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This English translation of these Articles of Association of the Company is for reference only. In case of inconsistency between the Chinese versions of the Company's Articles of Association and this English translation, the original Chinese version shall prevail.



Sinopec Oilfield Service Corporation

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

(Stock code: 1033)

ARTICLES OF ASSOCIATION

(Revised at the second extraordinary general shareholders' meeting of the Company
for the year of 2021 held on 2 November 2021)

Articles of Association of Sinopec Oilfield Service Corporation

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Articles of Association of Sinopec Oilfield Service Corporation

CHAPTER ONE: GENERAL PROVISIONS

Article 1 These Articles of Association are drawn up in accordance with the *Company Law of the People's Republic of China* (the "Company Law"), the *Securities Law of People's Republic of China* (the "Securities Law"), the *Special Regulations of the State Council on the Overseas Offering and Listing of Shares by Joint Stock Limited Companies* (the "Special Regulations"), the *Mandatory Provisions for these Articles of Association of the Companies to be Listed Overseas* (the "Mandatory Provisions"), the *Guidelines for these Articles of Association of Listed Companies* and other relevant laws and regulations to safeguard the legitimate interests of Sinopec Oilfield Service Corporation (the "Company") and its shareholders and creditors and to regulate the organization and conducts of the Company.

Article 2 The predecessor of the Company, Sinopec Yizheng Chemical Fibre Company Limited, is a joint stock limited company established in accordance with the *Opinions on Regulating Joint Stock Limited Companies* and other laws and regulations. It was established by way of proposal on 31 December 1993 with the approval of the State Commission for Economic Restructuring of the People's Republic of China (the "PRC") as evidenced by approval document titled "Approval in relation to the Establishment of Yizheng Chemical Fibre Company Limited" (Ti Gai Sheng (1993) No. 213) and was registered with the State Administration for Industry and Commerce of the People's Republic of China. Later it was transformed into a Sino-foreign joint stock limited company on 20 November 1994 pursuant to Document (1994) Wai Jing Mao Zi Er Han Zi No. 441 issued by the Ministry of Foreign Trade and Economic Cooperation of the People's Republic of China, and was issued a business license by the State Administration for Industry and Commerce.

The promoter at the Company's incorporation is: Yizheng Joint Corporation of Chemical Fibre Industry.

The Company is currently registered with the Beijing Administration for Industry and Commerce with its unified social credibility code 911100006259082971.

Article 3

Registered name of the Company (in Chinese): 中石化石油工程技術服務股份有限公司 (in English): Sinopec Oilfield Service Corporation

Article 4

Registered Address of the Company: No. 22 Chaoyangmen North Street, Chaoyang District, Beijing, the People's Republic of China
Postcode: 100728
Telephone: 86-10-59965998
Facsimile: 86-10-59965997

Article 5

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

Article 6

The Company is a joint stock limited company which has perpetual existence. The Company insists on lawful corporate governance, strives to establish a lawfully governed enterprise with sound governance, compliance in operation, management standards, legal compliance and integrity.

Article 7

The capital of the Company is divided into shares of equal value. The Company's shareholders shall be liable to the Company in proportion to the shares held by them; the Company shall be responsible for its debts to the extent of its entire assets.

Article 8

In accordance with the Company Law and the Constitution of the Communist Party of China (the "Party"), the Company shall set up Party organizations and related working organs, and maintain an adequate level of staffing to handle Party affairs as well as sufficient funding necessary for the activities of the Party organizations. The Party organizations play the role of the leadership core and political core in the Company.

Article 9 These Articles of Association is effective on the date of incorporation of the Company.

These Articles of Association and its appendices shall be a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the Company's shareholders from the date on which they become effective.

Article 10 These Articles of Association and its appendices shall be binding upon the Company and its shareholders, directors, supervisors and senior management personnel, all of whom are entitled to make claims regarding the Company's affairs in accordance with these Articles of Association and its appendices.

Shareholders may sue the Company in accordance with these Articles of Association and its appendices. The Company may sue its shareholders, directors, supervisors and senior management personnel in accordance with these Articles of Association and its appendices. Shareholders may sue shareholders in accordance with these Articles of Association and its appendices. Shareholders may sue directors, supervisors and senior management personnel of the Company in accordance with these Articles of Association and its appendices.

The term "sue" referred to in the preceding paragraph shall include the initiation of proceedings in a court or the application for arbitration before an arbitration organization.

Unless otherwise defined in the contexts, senior management personnel referred to in these Articles of Association and its appendices refers to general manager, deputy general manager, chief financial officer, secretary of the board of directors, general legal counsel and any other person designated by the Company.

Article 11 The Company may invest in other limited liability companies and joint stock limited companies. It shall be liable for such invested companies to the extent of its capital contribution therein.

The Company may invest in other enterprises. However, unless otherwise provided by law, it shall not become a capital contributor that shall bear several and joint liabilities for the debts of the enterprises in which it invests.

Article 12 Subject to the provisions of the laws of the PRC, the Company shall be entitled to obtain funding or raise loans through, amongst others, the issuance of bonds, and shall be entitled to create mortgage or pledge over any of its properties.

CHAPTER TWO: OBJECTIVE AND SCOPE OF BUSINESS

Article 13 The business objectives of the Company are:
to develop the enterprise, to reward shareholders, to contribute to the society, and to benefit the employees.

Article 14 The business scope of the Company shall be based on those items approved by the companies registry.

Business scope : general construction contracting, specialist contracting, labour subcontracting; construction project management; provision of service for onshore and offshore oil and gas production; engineering and technical research and development; preparation of construction projects; sale of mechanical equipment, hardware and electrical equipment, computer, software and auxiliary equipment; leasing of mechanical equipment; geological prospecting for energy resources and solid minerals; technical services for geological exploration; investment in oil, natural gas and mineral resources projects; organization of enterprises engaged in manufacturing business to manufacture metal structures, metal tools, metal pressure vessels, all-purpose instruments, special instruments, chemical reagents, chemical accessories, special chemical products (including oilfield chemicals) and special equipments for mine, metallurgy and construction; organization of enterprises with license for contracting foreign projects to undertake as contractor overseas petroleum, natural gas, chemical, bridge, road, housing construction, water and hydropower, municipal utility, steel structure, electricity, fire-fighting

equipment, industrial plant projects and international tender projects at home; labour dispatching; import and export of goods, import and export agency services; and import and export of technologies.

Article 15 In light of the market trend in the domestic and international markets, the requirements arising from domestic business development, the development capacity of the Company and its business requirements, and subject to the approval of the relevant government agency, the Company may adjust its investment policies and its scope of business and ways of operation, and may establish branches and offices (wholly-owned or not) within and outside the PRC, including in the regions of Hong Kong, Macau and Taiwan.

CHAPTER THREE: SHARES AND REGISTERED CAPITAL

Article 16 The Company shall have ordinary shares at all times. The ordinary shares issued by the Company include domestic investment shares and foreign investment shares. It may have other kinds of shares according to its needs upon approval by the approval authority authorized by the State Council.

Article 17 All the shares issued by the Company shall have a par value of RMB1.00 for each share. The term “RMB” mentioned in the preceding sentence shall refer to the lawful currency of the PRC.

Article 18 Shares of the Company are in the form of share certificates. The Company may issue shares to domestic and overseas investors upon approval of the securities regulatory authority of the State Council.

The term “overseas investors” used in the preceding paragraph shall refer to investors from foreign countries, and from the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company, and the term “domestic investors” shall refer to investors inside the PRC, excluding the above-mentioned regions, who subscribe for shares issued by the Company.

The issue of shares by the Company shall comply with the principles of openness, fairness and justice. The shares of the same class shall

have the same rights.

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

Article 19 Shares issued by the Company to domestic investors for subscription in RMB shall be referred to as “domestic shares” or “A shares”. Shares issued by the Company to overseas investors for subscription in a foreign currency shall be referred to as “foreign shares”. Foreign shares listed outside the PRC shall be referred to as “overseas-listed foreign shares”. Holders of domestic shares and foreign shares are holders of ordinary shares and shall have the same rights and obligations.

The term “foreign currency” mentioned in the preceding paragraph shall refer to a lawful currency of another country or region (other than RMB) which is admitted by the State administration of foreign exchange for use in making payments to the Company for its shares.

Article 20 The foreign shares issued by the Company and listed in Hong Kong are referred to as “H shares”. “H shares” shall refer to shares that are approved to be listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and are denominated in RMB and subscribed for and traded in Hong Kong dollars.

Article 21 The Company’s domestic shares are deposited with the Shanghai branch of China Securities Registration and Clearing Company Limited. The Company’s H shares are mainly deposited with Hong Kong Securities Clearing Company Limited.

Article 22 As at 25 January 1994, following the approval of the approval authority authorized by the State Council, the total number of ordinary shares issuable by the Company shall be 4,000,000,000. At the time of transformation of the Company into a publicly raised joint stock limited company, the promoter held 1,680,000,000 shares, representing 42% of the total number of ordinary shares issuable by the Company;

and the other holders of domestic shares held 720,000,000 shares, representing 18% of the total number of ordinary shares issuable by the Company.

Article 23 The Company, with the approval granted by China Securities Regulatory Commission on 29 January 1994 and 25 April 1995 respectively, issued 1,400,000,000 H shares to the overseas investors, representing 35% of the total number of ordinary shares issuable by the Company, and listed the initially offered H shares on the Stock Exchange on 29 March 1994. On 12 January 1995, with the approval of China Securities Regulatory Commission, the Company issued 200,000,000 A shares to the domestic investors for the first time, representing 5% of the total number of ordinary shares issuable by the Company, and got listed on the Shanghai Stock Exchange on 11 April 1995.

On 17 December 2014, with the approval of China Securities Regulatory Commission, the Company carried out a major assets restructuring when it repurchased 2,415,000,000 A shares and made a non-public issue of 9,224,327,662 A shares to raise funds for purchase of assets, and then changed its name to Sinopec Oilfield Service Corporation.

On 17 January 2018, with the approval of China Securities Regulatory Commission, the Company issued 3,314,961,482 H shares. On 18 January 2018, the Company issued 1,526,717,556 A shares.

The existing share capital structure of the Company is as follows: all shares issued by the Company are ordinary shares, totaling 18,984,340,033 shares, including 13,569,378,551 shares held by holders of domestic-listed domestic shares and 5,414,961,482 shares held by holders of overseas-listed foreign shares.

Article 24 Pursuant to the plan for issuing overseas-listed foreign shares and domestic shares as approved by the securities regulatory authority of the State Council, the board of directors of the Company may arrange for implementation of such plan by means of separate issues.

The Company's plans for separate issues of overseas-listed foreign shares and domestic shares in accordance with the preceding paragraph may be implemented separately within 15 months of being approved by the securities regulatory authority of the State Council.

Article 25 Where the Company issues overseas-listed foreign shares and domestic shares separately within the total number of shares specified in the issue plan, every such issue shall be fully subscribed for at one time. Where special circumstances make it impossible for every such issue to be fully subscribed for at one time, the shares may be issued in several tranches, subject to the approval of the securities regulatory authority under the State Council.

Article 26 The registered capital of the Company shall be RMB 18,984,340,033.

Article 27 Based on its operation and development requirements, the Company may approve the increase of its capital in accordance with the relevant provisions of these Articles of Association.

The Company may increase its capital by the following methods:

- (1) offering of new shares to non-specific investors;
- (2) placement to existing shareholders;
- (3) allotment of new shares to existing shareholders;
- (4) issue of bonus shares through capitalization of the capital reserve;
- (5) by any other means which is permitted by laws and administrative regulations and recognized by the securities regulatory authority of the State Council.

The Company's increase of its capital by issuing new shares shall be handled in accordance with the procedures provided for in relevant State laws and administrative regulations after having been approved in accordance with these Articles of Association.

Article 28 Except otherwise provided by laws and administrative regulations, shares of the Company may be transferred freely without any lien thereon.

CHAPTER FOUR: REDUCTION OF CAPITAL AND REPURCHASE OF SHARES

Article 29 According to the provisions of these Articles of Association, the Company may reduce its registered capital. In so doing, it shall act according to the procedures specified under the Company Law, other relevant provisions and these Articles of Association.

Article 30 When the Company is to reduce its capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adopting the resolution to reduce its registered capital and shall, within 30 days of the resolution, publish a public announcement on the newspapers designated by the relevant regulatory authority of the place where the shares of the Company are listed. Creditors shall have the right to, within 30 days of receiving a written notice or, in the absence of such notice, within 45 days of the date of the announcement, require the Company to repay its debts or to provide corresponding guarantee for repayment of such debts.

The reduced registered capital of the Company shall not be less than the statutory minimum amount.

Any reduction of the registered capital of the Company shall be registered with the companies registry in accordance with the law.

Article 31 The Company may, in the following circumstances, repurchase its own issued and outstanding shares following internal approval in accordance with the procedures provided for in these Articles of Association and approval by the relevant State authorities:

(1) cancelling shares in order to reduce its capital;

- (2) merging with another company holding shares in the Company;
- (3) using the shares to set up the share option scheme for employees or as equity incentives;
- (4) at the request of any shareholder who objects to any resolution made at the shareholders' meeting on the merger or division of the Company;
- (5) for the purpose of converting the corporate bonds issued by the listed company which are convertible into the shares of the Company;
- (6) for the purpose of maintaining the corporate value and safeguarding the shareholders' interests of the listed company.
- (7) other circumstances permitted by the laws and administrative regulations or approved by the relevant State authorities.

