in laws and administrative regulations, the Company is entitled to take the following measures:

1. To demand the director, supervisor, chief executive, deputy chief executive and other senior management officer concerned to compensate for the losses incurred to the Company due to his or her breach of duty;
2. To terminate any contract or transaction entered into between the Company and the director, supervisor, chief executive, deputy chief executive and other senior management officer concerned, and any contract or transaction entered into between the Company and a third party (when the third party has actual or constructive knowledge of the breach of duty of the director, supervisor, chief executive, deputy chief executive and other senior management officer of the Company);
3. To demand the return of benefits acquired by the director, supervisor, chief executive, deputy chief executive and other senior management officer concerned through breach of his or her duty;
4. To recover any funds entitled to be collected by the Company which were acquired by the director, supervisor, chief executive, deputy chief executive and other senior management officer concerned, including (but not limited to) the commissions; and
5. To demand the return the interests or possible interests gained by the director, supervisor, chief executive, deputy chief executive and other senior management officer concerned through the funds which should have been collected by the Company.

ARTICLE 240 The Company shall enter into contract in writing with regards to matters of remuneration of the director and supervisor, and obtain prior approval at the general meeting of shareholders. The aforementioned matters of remuneration include:

1. Remuneration of the position of director, supervisor or other senior management officer of the Company;
2. Remuneration of the position of director, supervisor or other senior management officer of the subsidiaries of the Company;
3. Remuneration of other services provided for the management of the Company and its subsidiaries; and
4. Amount of compensation for loss of position as a director or supervisor or for retirement from such positions.

Apart from the aforementioned contract, the director and supervisor shall not commence litigation against the Company since the aforementioned items are the interests he or she should have gained.

ARTICLE 241 The contract entered into by the Company with its directors or supervisors on salary shall require that, where the Company is acquired, such directors or supervisors, with the prior approval of the general meeting, shall be entitled to any compensation or other sums arising from the loss of office or retirement. The “Company is acquired” mentioned herein shall refer to any of the following circumstance:

1. any person makes an offer to acquire the Company to all the shareholders of the Company; or
2. any person makes an offer in order to make him/her a controlling shareholder. The term “controlling shareholder” shall have the meaning set forth in ARTICLE 64 hereof.

Where any director or supervisor fails to abide by the provisions of this article, any sum received by him/her shall belong to the person who sells his/her shares due to accepting the aforesaid offer, and such director or supervisor shall bear the cost arising from the distribution of such sum by proportion and such cost shall not be deducted from such sum.

CHAPTER 16 FINANCIAL AND ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

ARTICLE 242 The Company shall establish its financial accounting system and internal audit system in accordance with the laws, administrative regulations and regulations of the relevant authorities of the state.

ARTICLE 243 The financial year of the Company shall be calendar year and shall commence on the 1st of January and shall end on the 31st of December of each year. The first financial year of the Company shall commence on the date of establishment of the Company and shall end on the 31st of December of the same year.

Renminbi shall be adopted by the Company as the currency in the accounts of the Company and the accounts shall be recorded in Chinese.

ARTICLE 244 The Company shall issue a financial report at the end of each financial year, and such financial report shall be audited by the accounting firm in accordance with the laws.

ARTICLE 245 The Company shall submit the Company’s annual financial report to the securities regulatory authority of the State and the stock exchange within four months after the end of each financial year. The Company shall submit the Company’s half year financial report to the local office of the securities regulatory authority of the State and the stock exchange within two months from the date of the end of the first six months of each financial year. The Company shall submit the Company’s quarterly financial report to the local office of the securities regulatory authority of the State and the stock exchange within one month

from the date of end of the first three months and the end of the first nine months of each financial year.

The abovementioned financial report shall be prepared in accordance with the requirements of the relevant laws, administrative regulations and departmental regulations.

ARTICLE 246 The board of directors shall submit to shareholders, at every annual general meeting of shareholders, a financial report prepared by the Company in accordance with the requirements of the relevant laws, administrative regulations, and regulatory documents promulgated by the local governments and governing bodies. The financial report shall be audited by the accounting firm engaged by the Company.

ARTICLE 247 The financial report of the Company shall be available for review of the shareholders in the Company no later than 20 days before the annual general meeting of shareholders convenes. Each and every shareholder of the Company shall be entitled to obtain a financial report mentioned in this chapter.

The Company shall serve or mail by pre-paid mail the (1) report of board of directors together with balance sheet (including each and every documents that must be attached, as stipulated by relevant regulations) and profit and loss account or income statement, or (2) summary of financial report that are in accordance with the requirements of the relevant regulations to holders of overseas listed foreign shares no less than 21 days before the annual general meeting of shareholders. The addresses of the recipients shall be the same as recorded in the register of shareholders. Regarding holders of the overseas listed foreign shares, the format of announcement through the website of the Company and of the Stock Exchange of Hong Kong Limited in accordance with the relevant procedures of the Listing Rules may also be adopted.