Apart from the foregoing, the Company shall not purchase its own shares.

The Company shall deal with any repurchase of its issued and outstanding shares in accordance with Articles 32 to 35.

Article 32 After the Company is approved by the relevant State authorities to repurchase its own shares, it may proceed in any of the following manners:

- (1) offering to buy a same proportion of shares from all of its shareholders;
- (2) repurchasing through open transactions on a securities exchange;
- (3) repurchasing by an agreement outside a securities exchange;
- (4) by any other means provided by laws and administrative regulations and approved by competent securities regulatory authorities under the State Council.

For repurchase of the shares of the Company as provided in the above Item (3), (5) and (6) of Article 31, it shall be conducted through open centralized trading.

Article 33 When the Company is to repurchase shares by an agreement outside a securities exchange, prior approval shall be obtained from the shareholders' meeting in accordance with the provisions of these Articles of Association. Upon prior approval by the shareholders' meeting in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights under such contracts.

Contracts for the repurchase of shares as referred to in the preceding paragraph shall include (but not be limited to) agreements to undertake repurchase obligations and acquire repurchase rights.

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

Article 34 If the Company repurchases shares of the Company due to reasons provided in Articles 31 (1) to (2) of these Articles of Association, such purchase shall be approved by resolutions at the shareholders' meetings; for repurchase of the shares of the Company as provided in the above items (3), (5) and (6) of Article 31, it shall be approved by resolutions of the meeting of the board of directors attended by more than two thirds of the directors in accordance with the authorization of the shareholders' meeting.

Where shares of the Company are repurchased in the circumstance described in item (1) of Article 31 of these Articles of Association, the shares purchased shall be canceled within 10 days of the date of purchase; where shares of the Company are repurchased in the circumstances described in item (2) or (4) of Article 31, the shares purchased shall be transferred or canceled within six months; for the circumstances provided in the above items (3), (5) and (6) of Article 31, the total number of shares held by the Company shall not exceed 10% of the total issued shares of the Company and shall be transferred or cancelled within 3 years.

In the event of shares cancellation, the Company shall apply to the original companies registry authority for registration of the change in its registered capital.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 35 Unless the Company has already entered into liquidation, the repurchase by the Company of its issued and outstanding shares shall be subject to the following provisions:

- (1) where the Company repurchases shares at par value, payment shall be made from the book balance of distributable profit of the Company or from the proceeds of a new issue made to repurchase the existing shares;
- (2) where the Company repurchases shares at a premium to its par value, payment up to the par value shall be deducted from the book balance of distributable profit or from the proceeds of a fresh share issue made to repurchase the existing shares; and the portion in excess of the par value shall be paid according to the following methods:
 - (i) where the shares repurchased were issued at par value, payment shall be deducted from the book balance of distributable profit of the Company;
 - (ii) where the shares repurchased were issued at a premium to its par value, payment shall be deducted from the book balance of distributable profit or the proceeds of a fresh share issue made to repurchase the existing shares; however, the amount deducted from the proceeds of the fresh share issue shall neither exceed the aggregate amount of premiums received by the Company on the issue of the shares repurchased nor the book value of the Company's share premium account (including the premiums from the new issuance) at the time of the repurchase;

- (3) the sums paid by the Company for the purposes set forth below shall be paid out of the Company's distributable profits:
- (i) acquisition of the right to repurchase its own shares;
 - (ii) modification of any contract for repurchase of its own shares;
 - (iii) release of any of its obligations under any repurchase contract.
- (4) After the aggregate par value of the cancelled shares has been deducted from the registered capital of the Company in accordance with relevant regulations, the amount deducted from the distributable profit for payment of the par value of shares that have been repurchased shall be transferred to the Company's premium account.

CHAPTER FIVE: FINANCIAL ASSISTANCE FOR THE PURCHASE OF COMPANY'S SHARES

Article 36 The Company or its subsidiaries shall not, by any means and at any time, provide any financial assistance to a person who acquires or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations due to the acquisition of shares of the Company.

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

This provision does not apply to the circumstances stated in Article 38 of these Articles of Association.

Article 37 The term "financial assistance" referred to in this Chapter shall include (but not be limited to) the following means:

- (1) gift;
- (2) guarantee (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of the obligations by the obligor), indemnity (other than indemnity

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

The term "undertaking of obligations" referred to in this Chapter shall include the undertaking of an obligation by the obligor by way of contract or by way of arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is to be undertaken by the obligor individually or jointly with any other person) or by any other means which results in a change in its financial position.

Article 38 The acts listed below shall not be regarded as acts prohibited under Article 36 of this Chapter:

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

ownership schemes (provided that the same does not lead to a reduction in the net assets of the Company or, even if the same constitutes a reduction, the financial assistance was paid out of the Company's distributable profits).

CHAPTER SIX: SHARE CERTIFICATES AND REGISTER OF SHAREHOLDERS

Article 39 The Company's shares shall be in registered form.

A share certificate of the Company shall clearly state the following major particulars:

- (1) the name of the Company;
- (2) the date of incorporation of the Company;
- (3) the class, nominal value and number of the shares in respect of which the share certificate is issued;
- (4) the serial number of the certificate;
- (5) such other particulars as provided for in the Company Law, the Special Provisions or required to be specified by the securities exchange(s) on which the Company's shares are listed.

Article 40 The shares of the Company may be transferred in accordance with the relevant laws.

Article 41 The Company does not accept the pledging of its shares.

Article 42 The Company shall maintain a special securities chop in Hong Kong for the purpose of authenticating H share certificates.

Article 43 The share certificates shall be signed by the chairman of the board of directors. Where the signatures of other senior management personnel of the Company are required by the securities exchange(s) on which the Company's shares are listed, the share certificates shall also be signed by such other senior management personnel. The share certificates shall become effective after being affixed, or affixed by way of printing, with the seal of the Company. The affixation of the Company's seal with the share certificates shall require the

authorization of the board of directors. The signatures of the chairman of the board of directors or of other senior management personnel of the Company on the share certificates may also be in printed form.

In the event of paperless issuance and trading of the shares of the Company, other requirements stipulated by the securities regulatory authorities of the places where the shares of the Company are listed shall apply.

Article 44 The Company shall keep a register of shareholders, in which the following particulars shall be recorded:

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

The register of shareholders shall be sufficient evidence of the shareholder's shareholding in the Company, unless there is evidence to the contrary.

Article 45 The Company may, pursuant to an understanding or agreement reached between the securities regulatory authority of the State Council and an overseas securities regulatory organization, keep outside the PRC its register of holders of overseas-listed foreign shares, and entrust the administration thereof to an overseas agent. The original copy of the register of holders of H shares of the Company shall be kept in Hong Kong.

The Company shall keep at its domicile a duplicate of the register of holders of its overseas-listed foreign shares. The appointed overseas agent shall ensure that the original and duplicate of the register of holders of overseas-listed foreign shares are consistent at all times.

When the original and duplicate of the register of holders of overseas-listed foreign shares of the Company are inconsistent, the original shall prevail.

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

The register of shareholders shall include the following parts:

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

Article 47 The various parts of the register of shareholders shall not overlap one another. Any transfers of the Company's shares shall be registered in the relevant parts of the register of shareholders. The transfer of shares registered in a certain part of the register of shareholders shall not, during the continuance of the registration of such shares, be registered in any other part of the register.

All transfers of overseas-listed foreign shares listed in Hong Kong must be effected by an instrument of transfer in writing in general or ordinary format or any other format acceptable to the board of directors, or by the standard share transfer form as prescribed by the Stock Exchange. If the transferor or transferee is a recognized clearing house as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("Recognized Clearing House") or its nominee, such transfer instrument may be executed by hand or in printed form. All transfer documents should be kept at the domicile of the Company or any other addresses designated by the board of directors from time to time.

All paid-up overseas-listed foreign shares listed in Hong Kong can be transferred freely in accordance with these Articles of Association, provided that the board of directors may refuse to recognize any instrument of transfer without stating any reason unless the same meets the following conditions:

- (1) that HK\$2.50, or a higher fee as consented by the Stock Exchange, has been paid for registration of the relevant instrument of transfer or other documents which are related to or will affect the ownership of the relevant shares;
- (2) that the instrument of transfer only deals with overseas-listed foreign shares which are listed in Hong Kong;
- (3) that the stamp duty payable for the instrument of transfer has been paid;
- (4) that the relevant share certificates and such evidence as reasonably requested by the board of directors showing that the transferor has the right to transfer the relevant shares are provided;
- (5) that, in the event of transfer to joint holders, the number of such joint holders shall be no more than four;
- (6) that the relevant shares shall be free of any lien on the Company.

Changes and corrections to every part of the register of shareholders shall be carried out in accordance with the laws of the places where such parts are kept.

Article 48 No share transfer may be entered in the register of shareholders within 30 days prior to the date of a shareholders' meeting or 5 days prior to the record date set by the Company for the purpose of distribution of dividends. Changes in the register of holders of domestic share shall be made in accordance with the domestic laws and regulations of the PRC.

Article 49 Where the Company convenes a shareholders' meeting, distributes dividends, enters into liquidation or engages in other acts for which a determination of shareholdings is required, the board of directors or the convener of the shareholders' meeting shall fix a day as the record date for determination of shareholdings. The shareholders whose names appear on the register of shareholders at the close of such date

are the shareholders of the Company.

Article 50 Any person who challenges the register of shareholders and requires his name to be entered into or removed from the register may apply to a court having jurisdiction for correction of the register.

Article 51 Any shareholder who is registered in the register of shareholders or requires his name to be entered into the register of shareholders may, if any of his share certificates (the “Original Share Certificate”) is lost, apply to the Company for issuance of a replacement certificate in respect of such share (the “Relevant Share”).

Applications for replacement share certificates filed by holders of domestic shares who have lost their certificates shall be dealt with in accordance with Article 143 of the Company Law.

Applications for replacement share certificates filed by holders of overseas-listed foreign shares who have lost their certificates may be dealt with in accordance with the laws, securities exchange regulations and other relevant regulations of the place where the original register of holders of overseas-listed foreign shares is kept.

Where a holder of H shares loses his share certificates and applies for replacement, the issuance of replacement certificates shall comply with the following requirements:

- (1) the applicant shall submit the application in the standard form prescribed by the Company accompanied by a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the applicant’s reason for making the application, the circumstances and proof of the loss of the share certificate and a statement that no other person may require to be registered as a shareholder in respect of the Relevant Share;
- (2) the Company shall not have received any declaration from any person other than the applicant requiring to be registered as a shareholder in respect of the shares before it decides to issue a replacement share certificate;

- (3) if the Company decides to issue a replacement share certificate to the applicant, it shall make a public announcement of its intention to do so in the newspapers or periodicals designated by the board of directors at least every 30 days over a period of 90 days;
- (4) before making the public announcement of its intention to issue a replacement share certificate, the Company shall submit a copy of the announcement proposed to be published to the securities exchange where it is listed and may publish the announcement after having received a reply from the securities exchange confirming that the announcement has been displayed at the securities exchange. The announcement shall be displayed at the securities exchange for a period of 90 days.

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

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

Article 52 After the Company has issued a replacement share certificate in accordance with these Articles of Association, it shall not delete from the register of shareholders the name of any *bona fide* purchaser of the replacement share certificate mentioned above or of any shareholder that is subsequently registered as the owner of such share (provided that he is a *bona fide* purchaser).

Article 53 The Company shall not be liable for any damages suffered by any person from the cancellation of the Original Share Certificate or the issuance of the replacement share certificate, unless the claimant can prove fraud on the part of the Company.

CHAPTER SEVEN: RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 54 The Company's shareholders are persons who lawfully hold shares of the Company and whose names are entered in the register of shareholders.

Shareholders shall enjoy rights and assume obligations according to the class and number of shares held by them. Holders of shares of the same class shall enjoy equal rights and assume equal obligations.

Article 55 Holders of ordinary shares of the Company shall enjoy the following rights:

- (1) to collect dividends and other forms of profit distribution in proportion to the number of shares held by them;
- (2) to require, convene, preside, attend or appoint a proxy to attend shareholders' meetings and to exercise the relevant voting rights in accordance with laws;
- (3) to supervise and manage the Company's business activities, and raise suggestions or inquiries;
- (4) to transfer, donate or pledge their shares in accordance with the laws, administrative regulations and provisions of these Articles of Association;

- (5) upon production of written evidence showing the class and number of shares held by them to the Company and upon verification of their identities as shareholders by the Company, the shareholders shall obtain relevant information in accordance with the laws, administrative regulations and provisions of these Articles of Association, including:
 1. a copy of these Articles of Association after payment of a fee to cover cost;
 2. the right to inspect and copy, after payment of reasonable fees:
 - (1) all parts of the register of shareholders;
 - (2) personal information of the directors, supervisors and senior management personnel of the Company, including:
 - (a) current and previous names and aliases;
 - (b) main address (domicile);
 - (c) nationality;
 - (d) full-time and all other part-time occupations and duties; and
 - (e) identification document and number.
 - (3) the status of the Company's share capital;
 - (4) counterfoils of the Company's bonds;
 - (5) reports showing the aggregate par value and number of each class of shares repurchased by the Company since the last fiscal year, the highest and lowest prices paid in respect of each class of shares repurchased as well as all the expenses paid by the Company therefor; and
 - (6) the minutes of shareholders' meetings, resolutions of meetings of the board of directors and supervisors, and financial reports;
- (6) to participate in the distribution of the remaining assets of the Company in proportion to their shareholdings in the Company upon the termination or liquidation of the Company;

- (7) with respect to shareholders who raise an objection to the merger and division resolution made at the shareholders' meeting of the Company, the right to demand the Company to repurchase the shares held by them; and
- (8) other rights conferred by the laws, administrative regulations and these Articles of Association and its appendices.