ARTICLE 248 The financial statements of the Company shall be prepared in accordance with the accounting standards and laws and regulations of PRC as well international accounting standards or accounting standards required by the foreign location where the Company's shares are listed. Significant discrepancies between the two standards in preparing the financial statements shall be specifically explained in the notes to the financial statements. The distribution of profit after-tax in the relevant financial year shall be calculated according to the financial statement resulted from one of the following two standards, whichever produces a lesser amount of profit after-tax: (1) the accounting standard and regulations of PRC, or (2) international accounting standards or accounting standard required by the foreign location where the Company's shares are listed.

ARTICLE 249 The interim operation or financial data issued or disclosed by the Company shall be prepared according to the accounting standards and laws and regulations of the PRC as well as the accounting standards of the international or overseas listing place.

ARTICLE 250 The Company shall not prepare a separate financial statement other than the financial statements as required by laws. Assets of the Company shall not be deposited in any

account under the names of any individuals.

ARTICLE 251 The Company shall extract 10% of the profit into the Company's statutory reserve funds while distributing the profit after tax for each financial year. Extraction of profit may not be required if the accumulated amount of the Company's statutory reserve fund reaches more than 50% of the registered capital.

If the Company's statutory reserve fund fails to cover losses of the previous financial year, the profit after tax of the current financial year shall be first used to offset the losses before extracting it into the statutory reserve fund according to the requirement of the preceding paragraph.

Upon extraction of profit after tax into the statutory reserve fund, the Company may extract further arbitrary reserve fund from the profit after tax if approved at the general meeting of shareholders.

After offsetting losses of previous financial year and extraction of profit after tax into the statutory capital reserve fund, the remaining profit after tax may be allocated to the shareholders on a pro rata basis according to their shareholding, unless otherwise required by this articles.

If the general meeting of shareholders violate the abovementioned regulation by distributing profits to shareholders prior to offsetting losses and extraction of profit after tax into the statutory reserve fund, the shareholders shall return such profits to the Company.

The shares held by the Company shall not be included in the distribution of profits.

ARTICLE 252 Capital reserve funds include the following sums of money:

1. The premium gained from shares issued above par;
2. Other incomes required to be included into the capital reserve fund by financial regulatory authority of the State Council.

ARTICLE 253 The reserve funds of the Company are used for:

1. Recovering losses of the Company, except that the capital reserve fund shall not be used for recovering losses of the Company;
2. Expanding the scale of operation of the Company;
3. Should the general meeting of shareholders resolves to transfer reserve fund into share capital, new shares may be issued to the shareholders on a pro rata basis according to their shareholding, or the par value of each share may be increased to transfer the reserve fund into share capital after obtaining approval from the securities regulatory body of the State Council,. When transferring statutory reserve fund into registered capital, the remaining value in the statutory reserve fund shall not be less than 25% of the registered capital before the transfer.

ARTICLE 254 Should a resolution be reached on a scheme of allocation of profits at the general meeting of shareholders, the board of directors shall complete distribution of dividend (or shares) within two months after the general meeting of shareholders.

ARTICLE 255 Upon consideration by the board of directors on the Company's financial conditions and in compliance with the relevant laws and regulations, an ordinary resolution authorizing the board of directors to distribute interim dividend may be approved at the general meeting of shareholders, but the amount of the interim dividend shall not be more than 50% of the distributable profits stated in the interim income statement.

ARTICLE 256 The policy of profit allocation of the Company shall be:

1. Profit distribution principles

The Company adopts consistent and stable profit distribution policy, which should emphasize on investors' reasonable investment return on the principle of the Company's continuous development and in favour of shareholders' interest, so as to maintain the continuity and stability of the profit distribution policy as required by the law and regulation. The Company's profit distribution shall neither exceed the accumulated distributable profit nor impair the corporate continuous operation capability.

2. Profit distribution procedures

The board of directors of the Company shall make reasonable dividend distribution suggestions and plans in light of its profit, fund demand and the shareholders' return plan, and then submit them to independent directors and supervisors for review and make written opinions, and propose to general meeting for consideration after approval of the board of directors.

3. Means of profit distribution

The Company may distribute profits in the form of cash, shares and by the combination of cash and share or otherwise as permitted by the law and regulations. However, cash dividends distribution takes priority as a form of profit appropriation.

4. Proportion and interval of profit distribution

Subject to the compliance of the profit distribution principles, the maintenance of the normal operation and the long-term development of the Company, in principle, the Company makes the cash dividend payment after the convention of the general meeting of shareholders once a year. The board of directors of the Company may propose to pay interim dividend in accordance with its profit and fund demand situations.

Where cash distribution conditions are met, profits distributed by cash every year shall be not less than 20% of the distributable profit achieved for the current year, and in any three consecutive years, the Company's accumulative profit distributed in cash is not less than 30% of distributable profits achieved during such three years.

5. Conditions of cash dividend distribution

- (1) Distributable profit achieved by the Company in such year (i.e. post-tax profit after offsetting losses and withdrawing public reserve funds) is positive, cash flow is enough, and net cash flow from operating activities in the combined statements is positive, and cash dividend may not influence the Company's subsequent continuing operation;
- (2) The auditing firm issues a standard unqualified audit report on the financial report of the Company for the year;
- (3) The Company has no such events as major investment plan or significant cash expenditure, excluding projects of raising proceeds;
- (4) Significant investment plans or significant cash expenditures refer to: the proposed external investment, acquisition of assets or purchase of equipment by the Company in the coming twelve months with accumulated expenses amounting to or exceeding 50% of the latest audited total assets of the Company, (the higher of the book value and assessed value).
- (5) The Board of the Company should consider factors such as the characteristics, phase of development, operation model and profitability of its industry and also whether there is arrangement for significant capital expenditure. Different policies for cash dividends distribution should be proposed by identifying the following situations according to the procedures stated in the Articles of Association:

(1) Cash dividends distribution should at least account for 80% of this profit appropriation if the Company reaches maturity in its development and there is not arrangement for significant capital expenditure;

(2) Cash dividends distribution should at least account for 40% of this profit appropriation if the Company reaches maturity in its development and there is arrangement for significant capital expenditure;

(3) Cash dividends distribution should at least account for 20% of this profit appropriation if the Company is in the phase of growth and there is arrangement for significant capital expenditure;

Where the phase of development of the Company is not easy to be identified but there is arrangement for significant capital expenditure, it should be handled as the previous requirement

6. Conditions of dividend distribution

Subject to such cash dividend conditions, the Company shall positively distribute dividend in cash and pay dividend in cash once a year. Under the prerequisite of ensuring reasonable share capital size and shareholding structure, the Company may distribute dividends in shares when the valuation of its shares is within a reasonable range, in order to provide return to its shareholders and share its corporate value.

7. Decision-making procedures and mechanism of profit distribution

The annual profit distribution plan of the Company shall be proposed and formulated by the management and the board of directors in light of requirements of the Articles of Association, profit and fund demand situation, after fully considering opinions of shareholders especially medium and small investors, independent directors and supervisors, and the independent directors and the supervisory committee shall express a clear opinion to the profit distribution plan, and it shall be disclosed together with the resolution of the Board. The profit distribution plan shall be submitted to the general meeting upon consideration and approval of the Board.

Where the specific cash dividend plan is considered at the general meeting, it is necessary to actively communicate with shareholders, especially minority shareholders by various channels, attach importance to minority shareholders' opinion and appeal, and timely reply to their concerns.

8. Information disclosure principles of profit distribution:

(1) The Company shall disclose in detail the formulation and execution situation of the cash dividend policy in the periodic reports in strict accordance with relevant provisions, and define whether it complies with the provisions of the Articles of Association or requirements of resolutions passed at the general meeting.

(2) Where the board of directors does not make a proposal for the annual cash profit distribution, the reasons concerned and the use of such undistributed profit maintained by the Company shall be disclosed in the periodic reports, and the independent directors and supervisors shall express independent opinions thereon; Where the board of directors does not make a proposal for the annual cash profit distribution, or the profit distributed in cash is less than 20% of the distributable profit achieved within the year, the Company shall convene a general meeting (at which voting via internet should be allowed) to be taken for the convenience of shareholders to attend the general meeting in order to consider the resolution regarding such annual profit distribution;

9. The adjustment principle of the profit distribution policy

In the event that it is necessary to adjust the profit distribution policy based on the production and operation, investment planning and long-term development needs, a

resolution regarding the adjustment of the profit distribution policy shall be proposed to the general meeting for approval upon the consideration by the board of directors of the Company and shall be approved by over two-thirds of the voting rights held by the shareholders. The Company shall also convene a general meeting (at which voting via internet should be allowed) to be taken for the convenience of medium and small investors to attend the general meeting. The independent directors and supervisors shall express their independent views in this respect, and the adjusted profit distribution policy shall not violate the relevant requirements of CSRC and the stock exchange on which the Company's shares were listed.

(10) Miscellaneous

In the event that a shareholder appropriated the funds of the Company against regulations, the Company shall deduct the distributed profit in cash entitled by the shareholder for recovery of the appropriated funds.

The cash dividend and other funds paid by the Company to the domestic shareholders shall be calculated, announced and paid in Renminbi. The dividend in cash and other funds paid by the Company to the holders of H Shares shall be calculated and announced in Renminbi and paid in Hong Kong dollar. The foreign currency required by the Company to pay dividend in cash and other funds to the holders of the overseas listed foreign shares shall be governed by the relevant regulations on foreign exchange of the State.”

ARTICLE 257 Unless otherwise stipulated by relevant laws or administrative regulations, for dividend paid in foreign currencies, the exchange rate applied are the average closing price of the relevant foreign currencies announced by the People's Bank of China one week prior to the announcement of dividend and other distributions.