Article 56 Holders of ordinary shares of the Company shall have the following obligations:

- (1) to abide by these Articles of Association and its appendices;
- (2) to pay subscription fees on the basis of the number of shares subscribed by them and the method of capital injection;
- (3) not to withdraw their capital contribution unless provided by the laws or administrative regulations;
- (4) not to abuse the shareholder's rights to harm the interest of the Company or other shareholders; not to abuse the status of the Company as an independent legal entity and the limited liability of the shareholders of the Company to impair the interest of the creditors of the Company; where a shareholder's abuse of its rights has caused loss to the Company or any other shareholder, it shall honor its compensation obligations in accordance with the law; where a shareholder evades its debts by abuse of the status of the Company as an independent legal entity and the limited liability of shareholders, which has severely impaired the interest of the Company's creditors, it shall bear joint and several liabilities for the debts of the Company; and
- (5) other obligations imposed by the laws, administrative regulations and these Articles of Association and its appendices.

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

Article 57 In addition to the obligations imposed by the laws, administrative regulations or the listing rules of the securities exchange(s) on which the shares of Company are listed, a controlling shareholder may not, in

the exercise of its rights as a shareholder, by exercising its voting rights, make decisions on the following matters which are prejudicial to the interests of all or part of the shareholders :

- (1) relieving a director or supervisor of the responsibility to act honestly in the best interests of the Company;
- (2) approving a director or supervisor (for his own or another person's benefit) of depriving the Company of its assets in any way, including (but not limited to) any opportunities that are favourable to the Company; or
- (3) approving a director or supervisor (for his own or another person's benefit) of depriving other shareholders of their rights or interests, including (but not limited to) any right to distribution and voting rights, but not including a corporate restructuring proposal of the Company submitted at the shareholders' meeting in accordance with these Articles of Association.

Article 58 The term “controlling shareholder” as referred to in the preceding Article shall refer to a person who satisfies any of the following conditions:

- (1) he, acting alone or in concert with others, has the power to elect more than half of the directors;
- (2) he, acting alone or in concert with others, has the power to exercise or control the exercise of 30% or more of the Company's voting rights;
- (3) he, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company; or
- (4) he, acting alone or in concert with others, has *de facto* control of the Company in any other manner.

Article 59 The controlling shareholders, the *de facto* controllers, directors, supervisors and senior management personnel of the Company shall not use their connected relationship to cause any harm to the interests of the Company. Where any of the foregoing persons has caused any loss to the Company as a result of his breach of such rules, he shall be liable for compensation of such loss.

The controlling shareholders and the *de facto* controllers of the Company shall have fiduciary duties to the Company and other public shareholders of the Company. The controlling shareholders shall strictly exercise their rights as contributors in accordance with the laws, shall not impair the lawful rights of the Company and other public shareholders of the Company by such means as profit distribution, assets restructuring, foreign investment, appropriation of funds, loan guarantee, and shall not utilize their controlling position to cause harm to the interest of the Company and other public shareholders.

A “*de facto* controller” as used in these Articles of Association refers to anyone who is not a shareholder of the Company but is able to have *de facto* control of the acts of the Company by means of investment relations, agreements or any other arrangements.

“Connected relationship” as used in these Articles of Association refers to the relationship between the controlling shareholders, *de facto* controllers, directors, supervisors, or senior management personnel of the Company and the enterprises directly or indirectly controlled thereby and any other relationship that may lead to the transfer of any interest of the Company. However, enterprises controlled by the State do not have connected relationship with each other simply because of the fact that they are all controlled by the State.

CHAPTER EIGHT: SHAREHOLDERS' MEETINGS

Article 60 The shareholders' meeting shall be the organ of authority of the Company and shall exercise its functions and powers according to law.

The Company shall formulate the Rules of Procedures for the Shareholders' meetings to set forth the procedures for the convening of a shareholders' meeting and its voting procedures, including notice, registration, review of proposals, voting, counting of votes, announcement of voting results, formation of resolutions, minutes and the signing and announcement thereof, etc.; and the principles and contents of authorisations given by the shareholders' meeting to the board of directors shall be clear and specific.

The Rules of Procedures for the Shareholders' meetings shall be drafted by the board of directors and approved by the shareholders' meeting.

Article 61 The shareholders' meeting exercises the following functions and powers:

- (1) to decide on the business policies and investment plans of the Company;
- (2) to elect and replace directors and decide on the remuneration of directors;
- (3) to elect and replace the supervisors not served by representatives of the employees of the Company and to decide on the remuneration of supervisors;
- (4) to examine and approve the report of the board of directors;
- (5) to examine and approve the report of the supervisory board;
- (6) to examine and approve the Company's annual financial budgets and final account proposals (including the balance sheets, profit statements and other financial statements);
- (7) to examine and approve the Company's plans for profit distribution and making up losses;
- (8) to pass resolutions on the increase or reduction of the Company's registered capital, the issue of any kind of shares, warrants and other similar securities;
- (9) to pass resolutions on matters such as the merger, division, dissolution and liquidation of the Company or change of the corporate form of the Company;
- (10) to pass resolutions on the issuance of corporate bonds by the

Company;

- (11) to pass resolutions or make authorization on the Company's repurchase of its shares in accordance with Article 34;
- (12) to amend these Articles of Association and its appendices, including the *Rules of Procedures for the Shareholders' meeting*, the *Rules of Procedures for the Board of Directors* and the *Rules of Procedures for the Supervisory Board*;
- (13) to examine proposals raised by the board of directors, the supervisory board or the shareholders holding 3% or more of the total number of voting shares of the Company;
- (14) to examine and approve the guarantee matters prescribed in Article 62 of these Articles of Association;
- (15) to examine matters relating to the purchase or disposal of the Company's material assets within one year, which exceeds 30% of the Company's latest audited total assets;
- (16) to examine and approve matters relating to the change of use of the funds raised;
- (17) to examine share incentive plans; and
- (18) to decide on other matters which, according to the laws, administrative regulations, regulations of the competent authorities or these Articles of Association and its appendices, need to be resolved by the shareholders' meeting.

Matters which shall be determined by the shareholders in a shareholders' meeting according to the laws, administrative regulations, regulations of the competent authorities and these Articles of Association must be discussed by the shareholders' meeting in order to protect the shareholders' right to decide on those matters. Where necessary and reasonable, specific matters which are relevant to the matters to be resolved but are impossible or unnecessary to be

determined at the shareholders' meeting may be decided by the board of directors, directors or the secretary to the board of directors to the extent as authorized or delegated by the shareholders' meeting.

If the shareholders' meeting authorizes the board of directors, directors or the secretary to the board of directors to determine matters which shall be determined by ordinary resolutions, the matter should be resolved by more than half of voting rights held by the shareholders present at the meeting (including their proxies); if the authorization relates to matters which shall be determined by special resolutions, the matter should be resolved by more than two thirds of the voting rights held by the shareholders present at the meeting (including their proxies). The authorization should be clear and specific.

Article 62 The provision of external guarantees by the Company as set forth below shall be considered and approved by the shareholders' meeting.

(1) any guarantee provided after the total amount of external guarantees provided by the Company and its controlling subsidiaries reaches or exceeds 50% of the Company's latest audited net assets;

(2) any guarantee provided after the total amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited net assets of the Company;

(3) any guarantee provided for a party with an asset liability ratio above 70%;

(4) a single guarantee having an amount in excess of 10% of the latest audited net assets;

(5) any guarantee provided for shareholders, the *de facto* controllers and their connected persons;

(6) any other external guarantee designated by the laws, administrative regulations, rules of competent authorities and regulatory rules of the listing place.

Article 63 Without the prior approval of the shareholders' meeting, the Company may not conclude any contract with any person other than a director, supervisor and senior management personnel of the Company for the delegation of the management of all or a substantial part of the Company's business to that person.

Article 64 Shareholders' meetings shall include annual shareholders' meetings and extraordinary shareholders' meetings. Shareholders' meetings shall be convened by the board of directors unless otherwise provided herein.

Annual shareholders' meetings shall be held once a year and shall be held within six months following the end of the preceding fiscal year.

The board of directors shall hold an extraordinary shareholders' meeting within 2 months of the occurrence of any of the following circumstances:

- (1) the number of directors is less than the number provided for in the Company Law or less than two thirds of the number required in these Articles of Association;
- (2) the uncovered losses of the Company are in excess of one third of the total paid-in share capital of the Company;
- (3) shareholders individually or jointly holding 10% or more of the Company's issued and outstanding voting shares request in writing to convene an extraordinary shareholders' meeting;
- (4) the board of directors considers it necessary or the supervisory board proposes to hold such a meeting; or
- (5) other circumstances provided by the laws, administrative regulations, regulations of competent authorities and these Articles of Association.

The number of shares referred to in the preceding item (3) of this Article shall be the number of shares held as at the date of the written request of the shareholders.

Article 65 The Company may, while ensuring that the shareholders' meeting is legal and valid, provide the shareholders with other means and approaches to attend the shareholders' meeting, including modern information technology means such as on-line voting platform, for convenience purposes.

Article 66 The place for convention of a shareholders' meeting shall be the city where the Company's domicile is located or any other place designated by the board of directors. The shareholders' meeting shall

be held at a set venue in the form of an on-site meeting. Where the Company provides the shareholders with the Internet or any other means to attend the meeting, it shall clearly state the voting time, the voting procedures and the means to identify the shareholders in the notice of the meeting. Shareholders attending the meeting by the aforesaid means shall be deemed as present.

Article 67 The contents of proposals shall fall within the scope of functions and powers of the shareholders' meeting, and shall contain clear topics for discussion and details of the matters to be resolved and shall comply with relevant provisions of the laws, administrative rules and these Articles of Association.

Article 68 Where the Company convenes a shareholders' meeting, the board of directors, the supervisory board and shareholders individually or jointly holding more than 3% of the total voting shares of the Company are entitled to put forward proposals to the Company.

Shareholders individually or jointly holding more than 3% of the total voting shares of the Company may put forward interim proposals in writing to the convener 10 days before the shareholders' meeting is held. The convener shall publish a supplementary notice of the meeting to announce the interim proposals within 2 days upon receiving such proposals.

Except as stipulated by the preceding paragraph, after the convener makes an announcement on the notice of a shareholders' meeting, no alternation shall be made to the proposals that have already been included in the notice nor shall any new proposals be added in the notice of the meeting.

Proposals not listed in the notice of shareholders' meeting or failing to comply with Article 67 of these Articles of Association shall not be voted or resolved at the shareholders' meeting.

Article 69 When the Company is to hold a shareholders' meeting, it shall issue a written notice 45 days prior to the meeting, informing all the registered shareholders of the matters proposed to be examined at the meeting as well as the date and place of the meeting. Shareholders who intend to

attend the shareholders' meeting shall, 20 days prior to the meeting, deliver a written reply to the Company on meeting attendance.

The notice of a shareholders' meeting shall be delivered to the shareholders (whether or not such shareholders are entitled to vote at the meeting) by hand or by postage pre-paid mail to the addresses of the shareholders as shown in the register of shareholders of the Company. For the holders of A shares, the notice of the meeting may also be given by way of public announcement.

The public announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by competent securities regulatory authorities under the State Council during the period between 45 to 50 days before the date of the meeting. Once the announcement is made, all the holders of A shares shall be deemed to have received the notice of the relevant shareholders' meeting.

Subject to compliance with the laws, regulations and the listing rules of the place where the Company's shares are listed, the Company may issue or provide the aforesaid notice of the shareholders' meeting in accordance with Article 252 of these Articles of Association, instead of issuing or providing such notice in accordance with the first to third sub-paragraphs of this Article.

Article 70 Based on the written replies received 20 days prior to a shareholders' meeting, the Company shall calculate the number of voting shares represented by the shareholders intending to attend the meeting. If the number of voting shares represented by them is more than half of the total number of the Company's voting shares, the Company may hold the shareholders' meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters proposed to be transacted at the meeting as well as the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the shareholders' meeting.