Unless otherwise stipulated by the relevant or administrative regulations, for cash dividend and other sums paid in Hong Kong dollars, the shareholders shall, after paying taxes in accordance to relevant regulations, bring the resolution of the profit distribution issued by the board of directors to their foreign accounts or designated foreign banks to cash in. The designated banks of foreign exchange shall confirm the exchange rate according to the median of the exchange rate of Renminbi announced by the People's Bank of China and the required range of the price difference between sale and purchase and proceed with the exchange business.

The amount paid up for shares before call shall be entitled to interest. However, the shareholder is not entitled to any dividends announced after the pre-payment of the share.

Should there be unclaimed dividend, the Company is entitled to expropriate such dividends upon the end of the relevant effective period. The rights to expropriate unclaimed dividend shall only be exercised after date of announcement of the dividend and after the expiration of the applicable effective period.

For dividend warrants sent to shareholders by mail, should the shareholder fails to cash in the warrant after the warrant is mailed twice to them, the Company reserves the right to stop mailing the such dividend warrant. Should a single mailing to the shareholder fails and is returned to the Company, the Company may exercise such right.

The Company shall, in accordance to the taxation laws of PRC, withhold and pay taxes on dividend income payable on behalf of the shareholders.

ARTICLE 258 The Company shall appoint receiving agents for holders of overseas listed foreign shares. The receiving agent should receive on behalf of the relevant shareholder the dividend distributed according to the Company's overseas listed foreign shares and other funds.

The receiving agents appointed by the Company shall comply with regulations of the foreign location where the Company's shares are listed or regulations of the relevant stock exchange.

For holders of overseas listed foreign shares listed in Hong Kong, the receiving agents appointed by the Company shall be trust companies registered according to the "Trustee Ordinance" in Hong Kong.

ARTICLE 259 The Company shall establish an internal audit system, with professional auditors to internally review and audit the Company's financial and economic activities.

ARTICLE 260 The internal audit system and the duties of the internal auditors shall be implemented upon obtaining approval from the board of directors. The internal auditor is accountable to and reports to the board of directors.

C H A P T E R 1 7 E N G A G E M E N T O F A C C O U N T I N G F I R M

ARTICLE 261 The Company shall engage independent accounting firm as stipulated by relevant regulations of the State to audit the Company's annual financial report and audit other financial reports of the Company.

ARTICLE 262 The term of the accounting firm engaged by the Company shall last from the end of the current annual general meeting to the end of the next annual general meeting.

ARTICLE 263 The accounting firm engaged by the Company shall have the following rights:

1. to check the books, records or receipts of the Company from time to time and require the directors, general manager or other officers to provide the related data and statements;
2. to require the Company to take all reasonable steps to get all necessary data and statements for the performance of its duties from the subsidiaries of the Company; and
3. to attend the general meeting, receive the meeting notice or other information related to the meeting any shareholder is entitled to and express an opinion about any matter involving it as the accounting firm engaged by the Company on any general meeting.

ARTICLE 264 If the post of accounting firm is vacant, before holding a general meeting, the board of directors may engage an accounting firm to fill up such vacancy. However, in the duration of such vacancy, if the Company has other accounting firms in service, such accounting firms may continue working for the Company.

ARTICLE 265 Notwithstanding the terms and conditions in the contract entered into by the accounting firm and the Company, the general meeting may, before the expiration of the term of the accounting firm, dismiss the accounting firm by passing an ordinary resolution. Any right of the accounting firm to make a claim due to being dismissed from the Company shall not be affected thereby.

ARTICLE 266 The remuneration or the method of confirming remunerations for the accounting firm shall be determined at the general meeting of shareholders. In the case of appointment of an accounting firm by the board of directors to fill up a vacancy, the board of directors shall determine the remuneration.

ARTICLE 267 The decision to appoint, dismiss or discontinue further appointment with an accounting firm shall be made by the general meeting of shareholders, and shall be reported to securities regulatory authority of the State Council for record purpose.

Should a resolution is proposed at the general meeting of shareholders to appoint an accounting firm which is not currently employed by the Company to fill a vacancy, or to continue the appointment of an accounting firm previously appointed by the board of directors to fill a vacancy, or to dismiss an accounting firm that has not yet completed its term of engagement, the decision shall be made in compliance with the following:

1. Before the notice of convening a general meeting of shareholders is served, the relevant appointment or dismissal proposal should be served to the proposed engaged accounting firm, or the proposed outgoing accounting firm, or the past outgoing accounting firm in the relevant accounting year. “Outgoing ” shall include dismissed, resigned or retired.

2. Should the proposed outgoing accounting firm intends to make a written statement and request the Company to inform the shareholders of the statement, unless there is a delay in the delivery of the written statement to the Company, the Company shall :

(1) state that the proposed outgoing firm has made a written statement on the notice of convening a general meeting of shareholders;

(2) include a copy of the written statement as an appendix to the notice, and serve to the shareholders in accordance with regulation stipulated in the articles of association.