Article 71 The notice of a shareholders' meeting shall meet the following requirements:

- (1) it shall be given in a way as provided in Article 69 of these Articles of Association;
 - (2) it shall specify the place, date, time and duration of the meeting;
 - (3) it shall describe the matters and proposals to be discussed at the meeting;
 - (4) it shall provide the shareholders with the information and explanations necessary for them to make informed decisions on the matters to be discussed. This principle shall include (but not be limited) that when the Company proposes a merger, repurchase of shares, restructuring of share capital or other restructuring, the notice shall provide the specific conditions and contracts (if any) of the proposed transaction to be discussed and earnestly explain the causes and results of the transaction;
 - (5) it shall disclose the nature and extent of any material interest that any director, supervisor or senior management personnel has in the matters to be discussed; where the matter to be discussed would affect such director, supervisor or senior management personnel in his capacity as a shareholder in a way different from how it affects other shareholders of the same class, it shall provide an explanation of the difference;
 - (6) Where matters relating to the election of directors and supervisors are scheduled to be discussed at the meeting, the notice shall disclose in full the detailed information about the candidates for such election, including at least the following contents:
 - (i) such personal information as education background, working experience and part-time job;
 - (ii) whether he/she has association with the Company or its controlling shareholder and *de facto* controller;
 - (iii) their shareholdings in the Company;
 - (iv) whether he/she has been subject to penalties by any securities regulatory authority of the State Council or other relevant authorities or sanctions by any securities exchange.
- Save for the elections of directors and supervisors held by means of cumulative voting, every director and supervisor candidate shall be proposed by way of a single resolution.
- (7) it shall contain the full text of any special resolution proposed to be passed at the meeting;
 - (8) it shall contain a clear statement that a shareholder entitled to

- attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that such proxy needs not be a shareholder ;
- (9) it shall specify the record date for determination of the shareholders who are entitled to attend the shareholders' meeting;
 - (10) it shall specify the time and place of service of the proxy forms for the meeting;
 - (11) it shall state names and telephone numbers of the contact persons for the meeting.

The notice and supplementary notice of the shareholders' meeting shall fully and sufficiently reveal all the specific contents of all the proposals. Where the independent directors are required to express their views on the matters to be discussed, the notice of the meeting shall also disclose the views and reasons of the independent directors.

Article 72 The independent directors shall be entitled to propose the convention of extraordinary shareholders' meetings to the board of directors. With regard to the proposal by the independent directors on convention of an extraordinary shareholders' meeting, the board of directors shall, in accordance with the provisions of laws, administrative regulations and these Articles of Association, give feedback in written form to approve or disapprove the proposal within 10 days of receipt of the proposal; where the board of directors approves the convention of the extraordinary shareholders' meeting, it shall give the notice of the meeting within 5 days after the written resolution is made by the board of directors; where the board of directors disapproves the convention of the extraordinary shareholders' meeting, it shall explain the reasons and make an announcement to that effect.

Article 73 The supervisory board shall be entitled to propose in writing the convention of extraordinary shareholders' meetings to the board of directors, who shall, in accordance with the laws, administrative regulations and these Articles of Association, give feedback in writing to approve or disapprove the proposal within 10 days after its receipt of the proposal.

Where the board of directors approves the convention of the

extraordinary shareholders' meeting, it shall give the notice thereof within 5 days after it passes the resolution. Changes to the original proposal as set forth in the notice of the meeting shall be approved by the supervisory board.

Where the board of directors disapproves the convention of the extraordinary shareholders' meeting or fails to give feedback in writing within 10 days after its receipt of the proposal, the board of directors shall be deemed to have been unable or failed to perform its duties of convening a shareholders' meeting, and the supervisory board may convene and chair the meeting by itself.

Article 74 Shareholders individually or jointly holding more than 10% of the total number of voting shares of the Company have the right to propose in writing the convention of an extraordinary shareholders' meeting or class shareholders' meeting to the board of directors. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and these Articles of Association, give the feedback in writing to approve or disapprove the convention of the shareholders' meeting or class shareholders' meeting within 10 days after its receipt of the request.

Where the board of directors approves the convention of an extraordinary shareholders' meeting or class shareholders' meeting, it shall, within 5 days after passing the resolution, issue a notice of the shareholders' meeting. Changes to the original request as set forth in the notice of the meeting shall be approved by the relevant shareholders.

Where the board of directors disapproves the convention of an extraordinary shareholders' meeting or class shareholders' meeting or fails to provide any feedback in writing within 10 days after receipt of the request, shareholders individually or jointly holding more than 10% of the total number of voting shares of the Company shall have the right to propose in writing the convention of an extraordinary shareholders' meeting or class shareholders' meeting to the supervisory board, and shall make such request to the supervisory board in writing.

Where the supervisory board approves the convention of an

extraordinary shareholders' meeting or class shareholders' meeting, it shall, within 5 days after receipt of the request, issue a notice of the shareholders' meeting. Changes to the original request as set forth in the notice of the meeting shall be approved by the relevant shareholders.

Where the supervisory board fails to issue the notice of shareholders' meeting within the required time limit, it shall be deemed not to convene and chair the shareholders' meeting, whereupon shareholders individually or jointly holding more than 10% of the total number of voting shares of the Company for 90 consecutive days may convene and chair the meeting by themselves.

If a meeting is convened and held by the shareholders when the board of directors or the supervisory board fails to hold the meeting as per the aforementioned request, the reasonable expenses thus incurred shall be borne by the Company and paid out of the money payable by the Company to the negligent director(s).

Article 75 Where the supervisory board or shareholders decide to convene the shareholders' meeting on their own, they shall notify the board of directors in writing and file the same with the local branches of the securities regulatory authority of the State Council and the stock exchange of the place where the Company is domiciled.

Prior to the announcement of the resolutions of the shareholders' meeting, shareholding percentage of the convening shareholders shall not be less than 10%.

The convening shareholders shall, at the time of issuance of the notice of the shareholders' meeting and the announcement of the resolutions of the shareholders' meeting, provide relevant supporting documents to the local branches of the securities regulatory authority of the State Council and the stock exchange of the place where the Company domiciles.

Article 76 With respect to the shareholders' meeting convened by the supervisory board or the shareholders themselves, the board of directors and its secretary shall provide cooperation. The board of directors shall

provide the register of shareholders as at the record date.

Article 77 Necessary costs of the shareholders' meetings convened by the supervisory board or shareholders themselves shall be borne by the Company.

Article 78 After the notice of a shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without proper reasons, and the proposals specified in the notice of the meeting shall not be cancelled. Where a shareholders' meeting has to be postponed or cancelled, the conveners of the meeting shall publish an announcement at least 2 working days before the scheduled date of the meeting and state the relevant reasons for such postponement or cancellation.

Article 79 All shareholders registered as at the record date have the right to attend the shareholders' meeting and exercise their voting rights in accordance with the relevant laws, administrative regulations and these Articles of Association. Any shareholder who is entitled to attend and vote at a shareholders' meeting may either attend the shareholders' meeting in person or appoint one or more persons (whether a shareholder or not) as his proxy or proxies to attend and vote on his behalf. A proxy so appointed may exercise the following rights pursuant to the authorization from the appointing shareholder:

- (1) the shareholder's right to speak at the shareholders' meeting;
- (2) the right to demand or join in demanding a poll; and
- (3) the right to vote by hand or on a poll, but where a shareholder has appointed more than one proxy, the proxies shall only vote on a poll.

If the said shareholder is a Recognized Clearing House (or its nominee), the shareholder may authorize one or more persons as it deems fit to act as its representative(s) at any shareholders' meeting or any class shareholders' meeting; however, if more than one person is so authorized, the power of attorney shall clearly indicate the number and class of shares in respect to which each person is so authorized. The persons so authorized may represent the Recognized Clearing House (or its nominee) to exercise its rights, as if they were the

individual shareholders of the Company.

Article 80 Shareholders shall entrust their proxies by written instruments that shall be signed by the appointing shareholder or its nominee entrusted in writing. Where the appointing shareholder is a legal person, the instrument shall be affixed with the seal of the legal person or signed by its director(s) or duly authorized agent.

Article 81 The proxy form shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting no less than 24 hours prior to the meeting at which the proxy is authorized to vote or 24 hours prior to the specified time of the vote. Where the proxy form is signed by another person authorized by the appointing shareholder, the power of attorney or other document authorizing the signature shall be notarized. The notarized power of attorney or other authorization documents shall be placed, together with the proxy form, at the domicile of the Company or at such other place as specified in the notice of the meeting.

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

Article 82 Any form issued by the board of directors of the Company to the shareholders for the appointment of proxies shall give the shareholders free choice to instruct their proxies to cast an affirmative or negative vote and enable the shareholders to give separate instructions on each matter to be voted during discussions at the meeting. The proxy form shall specify that, in the absence of instructions from the shareholder, the proxy may vote as he thinks fit.

Article 83 If a natural person shareholder attends the meeting in person, he shall produce his valid identification documents and stock account card. Where a proxy is appointed to attend the meeting, the proxy shall produce his own valid identification documents and the proxy form, and provide information enabling the Company to confirm the identity

of his appointer as a shareholder.

Legal person shareholders shall appoint their legal representatives or proxies of their legal representatives to attend the meeting. If a legal representative is appointed to attend the meeting, the legal representative shall produce his valid identification documents and valid proof of his qualification as a legal representative, and he shall provide information enabling the Company to confirm the identity of the legal person shareholder. Where a proxy is appointed to attend the meeting, the proxy shall produce his own valid identification documents, the written proxy form issued by the legal person shareholder pursuant to law, or a notarized copy of the resolution authorizing such proxy adopted by the board of directors or other decision-making organs of the legal person shareholder, and shall provide information enabling the Company to confirm the identity of the appointer as a legal person shareholder.

Article 84 The proxy form issued by a shareholder to appoint a proxy to attend a shareholders' meetings shall specify:

- (1) the name of the proxy;
- (2) the number of shares of the appointing shareholder represented by the proxy;
- (3) whether or not the proxy has any voting right;
- (4) separate instructions to vote for or against or abstain from voting on each and every matter included in the agenda;
- (5) the date of issue and validity period of the proxy form;
- (6) the signature (or seal) of the appointing shareholder or its agent appointed in writing; if the appointing shareholder is a legal person shareholder, the proxy form shall bear the seal of the legal person, or signed by its director or an agent duly appointed by it.

Article 85 Where the appointer has died, lost capacity to act, withdrawn the proxy or the authority under which the proxy was executed, or the relevant shares have been transferred, prior to the voting, a vote given in accordance with the terms of a proxy shall remain valid as long as the Company did not receive a written notice of any of the foregoing events before the commencement of the relevant meeting.

Article 86 The Company shall be responsible for preparing a shareholder attendance register which will be signed by the shareholders or their proxies attending the on-site meeting. The shareholder attendance register shall set out the names of attendees present at the on-site meeting, their identification document numbers, domicile addresses, the number of voting shares held or represented by them, names of the appointers and so on.

Article 87 The convener and the lawyers engaged by the Company shall, in accordance with the register of shareholders provided by the securities registration and clearing institution, jointly verify the legality of the identification of the shareholders, register the names of the shareholders and the number of voting shares held by such shareholders. Unless otherwise decided by the Company, registration for the meeting shall terminate before the chairman of the meeting announces the total number of shareholders and proxies present at the on-site meeting and the total number of voting shares held by them.

Article 88 Where the shareholders' meeting is deliberating matters in relation to a connected transaction, the shareholders who are connected persons shall not participate in the voting on such matters, and the number of voting shares represented by them shall not be counted in the total number of valid votes; the announcement on the resolutions of the shareholders' meeting shall fully reveal the votes of the shareholders who are not connected persons.

Article 89 When shareholders (including proxies) vote at the shareholder's shareholders' meeting, they shall exercise their voting rights according to the number of voting shares that they represent. Each share shall have one vote, except where the cumulative voting system applies for the election of directors and supervisors as described in Article 134 of these Articles of Association.

Shares of the Company held by the Company shall have no voting rights and shall not be counted in the total number of voting shares held by the present shareholders.

The Company's board of directors, independent directors and shareholders who meet the relevant requirements may collect publicly

voting rights from other shareholders of the Company. The Company shall not set a minimum shareholding limit on the collection of voting rights.

Where, to the knowledge of the Company, any shareholder is required under the listing rules of the securities exchange on which the shares of the Company are listed and/or any relevant laws, rules or regulations to abstain from voting on or is restricted to vote only for or against a matter, any votes cast by or on behalf of such shareholder in violation of such requirement or restriction shall not be counted in the voting results.

Article 90 Except where the cumulative voting system applies, the shareholders' meetings shall vote on all proposals included in the agenda one by one, and, where more than one proposal is put forward for the same matter, such proposals shall be put to vote in the order of time in which they are put forward. Unless the shareholders' meeting is adjourned or fails to make any resolution due to force majeure or other special reasons, the meeting shall not put aside or refrain from voting on any proposal.

Article 91 When a proposal is considered at the shareholders' meeting, no changes shall be made to such proposal. Otherwise, such changes shall be deemed to constitute a new proposal and shall not be voted on at the current shareholders' meeting.

Article 92 The same voting right shall only be exercised by ONE of the following means: (i) on-site voting, (ii) via the Internet or (iii) others. Repeated votes in respect of the same voting right will be handled according to the notice of the shareholders' meeting.

Article 93 Votes of the shareholders' meeting shall be taken by show of hands for resolutions, unless the listing rules of the stock exchange on which the Company's shares are listed and/or other relevant laws, administrative regulations and rules require otherwise or the following persons require to vote by poll before or after any vote by show of hands for resolutions:

- (1) the chairman of the meeting;
- (2) at least 2 shareholders with voting rights or their proxies; or

(3) one or several shareholders (including proxies) holding separately or in aggregate 10% or more of the shares carrying the right to vote at the meeting.

Unless the listing rules of the stock exchange on which the Company's shares are listed and/or other relevant laws, administrative regulations and rules require otherwise or somebody proposes to vote by poll, the chairman of the meeting shall declare whether the proposal has been approved according to the results of the vote by show of hands, and shall record the same in the minutes of the meeting, which shall serve as final evidence without having to state the number or proportion of the votes for or against the resolutions adopted at the meeting.

The request for a vote by poll may be withdrawn by the person who proposed it.

Article 94 If the matter demanded to be voted upon by poll is the election of the chairman or the adjournment of the meeting, a poll shall be taken immediately. If a poll is demanded for any other matters, such poll shall be taken at a time decided by the chairman and the meeting may proceed to discuss other matters; the result of the poll shall still be regarded as a resolution passed at that meeting.

Article 95 When a poll is taken on a proposal, shareholders (including proxies) with two or more votes are not required to cast all their votes only for or only against the proposal.

Article 96 When the numbers of votes for and against a resolution are equal, whether the vote is taken by show of hands or by poll, the chairman of the meeting shall be entitled to one additional vote.

Article 97 For every matter put to vote at the shareholders' meeting, shareholders attending the meeting in person or by proxy shall expressly show whether they are for or against it. Voting tickets that are incomplete, wrongly completed, illegible or not yet cast and abstention votes will not be treated as valid votes for the purpose of calculating the voting results on the matter.

Article 98 Resolutions of shareholders' meetings shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution must be passed by more than half of the total number of voting shares held by the shareholders (including their proxies) present at the meeting.

A special resolution must be passed by more than two thirds of the total number of voting shares held by the shareholders (including their proxies) present at the meeting.

Article 99 The following matters shall be resolved by way of an ordinary resolution of the shareholders' meeting:

- (1) work reports of the board of directors and the supervisory board;
- (2) plans for the distribution of profits and making up of losses drafted by the board of directors;
- (3) appointment and removal of members of the board of directors and members of the supervisory board not being representatives of the employees of the Company, their remuneration and manner of payment;
- (4) the Company's annual budget, final accounts, including balance sheets, profit statements and other financial statements;
- (5) matters other than those required to be resolved by way of a special resolution under the laws, administrative regulations or these Articles of Association and its appendices.

Article 100 The following matters shall be resolved by way of a special resolution at a shareholders' meeting:

- (1) the increase or reduction in share capital and the issue of any class of shares, warrants or other similar securities;
- (2) the issue of corporate bonds of the Company;

- (3) the division, merger, dissolution, liquidation and change of corporate form of the Company;
- (4) amendment of these Articles of Association and its appendices;
- (5) the purchase or disposal of material assets or the provision of guarantees by the Company within a year of a value exceeding 30% of the latest audited total assets of the Company;
- (6) share incentive plan; and
- (7) any other matters required to be resolved by special resolution by the laws, administrative regulations or these Articles of Association and its appendices, and those considered by ordinary resolution at a shareholders' meeting as having a material impact on the Company and should be adopted by special resolution.

Article 101 A shareholders' meeting shall be chaired by the chairman of the board of directors. If the chairman is unable or fails to perform his duty, the vice chairman (if the Company has two or more vice chairmen, the vice chairman recommended by more than half of the total directors) shall chair the meeting; if the vice chairman is unable or fails to perform his duty, the director recommended by more than half of the total directors shall chair the meeting.

Where the shareholders' meeting is convened by the supervisory board, the meeting shall be chaired by the president of the supervisory board. Where the president of the supervisory board is unable or fails to perform his duty, the meeting shall be chaired by the vice president of the supervisory board; where the vice president of the supervisory board is unable or fails to perform his duty, the meeting shall be chaired by the supervisor recommended by more than half of all the supervisors.

Where the shareholders' meeting is convened by the shareholders, the meeting shall be chaired by the person recommended by the convener.

Where the chairman of a shareholders' meeting violates the rules of procedure so that the meeting is unable to continue, a new chairman of the meeting may, with the approval of half of the voting shareholders attending the on-site meeting, be elected by the shareholders' meeting to continue the meeting.

Article 102 The board of directors and other conveners of the Company shall take necessary measures to ensure the normal order of the shareholders' meetings. Any acts interfering with or causing disturbances to the shareholders' meeting and infringing the lawful rights of the shareholders shall be stopped by appropriate measures and reported to the relevant authorities for investigation and prosecution.

Article 103 The board of directors and supervisory board shall, at the annual shareholders' meeting, deliver a report on work of preceding year, and each independent director shall provide a report on his/her work.

Article 104 Shareholders may make enquiries to the Company at the shareholders' meeting. The directors, supervisors and senior management personnel shall provide explanations with respect to any queries and proposals raised by the shareholders unless they relate to the Company's business secret and shall not be disclosed at the meeting.

Article 105 The chairman of the meeting shall, prior to voting, announce the total number of the shareholders and the proxies present at the meeting and the total number of the voting shares held by them, subject to registration at the meeting.

Article 106 Prior to voting, the shareholders' meeting shall nominate two shareholders to participate in counting votes and supervising the voting. Where the shareholder has interest in the resolution to be considered, such shareholder and its proxy shall not participate in counting votes and supervising the voting.

When the shareholders' meeting votes on a proposal, the lawyers, shareholders' representatives and supervisor representatives shall be jointly responsible for counting votes and supervising voting, and shall announce the voting results at the meeting. The vote results shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies who cast vote via the Internet or other means shall be entitled to examine their voting results via the corresponding voting system.

Article 107 Prior to the formal announcement of the voting result, the Company, vote counters, vote supervisors, major shareholders and Internet service providers as involved in the voting at on-site shareholders' meeting, voting through Internet and by other means shall have the obligation to keep confidential the information about the voting.

Article 108 The chairman of the meeting shall be responsible for deciding whether or not a resolution of the shareholders' meeting shall be passed. His decision shall be final and shall be announced at the meeting and recorded in the minutes of the meeting.

Article 109 If the chairman of the meeting has any doubts about the result of a resolution put to the vote, he may count the number of votes cast. If the chairman of the meeting fails to count the votes, a shareholder or proxy attending the meeting who challenges the result announced by the chairman of the meeting shall have the right to request counting of votes immediately after such announcement, in which case the chairman of the meeting shall immediately count the votes.

Article 110 If counting of votes is held at a shareholders' meeting, the result of the counting shall be recorded in the minutes of the meeting.

Article 111 A shareholders' meeting shall keep minutes of its meetings. The secretary of the board of directors shall be responsible for the minutes of the meeting which shall record the following matters:

- (1) time, place, agenda and name of convener of the meeting;
- (2) name of the chairman of the meeting and names of the directors, supervisors, general managers and other senior management personnel present at the meeting as voting or non-voting attendees;
- (3) number of the shareholders and proxies present at the meeting, total number of their holding shares and the proportion of such shares in the total shares of the Company;
- (4) deliberation procedure, main points of the presentation, and voting

results with respect to each proposal;

- (5) inquiry, opinion or proposal of the shareholders and the relevant reply or explanation;
- (6) names of the lawyer, vote counter and poll watcher ; and
- (7) other matters which shall be recorded in the minutes of the meeting according to these Articles of Association.

The convener should be responsible for the authenticity, accuracy and completeness of the minutes of meetings. The attending directors, supervisors, secretary of the board of directors, the convener or its agent, and the chairman of the meeting shall sign the minutes of the meeting. The minutes of the shareholders' meetings, together with the shareholders' attendance list and proxy forms, and other valid information in relation to the voting by way of the Internet or other means shall be preserved for at least 10 years.

Article 112 The resolutions of the shareholders' meeting shall be announced promptly, and the announcement shall state the number of the shareholders (or the proxies) present at the meeting, the number of voting shares held by them and the percentage of such shares out of the total voting shares of the Company, the method of voting, the voting result of each proposal and the detailed contents of each resolution passed.

Article 113 Any resolution that is not passed at the current shareholders' meeting or any resolution passed at the previous shareholders' meeting that is altered at the current shareholders' meeting shall be specifically indicated in the announcement on the resolutions of the current shareholders' meeting.

Article 114 The convener shall ensure the continuity of the shareholders' meeting until the final decision is achieved. Where a shareholders' meeting is adjourned or fails to make any decision due to force majeure or other special matters, the convener shall take all necessary measures to resume the shareholders' meeting as soon as possible or directly terminate such shareholders' meeting, and an announcement to that effect shall be published immediately. Meanwhile, the convener shall report to the local branch of the securities regulatory authority of the State Council and the securities exchange of the place where the

Company is located.

Article 115 In holding a shareholders' meeting, the Company shall retain lawyers to give legal opinions on the following matters, and shall make a public announcement on the same:

(1) whether the procedures for convening and holding the shareholders' meeting comply with the relevant laws and administrative regulations as well as these Articles of Association;

(2) whether the eligibility of the attendees and convener of the meeting is lawful and valid;

(3) whether the voting procedures and results of the shareholders' meeting are lawful and valid; and

(4) any legal advice on any other matters as requested by the Company.

Article 116 Shareholders may examine photocopies of the minutes of meetings during the Company's office hours free of charge. If any shareholder demands from the Company a photocopy of relevant minutes of meetings, the Company shall send such photocopies within 7 days of receiving payment of reasonable charges.

Article 117 Where the shareholders' meeting passes resolutions on cash distributions, bonus shares or capitalization of capital reserves, the Company shall give effect to the detailed plan within 2 months after the conclusion of the shareholders' meeting. If any of the aforesaid resolutions is a profit distribution plan, the board of directors of the Company shall complete the issue and distribution of dividends (or shares) within 2 months after the shareholders' meeting.

CHAPTER NINE: SPECIAL PROCEDURES FOR VOTING BY CLASS SHAREHOLDERS

Article 118 Shareholders who hold different classes of shares shall be class shareholders.

Class shareholders shall enjoy rights and assume obligations in accordance with the laws, administrative regulations and these Articles of Association.

Article 119 If the Company intends to change or abrogate the rights of class shareholders, it may do so only after such change or abrogation has been approved by way of a special resolution of the shareholders' meeting and by a separate shareholders' meeting convened by the affected class shareholders in accordance with Articles 121 to 125.

Article 120 The rights of shareholders of a certain class shall be deemed to have been changed or abrogated in the following circumstances:

- (1) an increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of a class having voting rights, distribution rights or other privileges equal or superior to those of the shares of such class;
- (2) a change of all or part of the shares of such class into shares of another class, a conversion of all or part of the shares of another class into shares of such class or the grant of the right to such change;
- (3) a removal or reduction of rights to accrued dividends or cumulative dividends attached to shares of such class;
- (4) a reduction or removal of the preferential rights attached to shares of such class to receive dividends or to the distribution of assets in the liquidation of the Company,;
- (5) an addition, removal or reduction of share conversion rights, options, voting rights, transfer rights, preemptive rights to rights issues or rights to acquire securities of the Company attached to shares of such class;
- (6) a removal or reduction of rights to receive amounts payable by the Company in a particular currency attached to shares of such class;
- (7) a creation of a new class of shares with voting rights, distribution rights or other privileges equal or superior to those of the shares of that class;
- (8) an imposition of restrictions or additional restrictions on the transfer or ownership of shares of such class;
- (9) an grant of rights to subscribe for, or convert into, shares of such class or another class;
- (10) an increase in the rights and privileges of shares of another class;
- (11) a restructuring of the Company which will cause holders of

different classes of shares to bear an disproportionate burden of obligations under the restructuring; or
(12) an amendment or cancellation of the provisions of this Chapter.

Article 121 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' meetings, shall have the right to vote at class meetings in respect of matters referred to in items (2) to (8) or (11) to (12) of Article 120, except that interested shareholders shall not have the right to vote at class meetings.

For the purposes of the preceding paragraph, the term “interested shareholders” shall refer to:

- (1) if the Company has made a repurchase offer to all shareholders in the same proportion or has repurchased its own shares through open transactions on a securities exchange in accordance with Article 32 hereof, the controlling shareholders as defined in Article 58 hereof;
- (2) if the Company has repurchased its own shares by an agreement outside a securities exchange in accordance with Article 32 hereof, holders of shares in relation to such agreement; or
- (3) under a restructuring scheme of the Company, shareholders within a class who bear less than a proportionate liability of other shareholders of the same class, or shareholders who have an interest different from the interest of other shareholders of the same class.

Where the Company has knowledge that any class shareholder is required under the listing rules of securities exchanges on which the shares of the Company are listed and/or any relevant laws, rules or regulations to abstain from voting on or is restricted to vote only for or only against a certain matter, any votes cast by or on behalf of such class shareholder in violation of such requirement or restriction shall not be counted in the voting results.

Article 122 Resolutions of a class meeting may be passed only by more than two thirds of the voting rights of that class represented at the meeting in accordance with Article 121 hereof.