3. Should the Company fails to serve to the shareholders the written statement by the accounting firm as abovementioned in item 2, the accounting firm concerned may request the statement be read out at the general meeting of shareholders, and may make further

appeal.

4. The outgoing accounting firm is entitled to attend the following meetings:

- (1) The general meeting of shareholders held before the end of the original term of engagement;
- (2) The general meeting of shareholders convened to fill the vacancy of accounting firm vacancy because of the dismissal;
- (3) The general meeting of shareholders convened because of the resignation of the accounting firm;

The outgoing accounting firm is entitled to receive all notices and information relevant to the aforementioned meetings, and to speak at the aforementioned meetings on issues related to itself as the previous appointed accounting firm of the Company.

ARTICLE 268 Should the Company wish to dismiss or discontinue further appointment of an accounting firm, the Company shall serve a notice to the audit firm in advanced. The audit firm is entitled to state its opinion at the general meeting of shareholders. Should the audit firm consider reason of the dismissal or discontinuance of the appointment inappropriate, it may appeal to securities regulatory authority of the State Council for record purpose and the Chinese Institute of Certified Public Accountants. Should the accounting firm resign from the post, it shall clarify at the general meeting of shareholders whether there is any improper affair within the Company.

The accounting firm may resign by sending the written resignation notification to the Company's registered address. The notification should include one of the following statements:

1. The statement that the resignation does not involve any situation that requires clarification to the shareholders or creditors of the Company;
2. The statement on any situations that requires clarification.

The resignation notification shall become effective from the later day of the day of the arrival of such notification at the Company's registered address and the day stated in the notification.

Within fourteen days of receiving the abovementioned notification, the Company shall send photocopies of the notification to the relevant regulatory authorities. Should the notification includes the abovementioned statement in item 2, the Company shall place photocopies of the abovementioned notification at the Company for review by the shareholders. The Company shall also serve the abovementioned notification by pre-paid mail to each holder of the overseas listed foreign shares (according to their addresses stated in the register of the shareholders), or may, time in accordance with the procedures required by the Listing Rules, serve by announcement through the website of the Company, the Stock Exchange of Hong Kong Limited or other website required by the Listing Rules from time to time. The Company may serve the photocopies of the

abovementioned notification to the holders of domestic share by methods including announcement.

Should the resignation notification by the accounting firm contains any statement that requires clarification, the accounting firm may request the board of directors to convene an extraordinary general meeting of shareholders for the firm's explanation on the relevant situation.

CHAPTER 18 LABOR SYSTEM

ARTICLE 269 The Company shall establish a labour system that is applicable to the specific circumstances of the Company, in accordance with the "Labour Law of the People's Republic of China", "Law of the People's Republic of China on Labour Contract" and other relevant laws and administrative regulations of the People's Republic of China.

ARTICLE 270 The Company shall implement a labour contract system, and stipulates in the labour contract signed between the Company and individual employee the conditions of appointment, hiring, dismissal, rewards, punishment, salary, welfare, labour, and disciplinary labour protection, etc.

The Company shall implement regulations stipulated in laws and regulations of the People's Republic of China regarding the protection and insurance for the retired and dismissed employees.

CHAPTER 19 ORGANIZATION OF LABOUR UNION

ARTICLE 271 In accordance with the "Labour Union Law of the People's Republic of China", the Company shall organise a labour union and conduct labour union activities.

In accordance with the "Labour Union Law of the People's Republic of China", the Company shall allocate funds to the union for its operation, and shall be used by the labour union of the Company in accordance with "Regulations on Use of Labour Union Funds" formulated by the Federation of Labour Unions of the People's Republic of China.

CHAPTER 20 MERGER AND DIVISION OF THE COMPANY

ARTICLE 272 Any merger or division of the Company shall be proposed by the board of directors of the Company, approved in accordance with the procedures required by this articles, and submitted for the relevant approval procedures required by the laws. Any shareholder who objects to the proposal of merger or division is entitled to request the Company or shareholders who agree with the proposal to purchase his or her shares with a fair price. Resolutions approving the merger or division of the Company shall be recorded as a special document for review of the shareholders.

The aforementioned document shall be served by mail to the holders of overseas listed foreign shares, or may be dispatched in form of announcement through the websites of the

Company and Stock Exchange of Hong Kong Limited according to relevant requirement and procedure under the Listing Rules.

ARTICLE 273 Merger of the Company may take two forms, merger by absorption or merger by new establishment.

In a merger, the various parties of the merger shall sign a merger agreement and produce balance sheets and list of inventory. The Company shall, within ten days from the date of adoption of the merger resolution by the Company, inform the creditors, and, within thirty days from the date of adoption of the merger resolution by the Company, make at announcements on the newspapers.

After the merger of the Company, the credits and debts of all parties of the merger will be brought forward by the Company that continue to exist upon the merger or by the new company established in the merger.

ARTICLE 274 In a division of the Company, its assets shall be divided accordingly.