Article 123 When the Company is to hold a class shareholders' meeting, it shall issue a written notice 45 days prior to the meeting, informing all the shareholders whose names appear on the register of shareholders of such class of the matters to be examined at the meeting as well as the date and venue of the meeting. In the notice of meeting given to the class shareholders, the board of directors shall advise the shareholders who intend to attend the meeting to deliver a written reply to the Company 20 days prior to the date of the meeting,.

If the number of shares carrying the right to vote at the meeting represented by the shareholders intending to attend the meeting is more than half of the total number of shares of that class carrying the right to vote at the meeting, the Company may hold the class meeting. If not, the Company shall within 5 days inform the shareholders once again of the matters to be examined at the meeting and the date and place of the meeting in the form of a public announcement. Upon notification by public announcement, the Company may hold the class meeting.

Article 124 The notice of a class meeting shall only be delivered to the shareholders entitled to vote at the meeting. A class meeting shall be held under procedures as similar as possible to a shareholders' meeting. The provisions of these Articles of Associations which relate to the convening of shareholders' meetings shall apply to class meetings.

Article 125 In addition to holders of other classes of shares, holders of domestic shares and overseas-listed foreign shares shall be deemed as shareholders of different classes.

The special procedures for voting by class shareholders shall not apply:

- (1) where the Company issues, upon approval by way of a special resolution of the shareholders' meeting, either separately or concurrently every 12 months, not more than 20% of each of the issued and outstanding domestic shares and overseas-listed

- foreign shares; or
- (2) where the plan for issuance of domestic shares and overseas-listed foreign shares upon the establishment of the Company is completed within 15 months of being approved by competent securities regulatory authorities under the State Council.

CHAPTER TEN: BOARD OF DIRECTORS

Article 126 The Company shall establish a board of directors. The board of directors shall be composed of 9-11 directors. The board of directors shall have a chairman and may have one or two vice-chairmen.

Directors can also act as senior management personnel, however, the number of directors who also act as senior management personnel shall not exceed half of the total number of directors of the Company.

Article 127 The board of directors shall draw up the Rules of Procedures for the Board of Directors' Meetings in order to ensure that the board of directors implement the resolutions of the shareholders' meeting, improve work efficiency and ensure scientific decision-making.

Article 128 Directors shall be elected at the shareholders' meeting and each session of board of directors has a term of 3 years. The term of office of a director shall start on the date when he/she takes office and end upon the expiry of the term of the present session of the board of directors. At the expiry of the term of office of a director, the term is renewable upon re-election. However, the term of office of an independent director shall be limited to a maximum of six years.

Newly appointed directors and supervisors should assume their office immediately after the close of the relevant shareholders' meeting, or at such time as specified in the resolution of the relevant shareholders' meeting.

If the term of office of a director expires but re-election is not made in a timely manner, the said director shall continue to perform the duties as director pursuant to the laws, administrative regulations, rules of competent authorities and these Articles of Association until the

elected director assumes his office.

The shareholders' meeting may dismiss a director from his position prior to the expiry of his term of office. The shareholders' meeting may, subject to the provisions of the relevant laws and administrative regulations, dismiss a director whose term of office has not yet expired by an ordinary resolution (without prejudice to any potential claim which may be raised under any contract).

In the event that a director fails to attend in person or appoint other directors to attend on his behalf the meeting of the board of directors for 2 consecutive times, such director shall be deemed to have failed to perform his duties and the board of directors shall propose to the shareholders' meeting to have such directors dismissed.

In the event that an independent director fails attend the meetings of the board of directors in person for 3 consecutive times, the board of directors may propose to the shareholders' meeting to have such independent directors dismissed. Except for the above-mentioned situation and such circumstances as stipulated in the Company Law in which a person shall not act as a director, an independent director shall not be dismissed without reason before expiry of his term of office. Where an independent director is dismissed before expiry of his term of office, the Company shall disclose such dismissal as a matter of special disclosure. A dismissed independent director who considers the reason for his dismissal as improper may make a public statement.

The chairman and vice-chairman of the board of directors shall be elected and dismissed by more than half of all of the directors. The term of office of the chairman and vice-chairman shall be 3 years. The chairman and vice-chairman may serve consecutive terms if re-elected upon the expiration of their original terms.

A director does not have to be a shareholder of the Company.

Article 129 A director may resign before the expiry of his term of office. To resign, a director should submit a written resignation to the board of directors. If the membership of the board of directors falls below the

quorum as a result of the resignation of a director, the original director shall, before the re-elected director takes his office, perform the duties as director in accordance with the laws, administrative regulations, departmental rules and the provisions of these Articles of Association.

Notwithstanding the foregoing, the resignation of the directors shall take effect upon service of the written resignation upon the Board of Directors.

Article 130 To act as an independent director, a person shall meet the following basic requirements:

- (1) to be qualified to be a director of the Company under the laws, administrative regulations and other relevant provisions;
- (2) to possess basic knowledge of the operation of a listed company, to be familiar with the relevant laws, administrative regulations, rules and bylaws of competent authorities;
- (3) to possess more than 5 years of experience in law or economy or other areas of practice as required for performing the duties of an independent director;
- (4) to meet the independence and other requirements stipulated by the laws, administrative regulations, rules of the competent authorities and these Articles of Association.

Article 131 The list of candidates for directorship shall be submitted to the shareholders' meeting by way of a proposal, and shall be adopted by an ordinary resolution. A written notice of the intention to nominate a candidate for directorship and the candidate's expression of his willingness to accept the nomination shall be sent to the Company no later than 10 days prior to the date of the shareholders' meeting, and the period granted by the Company for lodging the above notice and documents by the relevant nominator(s) and the relevant candidate(s) shall not be less than 10 days (such period shall commence from the date immediately following the date of issue of the notice of the shareholders' meeting). The nominator shall fully understand the occupation, academic qualifications, position, detailed work experience and part-time work, etc. of the candidates, and shall also be responsible for providing the Company with the documentary proof of

such particulars. Of the above, the nominator of an independent director shall state, in its notice of nomination to the Company, his opinions on the nominee's qualifications and independence to act as an independent director. The nominator shall also enclose a written document evidencing the nominee's willingness to be nominated. The nominee for independent directorship shall make a public announcement that there is no relationship between the Company and the nominee which may affect his independent judgement.

The Company shall, prior to the date of the shareholders' meeting, disclose the detailed particulars of the candidates for directorship (including their resumes and basic particulars) to ensure that the shareholders have sufficient information on the nominees at the time of voting. Before a shareholders' meeting is convened to elect independent directors, the board of directors of the Company shall also disclose the information as described in the preceding paragraph in relation to the potential independent director.

Article 132 The candidates for independent directorship may be nominated by the board of directors, the supervisory board, or one or more shareholders holding separately or in aggregate more than 1% of the issued shares of the Company. The candidates for the remaining directorship shall be nominated by the board of directors, the supervisory board, or one or several shareholders holding separately or in aggregate more than 3% of the issued shares of the Company.

Article 133 When issuing notice of shareholders' meeting where independent directors are to be elected, the Company shall submit the relevant information of all nominees to the domestic stock exchange on which the Company's shares are listed. The written opinions of the board of directors shall be submitted at the same time in case the board has any dispute as to the particulars of the nominee. If the domestic stock exchange on which the Company's shares are listed objects to the nomination of any nominee, this nominee may not be included as a candidate for independent director. In convening a shareholders' meeting to elect independent directors, the Company's board of directors shall specify if the domestic stock exchange on which the Company's shares are listed has any dispute as to the candidates for independent directors.

Article 134 When voting on the election of directors and supervisors at a shareholders' meeting, a cumulative voting system shall be adopted in accordance with the then current laws and regulations. In the event of any inconsistency between the applicable regulations promulgated by the regulatory authorities and the provisions of these Articles of Association, the board of the directors may decide to adopt an appropriate cumulative voting system without violation of applicable laws and regulations. A cumulative voting system means that, in the election of directors at the shareholders' meeting, the voting rights that each share carries shall equal the number of the directors to be elected and a shareholder may apply all his voting rights towards one candidate. The details of the cumulative voting system are as follows:

- (1) where the number of directors to be elected is more than two, the cumulative voting system shall be adopted;
- (2) where cumulative voting system is adopted, each of the shares held by a shareholder shall carry the same voting rights as the number of directors to be elected;
- (3) the notice of a shareholders' meeting shall notify the shareholders that a cumulative voting system will be adopted for the election of directors. Before the election of directorship is put to the vote, the chairman of the shareholders' meeting shall expressly tell the shareholders present at the meeting that a cumulative voting system will be adopted for the election of directors. The board of directors shall paper ballots suitable for adopting the system of cumulative voting. The secretary of the board of directors shall describe and explain how the cumulative voting system works, how the ballots are to be filled and how the votes will be counted;
- (4) where the election for directors is put to the vote of the shareholders' meeting, a shareholder may exercise his voting rights by splitting his votes evenly and giving each of the candidates votes equal to the number of shares he holds; or by concentrating all his votes on one candidate and giving such candidate all the votes equal to the number of directors to be elected carried by each share he holds; or by directing a proportion of his votes carried by the shares he holds towards each of several candidates;
- (5) when a shareholder concentrates all of his votes represented by the

- shares he holds on one or several of the candidates for directorship, the shareholder shall have no right to vote for any other candidate;
- (6) where the total number of votes cast by a shareholder for one or several of the candidates is in excess of the number of votes carried by the total number of shares held by the shareholder, the votes cast by the shareholder shall be null and void and the shareholder shall be deemed to have waived his voting rights. Where the total number of votes cast by a shareholder for one or several of the candidates is less than the number of votes carried by the total number of shares held by the shareholders, the votes cast by the shareholders shall be valid, and the shortfall between the votes actually cast and the votes which the shareholder is entitled to cast shall be deemed to be a waiver by the shareholder of his voting rights;
 - (7) where the number of votes won by a candidate exceeds half of the total voting shares (on a non-cumulative basis) represented by the shareholders present at the shareholders' meeting, the candidate shall be preliminarily elected. Where the number of candidates preliminarily elected at the shareholders' meeting exceeds the total number of directors to be elected, those candidates with the highest number of votes shall be elected as directors. If the number of preliminarily elected directors is less than the number of directors to be elected, a new round of voting shall be carried out for the number of directorship vacancies until all vacancies are filled.
 - (8) where a new round of voting is carried out according to the provisions of paragraph (7) of this Article at the shareholders' meeting, the number of votes to which the shareholders are entitled in the cumulative voting shall be reset according to the number of directors to be elected in the new round of voting.

The Company may elect its supervisors through the cumulative voting system by reference to the procedures set forth above.

Article 135 The board of directors shall be accountable to the shareholder's general meeting and shall exercise the following functions and powers:

- (1) to be responsible for convening shareholders' general meetings and to report its work to the shareholders' general meeting;

- (2) to implement the resolutions of the shareholders' general meeting;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's annual financial budgets and final accounts;
- (5) to formulate the Company's profit distribution plans (including plans for distribution of final dividends) and plans for loss recovery;
- (6) to formulate the debt and financial policies of the Company, the proposals for the increase or reduction of the Company's registered capital and for the issue and listing of corporate bonds, any kind of securities, warrants or other similar securities or proposals for the repurchase of the Company's shares;
- (7) to formulate plans for material acquisition, acquisition of the Company's shares, merger, division, dissolution of the Company or change of corporate form of the Company;
- (8) to determine the external investment, purchase or sale of assets, mortgage of assets, entrusted wealth management, connected transactions and other matters of the Company within the scope of authority granted by the shareholders' meeting;
- (9) to decide on the setup of the Company's internal management structure;
- (10) to decide on the Company's risk management system, internal control system and legal compliance management system; to carry out overall monitoring and appraisal of the Company's risk management, internal control and legal compliance management systems and their effective implementation;
- (11) to appoint or remove the Company's general manager and to

appoint or remove the deputy general manager and chief financial officer and general legal counsel of the Company based on the nomination of general manager; to appoint or remove the secretary of the board of directors; and to decide on their remuneration;

(12) to appoint or replace members of the board of directors and the supervisory board of any wholly owned subsidiary of the Company;

(13) to decide on the setup of the Company's branches;

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

(15) to formulate proposals for amendment of these Articles of Association and its appendices;

(16) to examine external guarantees of the Company in accordance with laws, regulations and the provisions of these Articles of Association;

(17) to manage the disclosure of information of the Company;

(18) to propose the engagement or replacement of the accounting firm serving as the auditor of the Company to the shareholders' meeting;

(19) to hear the general manager's work reports and inspect the performance of the general manager;

(20) to exercise any other powers conferred by the laws, administrative regulations, rules of the competent authorities or these Articles of Association and its appendices or granted by the shareholders' meeting.

Other than the board of directors' resolutions in respect of the matters specified in sub-paragraphs (6), (7) and (15) of this Article which shall be passed by the affirmative votes of more than two thirds of all the directors, resolutions in respect of all other matters may be passed by

the affirmative votes of over half of the directors (matters specified in sub-paragraph (16) should be approved by more than two thirds of the directors attending the meeting).

The board of directors of the Company shall set up special committees such as the Audit Committee, Strategy Committee, and Remuneration Committee. The special committees are responsible to the board of directors, and shall perform their duties in accordance with the Articles of Association and within the authorization of the board of directors, with their proposals submitted to the board of directors for consideration and approval. The special committees shall be composed of directors, among which, independent directors shall constitute the majority of the members of the Audit Committee and Remuneration Committee and serve as the convener, while the convener of the Audit Committee shall be an accounting professional. The board of directors is responsible for formulating the work procedures and regulating the operation of the special committees.

The Company shall not provide any guarantee for personal indebtedness.

Article 136 Upon the unanimous consent of the board of directors, the above-mentioned functions and powers of the board of directors may be delegated to one or several directors provided that any matter involving the material interest of the Company shall be decided by the board of directors collectively. The delegation of the board of directors shall be specific and concrete in contents.

Article 137 When making resolutions on significant matters such as direction of reform and development, major goals and objectives and key work arrangements of the Company, the board of directors should first seek advice from the Party organization. When the board of directors proposes to engage a senior management personnel of the Company, the Party organization shall consider and provide their opinions and suggestions on the candidates nominated by the board of directors or the general manager, or recommend candidates to the board of directors or the general manager.

If any matter considered by the board of directors involves legal issues, the general legal counsel shall be present and provide legal advice.

Article 138 The board of directors shall determine the extent of authority for external investments, purchase or sale of assets, mortgage of assets, external guarantees, entrusted wealth management and connected transactions of the Company, which shall be clearly provided in the Rules of Procedures for the Meeting of the Board of Directors, and establish strict procedures for examination and decision-making in respect of the aforesaid matters. For major investment projects, it shall organize the relevant experts and professionals to conduct assessment of such project and submit the same to the shareholders' meeting for approval.

Article 139 The board of directors of the Company shall explain to the shareholders' meeting on the non-standard auditor's opinions issued by certified public accountants on the Company's financial reports.

Article 140 An independent director shall have the following special functions and powers in addition to those conferred on directors by the Company Law, other relevant laws, administrative regulations and these Articles of Association:

- (1) any substantial connected transaction which is required to be considered by the board of directors or the shareholders' meeting (in accordance with the regulations promulgated by relevant regulatory authorities from time to time) shall first be approved by more than half of the independent directors before being submitted to the board of directors for discussion. Any resolution made by the board of directors on the connected transactions of the Company shall not be effective unless it is approved by all the independent directors. Before making any decision, the independent directors may engage an independent financial advisor to issue a financial advisor's report as the basis for its decision;
- (2) to propose to the board of directors in respect of the engagement or dismissal of an accounting firm;

- (3) two or more than half of the independent directors may propose to the board of directors for convening an extraordinary shareholders' meeting;
- (4) to propose the convening of a meeting of the board of directors;
- (5) to independently engage external auditors and consultants;
- (6) to publicly solicit voting rights from shareholders before a shareholders' meeting is held.

To exercise the above-mentioned functions and powers (except for items (1) and (3)), an independent director shall obtain the consent of more than half of the independent directors. If any of the above-mentioned proposals is not adopted or any of the above-mentioned functions and powers cannot be normally exercised, the Company shall disclose the relevant information.

Article 141 In addition to the functions and powers mentioned in the preceding Article, an independent director should also give independent opinions to the board of directors or the shareholders' meeting on the following matters:

- (1) nomination, appointment or dismissal of directors;
- (2) appointment or dismissal of senior management personnel;
- (3) remuneration of the directors and senior management officers of the Company;
- (4) borrowings or other funding transactions between the shareholders, *de facto* controller of the Company and their connected parties and the Company, the aggregate amount of which reaches the threshold for connected transactions subject to the approval of the board of directors or the shareholders' meeting (such threshold as set forth in the regulations promulgated by the relevant regulatory authorities from time to time); and whether the Company has taken effective measures to recover such debts;
- (5) any matters which the independent shareholders consider to be detrimental to the interests of minority shareholders;
- (6) any other matters stipulated by the laws, administrative regulations, rules of the competent authorities or these Articles of Association.

An independent director shall give one of the following opinions on the matters mentioned in the preceding subparagraphs of this Article: (1) agreed; (2) qualified with reasons; (3) disagreed with reasons; (4) unable to comment and difficulties.

If the matter is one which shall be disclosed, the Company shall make public the opinion of the independent shareholders. If the independent directors are of divergent views and cannot reach any agreement, the board of directors shall disclose the opinions of each independent director separately.

Article 142 When the board of directors disposes of fixed assets, if the sum of (i) the expected value of the assets proposed to be disposed of and (ii) the value of the proceeds from disposal of fixed assets made within 4 months immediately preceding the proposed disposal exceeds 33% of the value of the fixed assets shown in the most recent balance sheet considered by the shareholders' meeting, the board of directors may not dispose of or agree to dispose of such fixed assets without the prior approval of the shareholders' meeting.

For the purpose of this Article, the term “disposal of fixed assets” shall include the transfer of the rights and interest in certain assets but not include the provision of security using fixed assets.

The validity of transactions whereby the Company disposes of fixed assets shall not be affected by the breach of the first paragraph of this Article.

Article 143 The chairman of the board of directors shall exercise the following functions and powers:

- (1) to preside over shareholders' meetings and to convene and preside over meetings of the board of directors;
- (2) to urge and examine the implementation of resolutions of the board of directors;
- (3) to sign securities issued by the Company; and
- (4) other functions and powers granted by the board of directors.

The vice-chairman of the board of directors shall assist the chairman of the board with its work. Whenever the chairman is unable to or fails to exercise his/her powers, the vice-chairman shall perform the duties (if the Company has two or more vice chairmen, the vice-chairman elected by more than half of the directors shall perform the duties); where the vice-chairman of the board is unable to or fails to fulfil his/her duty, a director shall be elected by more than half of the total members of the board of directors to perform the duties.

Article 144 The board of directors shall hold at least four regular meetings a year. Meetings of the board of directors shall be convened by the chairman of the board of directors by giving a notice to all directors and supervisors 10 days before the meetings are held. When the chairman of the board of directors, the shareholders holding 10% or more of the Company's voting shares, more than one third of the directors, more than half of the independent directors, the supervisory board, or the general manager of the Company proposes to convene an extraordinary meeting of the board of directors, the chairman of the board of directors shall issue a notice of such extraordinary meeting within 10 days upon receipt of the proposal.

Article 145 Meetings of the board of directors shall in principle be held in the place where the Company is located, provided that they may also be held in other places in the territory of the PRC upon the passing of a relevant resolution by the board of directors.

Article 146 The Company shall pay the expenses incurred by a director in attending a meeting of the board of directors. Such expenses shall include the fee for traveling from the place where the director is located to the meeting venue, and the meals and accommodation during the period when the meeting is held. The Company shall also pay the rental of the meeting venue, the local transportation costs and other miscellaneous expenses.

Article 147 The meetings of the board of directors shall be conducted in Chinese. If necessary, an interpreter may be present to provide Chinese-English simultaneous interpretation.

Article 148 Notices of the meetings of the board of directors shall be given in the following ways:

(1) the notice of the meeting may be served by personal delivery, facsimile, telex, telegraph, express mail service or registered mail;

(2) the notice of the board of directors' meeting shall be delivered to the directors 10 days before the date of the meeting; in case of emergency, where an extraordinary meeting of the board needs to be held as soon as possible, notice may be sent by way of telephone communication or other verbal means at any time, provided that the convener shall explain the same at the meeting and record it in the minutes of the meeting;

(3) the notice shall include an agenda of the meeting and shall be written in the Chinese language. An English version may be provided if necessary. A director or supervisor may waive its right to such notice of meetings of the board of directors under the preceding provisions.

Article 149 The notice of the meeting of the board of directors shall set out the following:

- (1) the date and place of the meeting;
- (2) the duration of the meeting;
- (3) the reasons for holding the meeting and the topics to be discussed at the meeting;
- (4) the date of issuance of the notice.

Article 150 The board of directors shall provide the directors with sufficient information, including the background information relating to the topics to be discussed at the meeting and the information and data which can enable the directors to understand the Company's business development. The Company shall ensure that the independent directors have the same right to know as other directors. Any matter to be decided by the board of directors shall be notified to the directors in advance by such time as required by law, and sufficient information shall be provided. If the directors consider the information to be insufficient, the directors may request supplemental information. Where one quarter or more of the directors or more than two external

directors consider the information to be insufficient or the argument to be unclear, they may jointly request in writing the meeting of board of directors to be deferred or the matter to be considered at a later date, and the board of directors shall accept such request.

Both the Company and the independent directors shall keep the information provided by the Company to the independent directors for at least 5 years.

Article 151 A director shall be treated as having been given a notice of meeting if he has attended the relevant meeting and has not raised that he has not received the notice of meeting prior to or at the time of his presence at the meeting.

The regular or extraordinary meetings of the board of directors may be held by way of telephone conference or similar communication equipment. All attending directors shall be deemed to have attended such a meeting in person as long as they can hear each other clearly and communicate with each other.

Article 152 Meetings of the board of directors may be held only if more than half of all the directors (including directors appointing proxies to attend on their behalf in accordance with Article 154 hereof) attend. Each director shall be entitled to one vote. Unless otherwise stipulated in laws and these Articles of Association, resolutions of the board of directors must be adopted by the affirmative votes of more than half of all the directors. When the number of votes for and against a resolution is equal, the chairman of the board of directors shall be entitled to one additional vote.

Article 153 Directors who have connected relations with the enterprises involved in the matters to be resolved at meetings of the board of directors shall not vote on the resolution on such matters either by itself or on behalf of other directors. The board meeting may not be convened unless it has over half of the non-connected directors present and the resolutions made at such meeting of the board of directors require the approval of over half of the non-connected directors. Where the non-connected directors present at the meeting are less than three, the

relevant matter shall be submitted to the shareholders' meeting for consideration.

Article 154 Directors shall attend the meetings of the board of directors in person. Where a director is unable to attend a meeting for any reason, he may by a written power of attorney appoint another director to attend the meeting on his behalf. The power of attorney shall set out the name of the attorney, the particulars and the scope of authorisation, the duration of validity of such authorisation, and shall be signed or sealed by the director appointing the attorney.

The directors who act as proxies of others shall exercise the rights of directors within the scope of authorisation. Where a director is not present at a meeting of the board of directors and fails to appoint a proxy to attend on his behalf, such director shall be deemed to have waived his right to vote at the meeting.

Article 155 The resolutions of the board of directors may be decided on a poll or by a show of hands. Extraordinary meetings of the board of directors may take the form of written resolutions in lieu of physical meetings, provided that directors are allowed to fully express their opinions and provided that the draft resolutions shall be delivered to every director either by hand, by mail, by telegraph or by fax. If the board of directors has delivered the draft resolution to all directors, and the number of directors signing in favour of the draft resolution has met the quorum required for passing the resolution, and the draft resolution is delivered to the secretary to the board of directors in the above-mentioned manner, the draft resolution shall become a resolution of the board of directors without convening a meeting of the board of directors. Unless otherwise expressed by the directors in the minutes of the board meeting, the directors' signing of the minutes of the meeting shall be sufficient evidence that they have agreed to the resolutions.

Article 156 The board of directors shall use the Chinese language to record the resolutions adopted at the physical meetings of the board of directors and the resolutions adopted without convening a meeting of the board of directors and make such records into meeting minutes. The minutes of a meeting of the board of directors shall state the following:

- (1) the date, place, names of the convener and the chairman of the meeting;
- (2) the names of the attending directors and the names of directors (proxies) being appointed by another director to attend the meeting;
- (3) the agenda of the meeting;
- (4) the essential points of the directors' presentations (or, in the event of written resolutions in lieu of a meeting, the directors' feedback in writing); and
- (5) the voting methods and results on each proposal (the results of the voting shall set out the respective number of assenting, dissenting and abstention votes).

The minutes of every meeting of the board of directors shall be promptly provided to all directors for review. Directors who wish to amend or supplement the minutes shall submit the proposed amendment to the chairman in writing within a week of receiving the minutes of the meeting. After the minutes are finalized, the directors attending the meeting, the secretary to the board of directors and the recorder of the minutes shall sign the minutes of that meeting. The minutes of the board meetings shall be kept at the domicile of the Company as company files for at least 10 years.

Directors shall be liable for board resolutions. If a board resolution is against the law, administrative regulations or these Articles of Association or the resolutions of the shareholders' meetings, which causes the Company to suffer any severe loss, the directors who participate in passing such resolution shall assume the liability for compensation to the Company, provided that directors who prove to have cast a dissenting vote against such resolution as recorded in the minutes of the meeting may be exempted from such liability.

CHAPTER ELEVEN: SECRETARY TO THE BOARD OF DIRECTORS

Article 157 The Company shall have one secretary to the board of directors. The secretary to the board of directors shall be a senior management officer of the Company accountable to the Company and the board of directors. The Company shall develop a working system for the secretary to the board of directors, specifying measures on how to enhance governance level, improve information disclosure and investor relations of the Company.

Where necessary, the Company may establish a secretarial office under the board of directors.