In a division, the various parties of the division shall sign a division agreement and produce balance sheets and list of inventory. The Company shall, within ten days from the date of adoption of the division resolution at the general meeting of shareholders, inform the creditors, and, within thirty days from the date of adoption of the merger resolution by the Company, make at announcements on the newspapers.

The debts borne by the Company before division shall be borne jointly by the Company after the division, unless otherwise stated in a separate agreement in writing entered into by the Company and the creditor regarding the repayment of debts prior to the division of the Company.

ARTICLE 275 Within thirty days of receiving the notice by the creditor, or, in the case of not receiving the notice, within forty-five days of issue of the relevant announcement, the creditor is entitled to demand the Company to repay any outstanding debts or provide corresponding guarantee.

ARTICLE 276 The Company shall conduct change of registration procedures with the company registration authority in accordance with the laws in case of any changes to the Company registration due to the merger or division of the Company. The Company shall conduct de-registration in accordance with the laws if the Company ceases to exist. New registration in accordance with the laws shall be made for any newly established company.

CHAPTER 21 DISSOLUTION AND LIQUIDATION OF THE COMPANY

ARTICLE 277 In any of the following circumstances, the Company shall be dissolved and liquidated according to law:

1. a resolution for dissolution is passed by shareholders at a general meeting;

2. a merger or division of the Company for which a dissolution becomes necessary;
3. the Company is unable to repay its due debts in full and is declared insolvent in accordance with the law.
4. the Company being ordered to revocation of business license close or being dissolved in accordance with the law due to violation against laws and regulations; and
5. where the Company is to be dissolved by a court in accordance with article 183 of the Company Law.

ARTICLE 278 The Company shall establish a liquidation committee within 15 days if the Company is dissolved due to items (1) or (5) of the preceding article. Members of the liquidation committee shall be selected by ordinary resolution at the general meeting of shareholders.

Should the Company be dissolved due to item (2) of the preceding article, the liquidation shall be conducted by all parties of the merger or division in accordance with the contract entered into during the merger or division.

Should the Company be dissolved due to item (3) of the preceding article, according to relevant laws and regulations, the People's Court shall organise shareholders, relevant organisations and professionals to establish a liquidation committee and conduct the liquidation.

Should the Company be dissolved due to item (4) of the preceding article, the relevant regulatory organisations will organise shareholders, relevant organisations and professionals to establish a liquidation committee and conduct the liquidation.

ARTICLE 279 If the board of directors determines that the Company shall have a liquidation (except the liquidation when the Company is announced bankrupt), the notice for the holding of the general meeting for such liquidation shall state that the board of directors has had a complete survey on the situation of the Company and deems that the Company may discharge all its liabilities within twelve (12) months after the start of the liquidation.

After the resolution of the general meeting on liquidation is passed, the power of the board of directors of the Company shall end immediately.

The liquidation committee shall abide by the direction of the general meeting and shall report its income and expense, the business and liquidation progress of the Company at least once to the general meeting and make a final report to the general meeting upon the end of the liquidation.

ARTICLE 280 The liquidation committee shall notify creditors within ten days of its establishment and shall make announcements on the prescribed newspapers within sixty days of its establishment.

ARTICLE 281 Within thirty days of receiving the notice by the creditors, or, in the case of not receiving

the notice, within forty-five days the announcement is made, the creditors shall declare its outstanding claim to the liquidation committee. The creditors' declaration of outstanding claims shall state all information relevant to the claim and provide relevant materials for proof. The liquidation committee shall conduct registration of the claim.

ARTICLE 282 The powers exercisable by the liquidation committee during the liquidation: shall be as follows:

1. to settle the assets of the Company and respectively prepare the balance sheet and the list of inventory;
2. to inform or make announcements to the creditors;
3. to handle and solve any relevant uncompleted business of the Company;
4. to effect payment of all outstanding taxes and the tax payment during liquidation;
5. to settle claims and debts
6. to deal with the remaining properties of the Company after the discharge of all debts of the Company; and
7. to participate in any civil proceedings on behalf of the Company.

ARTICLE 283 After settling the Company's assets and preparing the balance sheet and list of inventory, the liquidation committee shall formulate and submit a liquidation proposal to the general meeting of shareholders or relevant regulatory authorities for confirmation.

The assets of the Company shall be disposed of for the repayment of the following items in accordance with the following order:

1. expenses incurred during liquidation;
2. salaries, social insurances and statutory compensations for the employees;
3. outstanding taxes;
4. outstanding debts of the Company;
5. distribution to the shareholders on pro rata basis.

No assets shall be distributed to the shareholders until items (1) to (4) of the preceding article have been repaid.

Assets remaining after repayment of aforesaid of the preceding article shall be distributed to the shareholders according to their class and amount of shareholding.

After establishment of the liquidation committee, the powers and duties of the board of directors and chief executive shall cease immediately. During the period of liquidation, the Company shall not launch any new operational activities irrelevant to the liquidation.

ARTICLE 284 If the liquidation committee, after settling the Company assets and preparation of the balance sheet and list of inventory, believes that there is insufficient assets of the Company to repay the debts, the committee shall apply for declaration of bankruptcy to the People's Court. After the People's Court declares the Company bankrupt, the liquidation committee shall handover the liquidation affairs to the People's Court.

ARTICLE 285 At the end of the liquidation, the liquidation committee shall produce a liquidation report and statement of income and expenditure and financial accounts during the period of liquidation. The documents, upon verification by a registered accountant of the PRC, shall be submitted to the general meeting of shareholders or relevant regulatory authorities for confirmation.

Within thirty days of the confirmation of the liquidation report by general meeting of shareholders or relevant regulatory authorities, the liquidation committee shall submit the aforementioned document to company registration authority to apply for de-registration of the Company, and shall announce the Company has ceased to exist. The announcement shall be published on newspapers and magazines prescribed by the relevant regulations.

ARTICLE 286 Members of the liquidation committee shall maintain integrity in the discharge of their duties in accordance with the laws, and shall not take advantage of their powers to receive bribery or other illegal incomes or appropriate the assets of the Company.

Members of the liquidation committee shall be liable to any losses suffered by the Company or its creditors as a result of their intentional or significant fault

C H A P T E R 2 2 P R O C E D U R E S F O R A M E N D M E N T O F T H E A R T I C L E S O F A S S O C I A T I O N O F T H E C O M P A N Y

ARTICLE 287 The Company may, in accordance with the applicable laws, regulations and the articles of association of the company, amend the articles of association of the company.

ARTICLE 288 The Company shall amend the articles of association in any of the following circumstances:

1. the amendments to "Company Law" or other relevant laws, administrative regulations resulting in contradiction between the matters stipulated in the articles of association and the requirements of the amended laws and administrative regulations;
2. changes occurred in the Company resulting in inconsistency with the matters stipulated in the articles of association;
3. the general meeting of shareholders resolved to amend the articles of association.

The shareholders may authorize the board of directors of the Company by ordinary resolution at the general meeting of shareholders: (1) in case of increase of registered share capital of the Company, the board of directors of the Company is entitled to amend the relevant content regarding the registered capital of the Company in the articles of association in accordance with the actual circumstances; (2) in case of alteration of the text or order of the provisions required by the relevant regulatory authority during the registration, audit and approval of the articles of association of the Company approved by the general meeting of shareholders, the board of directors of the Company is entitled to make the corresponding amendments according to the requirements of the relevant regulatory authority.

ARTICLE 289 Should any amendment to the articles of association approved by the general meeting of shareholders requires review and approval from relevant regulatory authorities, it shall be submitted to the original regulatory authority for approval before taking effect; should it requires any registration, it shall be submitted for change of registration according to the laws.

ARTICLE 290 The board of directors shall amend the articles of association in accordance with the resolutions approved at the general meeting of shareholders and the comments of the relevant regulatory authorities.

ARTICLE 291 Should the matter amended in the articles of association requires disclosure in accordance with the laws and regulations, announcement shall be made accordingly.

C H A P T E R 2 3 N O T I C E

ARTICLE 292 Notice by the Company shall be served in the following form:

1. by personal service;
2. by mail;
3. by announcements;
4. Under the condition that the laws, administrative regulations and relevant requirements of the securities regulatory authorities where the stock is listed are complied with, by electronic mail or announcement in the website of the Company and in the website designated by the stock exchange where the Company' s shares are listed;
5. Any other forms stipulated in this articles.

ARTICLE 293 Any notice issued by the Company in the form of announcements is deemed to be served to all relevant persons once the announcement is made.

“Announcements” as stated in the is articles, unless stipulated otherwise, means the announcements made on newspapers and magazines of the PRC designated by the laws, regulations or the securities regulatory authorities of the State Council in relation to

announcements made to domestic shareholders or announcements required to be made within the domestic territory of the PRC according to the relevant regulations and this articles; and means the announcements made on website of the Company, the website of the Stock Exchange of Hong Kong Limited required by the Listing Rules or the website prescribed by the Listing Rules from time to time in relation to any announcement made to holders of H shares or any announcement required to be made in Hong Kong as required by relevant regulations and this articles.

ARTICLE 294 Unless otherwise stipulated in this articles, all notices, circulars, relevant documents or declarations in writing issued by the Company to holders of overseas listed foreign shares shall be served by personal service or by pre-paid mail to each holder of overseas listed foreign shares according to the their registered addresses. The Company may also dispatch either English or Chinese version of the notice, the circulars and declarations in writing issued to such shareholder according to relevant requirement and procedure under The Listing Rules, and may serve such documents in form of announcement through the websites of the Company and the Stock Exchange of Hong Kong Limited according to relevant requirement and procedure under the Listing Rules.

In the event that the relevant regulations of the securities regulatory authority of the place where the Company's shares are listed requires such documents to be dispatched, mailed, distributed, issued, announced or by any other forms provided to the shareholders in both English and Chinese version, the Company may (in accordance with the preference of the shareholders concerned) dispatch only the English or the Chinese version to the shareholders concerned if the Company has made proper arrangements to confirm that the shareholders prefer to only receive either the English or the Chinese version and if such arrangements are within the scope and in accordance with the applicable laws and regulations.

ARTICLE 295 For notice served by personal service, the delivery receipt shall be signed (or sealed) by the recipient where the date of signature is deemed to be the date of service; for notice served by mail, it is deemed to be served within five days after the mail is sent, and it is deemed to be sent if the addresses are clearly written, the postage is paid, the notice is placed in the envelope, and the envelope containing the notice is placed into post boxes; for notice made in the form of announcement, should the announcement be published on newspapers and magazines that fulfils requirements of the relevant regulations, it is deemed to be served on the first day of publication of the announcement; for notice served by phone or fax, it is deemed to be served when the persons who answer the phone is the recipient himself or herself, or the date of effective issue as set out in the written notice.

ARTICLE 296 The Company has designated "Securities Post", the website of The Stock Exchange of Hong Kong Limited, the website of the Shenzhen stock exchange, the website of the Company, the website of CN Info, and any other media recognised by the CSRC and The Stock Exchange of Hong Kong Limited to be the prescribed media for announcement or other disclosure of information of the Company.

ARTICLE 297 Any notice, document, relevant material or declarations in writing delivered

by any shareholder, director and supervisor to the Company may be served personally by personal notification (including express courier) or served to the residence of the Company in registered mail.

ARTICLE 298 Any shareholder, director and supervisor, to prove any notice, document, material or declarations in writing has been served to the Company as per the provisions in the previous article, must provide the evidence that such notice, document, material or declarations in writing has been served to the residence of the Company by personal notification within the specified time, or has paid the postage, correctly written the address of the Company and has been packed in an envelope to be posted to the Company if served in express or registered mail.

CHAPTER 24 DISPUTES SETTLEMENT

ARTICLE 299 The Company shall comply with the following principles in resolving any disputes:

1. Any dispute or claim in relation to the affairs of the Company regarding the rights and obligations set out in the articles of association of the Company, the Company Law and Special Provisions and any other relevant laws, administrative regulations between holders of overseas listed foreign shares and the Company, or between the holders of overseas listed foreign share and the director, supervisor, chief executive or any senior management officer of the Company, or between the holders of overseas listed foreign share and domestic shareholders, shall be submitted for arbitration by parties concerned.

The aforementioned dispute or claim to be submitted shall be the whole part of the dispute or all claims relevant to the disputes. All persons who have a cause of action as a result of the same reason and all parties required to be involved in the resolution of the such dispute or claim shall observe the arbitration if they are the Company or the shareholder, director, supervisor, chief executive or other senior management officer of the Company.

Disputes on definition of shareholders or the register of shareholders may not require resolution by arbitration.

2. The applicant of arbitration may choose the arbitration to be carried out by the China International Economic and Trade Arbitration Commission according to the its arbitration regulations, or may also choose the arbitration to be carried out by the Hong Kong International Arbitration Centre according to the its regulations on securities arbitration. Upon submission of the dispute or claim by the applicant, the other party must have the arbitration conducted at the organisation chosen by the applicant. Should the applicant for arbitration chooses the arbitration to be carried out at the Hong Kong International Arbitration Centre, all parties may, according to the its regulations on securities arbitration, request the arbitration be carried out in Shenzhen.

3. The Laws of the People's Republic of China apply to resolution through arbitration on disputes or claims stated in item 1; unless otherwise required by the laws and administrative regulations.

Ruling of the arbitration organisation shall be final and binding to all parties.

C H A P T E R 2 5 S U P P L E M E N T A R Y P R O V I S I O N S

ARTICLE 300 The board of directors may, in accordance with this articles, formulate bylaws to the articles of association. The bylaws must not contradict the provisions of the articles of association and matters not stipulated in the articles of association and its bylaws shall be conducted in accordance with the relevant laws and regulations of the People’s Republic of China combining with the practical circumstances of the Company.

ARTICLE 301 “Accounting firm” used in these articles has the same meanings as “auditor”.

ARTICLE 302 This articles shall be written in Chinese.

ARTICLE 303 Unless otherwise stipulated in this articles, phrases such as “over”, “within”, “less than” shall include the number itself; phrases such as “below”, “fewer than”, “besides” and “more than” shall not include the number itself.

ARTICLE 304 Appendix to this articles shall include the Rules of Procedures of the General Meeting of Shareholders, the Rules of Procedures of the Board and the Rules of Procedures of the Supervisory Committee of the Company.

ARTICLE 305 The Articles shall become effective from the date of approval at the shareholders’ meeting. The Board of Directors of the Company shall be responsible for interpretation within the area permitted by state law and administrative regulation.

(This document is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.)

** For identification purpose only*