Article 158 The secretary to the board of directors shall be a natural person with the necessary professional knowledge and experience. He/she shall be nominated by the chairman of the board of directors and appointed by the board of directors. His/her main duties shall be as set forth below:

- (1) to assist directors in day-to-day work of the board of directors, to continuously provide the directors and the general manager with and remind and ensure them to be well informed of the laws, regulations, policies and requirements of both domestic and overseas regulatory authorities concerning the operation of the Company, and to assist the directors and the general manager to earnestly comply with the domestic and overseas laws, regulations, the Company's Articles of Association and its appendices and other relevant requirements when performing their duties and powers;
- (2) to be responsible for the organization and preparation of documents for the board of directors and the shareholders' meeting, to take proper meeting minutes, to ensure that the resolutions passed at the meetings comply with statutory procedures and to be knowledgeable about the implementation of the resolutions of the board of directors;
- (3) to be responsible for the organization and coordination of information disclosure, ensuring timely, accurate, lawful, true and complete information disclosure by the Company, and to coordinate the relationship with investors and to increase

transparency of the Company;

- (4) to be responsible for the organization of capital market operations and capitalization management;
- (5) to handle relations with regulatory authorities, intermediaries, and financial media.

Article 159 A director or a member of the senior management personnel of the Company may concurrently act as the secretary of the Company's board of directors. No accountant of the accounting firm engaged by the Company may concurrently act as the secretary of the Company's board of directors.

In the case of a director acting concurrently as the secretary of the board, if an act has to be performed by a director and the secretary of the board separately, this director acting concurrently as the secretary of the board may not act in both capacities.

Article 160 The secretary to the board of directors shall diligently fulfill his duties in accordance with the relevant provisions of laws, administrative regulations, rules of competent authorities, these Articles of Association and its appendices.

The secretary to the board of directors shall remind and assist the Company to comply with the relevant laws of the PRC and the rules of the securities regulatory authorities of the place where the shares of the Company are listed.

CHAPTER TWELVE: GENERAL MANAGER

Article 161 The Company shall have one general manager who shall be appointed or dismissed by the board of directors.

The Company shall have several deputy general managers, and one chief financial officer who shall assist the general manager in work. The deputy general managers and the chief financial officer shall be nominated by the general manager and appointed or removed by the board of directors.

Article 162 The general manager shall be accountable to the board of directors and shall exercise the following duties and powers:

- (1) to be in charge of the production, operation and management of the Company and to organize the implementation of the resolutions of the board of directors and to report his work to the board of directors;
- (2) to organize the implementation of the Company's annual business plans and investment proposals;
- (3) to formulate the plan for establishment of the Company's internal management structure;
- (4) to formulate the plans for the establishment of risk management system, internal control system and legal compliance management system, and to organize their implementation after approval by the board of directors;
- (5) to formulate the Company's basic management system;
- (6) to formulate the basic rules and regulations of the Company;
- (7) to propose the engagement or dismissal of the deputy general managers and chief financial officer of the Company;
- (8) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors; and
- (9) other powers conferred by these Articles of Association and its appendices and granted by the board of directors.

Article 163 The general manager shall formulate the Working Rules for the General Manager for implementation upon the approval of the board of directors.

- Article 164** The Working Rules for the General Manager shall include:
- (1) the requirements and procedures for the convening of a general manager's meeting and the attendees of such a meeting;
 - (2) the specific duties and responsibilities of the general manager and other senior management personnel and the allocation of work between them;
 - (3) the use of the Company's funds and assets, authority to sign material contracts and the system of reporting to the board of directors and to the supervisory board at the request of the supervisory board;
 - (4) other matters as the board of directors may consider necessary.

Article 165 The general manager of the Company shall attend meetings of the board of directors as non-voting attendees, and be entitled to receive notices of the meetings and the relevant documents. A general manager not being a director shall have no right to vote at such meetings.

Article 166 In the exercise of their functions and powers, the general manager and deputy general managers shall not alter any resolutions adopted by the shareholders' meeting or the board of directors, nor shall they act beyond the scope of their authorizations.

Article 167 In the exercise of their functions and powers, the general manager and deputy general managers shall perform their duties honestly and diligently in accordance with the laws, administrative regulations and these Articles of Association.

CHAPTER THIRTEEN: SUPERVISORY BOARD

Article 168 The Company shall have a supervisory board.

The Company shall formulate the Rules of Procedure for the Supervisory Board to specify the methods for discussion and voting procedures of the Supervisory Board, so as to ensure the work efficiency and scientific decision-making of the supervisory board.

Article 169 The supervisory board shall comprise of 7-9 supervisors, of which 4-6 shall be served by persons not being representatives of the employees of the Company, and 3 shall be served by representatives of workers and staff of the Company. The supervisors served by persons not being representatives of the employees of the Company shall be elected and dismissed by the shareholders' meeting. The supervisors served by representatives of the employees shall be elected and dismissed by the employee representatives meetings, employee meetings or through other democratic forms.

Each supervisor shall serve a term of 3 years, which term is renewable upon re-election and re-appointment. The supervisor's term shall be calculated from the date of appointment to the expiration of the term of the relevant session of the supervisory board. If the term of office of a supervisor expires but re-election is not made in a timely manner, the said supervisor shall continue to perform the duties as supervisor pursuant to the laws, administrative regulations, rules of competent authorities and these Articles of Association and its appendices until the newly elected supervisor assumes his office.

A supervisor may resign before his term expires, and shall submit a written resignation report to the supervisory board.

Where the resignation of a supervisor has resulted in the number of the members of the supervisory board falling below the quorum, the resigning supervisor shall continue to perform the duties as supervisor pursuant to the laws, administrative regulations, rules of competent authorities and these Articles of Association and its appendices before the newly elected supervisor assumes his office. Apart from the aforesaid situation, the resignation of the supervisors shall be effective upon the service of the written resignation report upon the supervisory board.

The supervisory board shall have one (1) chairman, and may have a deputy chairman. The appointment and removal of the chairman and deputy chairman of the supervisory board shall be approved by two thirds or more of the members of the supervisory board.

The chairman shall convene and preside over the meetings of the supervisory board. In the event that the chairman is unable to or fails to perform such duties, the deputy chairman of the supervisory board shall convene and preside over such meetings; if the deputy chairman is unable to or fails to perform such duties, over half of the supervisors shall jointly recommend a supervisor to convene and preside over the meetings.

Article 170 A director or senior management personnel may not act concurrently as a supervisor of the Company.

Article 171 The supervisory board shall hold at least 4 regular meetings a year. The meetings shall be convened by the chairman of the supervisory board. An extraordinary meeting of the supervisory board may be held upon proposal by the supervisor(s).

A ten days' prior written notice shall be given to all supervisors for the convening of a meeting of the supervisory board. When an extraordinary meeting needs to be held as early as possible in case of an emergency, the meeting notice may be given by telephone or other verbal means at any time provided that the convener shall make necessary explanations at the meeting and record this in the minutes. Any supervisor may waive his right to receive notice of the meeting of the supervisory board.

The notice of a meeting of the supervisory board shall specify the date, venue, causes and the matters to be discussed at the meeting, and the date of the notice.

Article 172 The supervisory board shall be accountable to the shareholders' meeting and exercise the following functions and powers according to law:

- (1) to examine the Company's financial affairs;
- (2) to supervise the acts of directors and senior management personnel in their performance of duties that may violate any laws,

administrative regulations or these Articles of Association, and to propose the dismissal of directors or senior management personnel who are in breach of the laws, administrative regulations, these Articles of Association or resolutions of the shareholders' meetings;

- (3) to demand the directors or the senior management personnel to make rectification if their conduct has harmed the Company's interest;
- (4) to check and inspect the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the board of directors to the shareholders' meeting and to appoint, in the Company's name, publicly certified and practicing accountants or auditors to double check such information should any doubt arise in respect thereof, to examine and opine in writing on the periodical reports of the Company prepared by the board of directors;
- (5) to propose to convene an extraordinary shareholders' meeting and, where the board of directors fails to perform the duties to convene or preside over a shareholders' meeting as required by the Company Law, to convene and preside over the shareholders' meeting;
- (6) to proposals to the shareholders' meeting;
- (7) to represent the Company in negotiating with or bringing actions against directors and senior management personnel;
- (8) to propose to convene an extraordinary board meeting;
- (9) to require the directors, senior management personnel, internal and external auditors of the Company to attend the meetings of the supervisory board and answer any questions that the supervisory board may have concerns about;
- (10) to investigate into any abnormalities in operation of the

Company; if necessary, to engage accounting firms, law firms and other professional institutions to assist its work at the expense of the Company;

(11) other duties and powers as may be specified by these Articles of Association and its appendices.

Supervisors shall attend meetings of the board of directors as non-voting attendees, and may raise enquiries or suggestions on matters resolved by the board of directors.

Article 173 A resolution of the supervisory board shall be passed by more than two thirds of the members of the supervisory board.

Records shall be kept for all meetings of the supervisory board and be signed by all attending supervisors and the recording person. Supervisors shall have the right to require explanatory notes to their statements at the meeting to be recorded in the records of the meeting. Records of meetings of the supervisory board shall be kept as the Company's important files for at least 10 years.

Article 174 The list of candidates for supervisors to be served by the persons not being representatives of the employees of the Company shall be submitted to the shareholders' meeting in the form of proposal. The board of directors shall announce the resume and basic profile of the candidate supervisors to the shareholders.

The candidates for supervisors to be served by non-employee-representatives shall be nominated by the Company's board of directors, the supervisory board or shareholders who individually or jointly hold 3% or more of the Company's voting shares and be elected by the shareholders' meeting.

Article 175 The reasonable expenses incurred by the supervisory board in the engagement of professionals such as lawyers, registered accountants, practicing auditors, etc. in the exercise of its functions and powers shall be borne by the Company.

Article 176 Supervisors shall perform their supervisory duties in good faith in

accordance with the laws, administrative regulations and these Articles of Association and its appendices.

**CHAPTER FOURTEEN: QUALIFICATIONS AND OBLIGATIONS OF THE
COMPANY'S DIRECTORS, SUPERVISORS AND OTHER SENIOR
MANAGEMENT PERSONNEL**

Article 177 Directors, supervisors and senior management personnel of the Company shall be natural persons. A person may not serve as a director, a supervisor and a senior management personnel of the Company if he:

- (1) does not have or has limited capacity for civil conduct;
- (2) has been sentenced for crimes of corruption, bribery, encroachment or embezzlement of property or disruption of the social and economic order where less than 5 years have lapsed since the sentence was served, or has been deprived of his political rights for committing a crime where less than 5 years have lapsed since the sentence was served;
- (3) is a former director, factory manager or general manager of a company or enterprise which has become insolvent and put into liquidation as a result of mismanagement and is personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of completion of the insolvency and liquidation of the company or enterprise;
- (4) is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of law and is personally liable for such violation, where less than 3 years have elapsed since the date of revocation of the business licence of such company or enterprise;
- (5) has a relatively large amount of debts which have become overdue;
- (6) is currently under investigation by the judicial authorities for violation of the criminal law and the case has not closed yet;

- (7) is not permitted to be the leader of an enterprise according to the laws and administrative regulations or regulations of the competent authorities;
- (8) is not a natural person;
- (9) has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where less than 5years have lapsed from the date of such conviction;
- (10) has been prohibited by the securities regulatory authority of the State Council from entering the securities market, where the prohibition has not expired;
- (11) other circumstances provided by laws and administrative regulations or regulations of the competent authorities.

The election of directors, supervisors or the engagement of senior management personnel in contravention of the provisions under this Article shall be null and void. In the event that any of the directors, supervisors or senior management personnel of the Company falls within the circumstance described in subparagraph (1) of this Article during their term of office, the Company shall remove them from their position.

Article 178 The Company implements the general legal counsel system, which shall have one general legal counsel, and the general legal counsel shall play the role of a gate-keeper in legal review of operational and management matters to promote lawful operation and compliance management in the Company.

Article 179 A person holding administrative positions other than directors or supervisors in the Company's controlling shareholder or *de facto* controller shall not act as senior management personnel of the Company.

Article 180 An independent director shall have independence and the following personnel shall not act as independent directors:

- (1) persons working at the Company or any subsidiary of the Company and the immediate relatives of such persons or people who are the main social relationships with such persons (the term “immediate relatives” shall refer to spouse, parents, children; the term “main social relationships” shall refer to brothers and sisters, parents-in-law, sons-in-law, daughters-in-law, spouses of brothers and sisters and brothers and sisters of spouses);
- (2) a person who directly or indirectly holds 1% or more of the issued shares of the Company, or a natural person shareholder out of the top 10 shareholders of the Company and his immediate relatives;
- (3) a shareholder entity which directly or indirectly holds 5% or more of the issued shares of the Company, or a person working at any of the top 5 shareholder entities of the Company and his immediate relatives;
- (4) any person who falls into one of the three above-mentioned circumstances in the recent 12 months;
- (5) persons who provide financial, legal and consulting services for the Company or the subsidiaries of the Company;
- (6) a person who is concurrently acting as the independent director of five A-share listed companies;
- (7) a person considered by the securities regulatory authority of the State Council to be unsuitable to act as an independent director.

Article 181 The validity of the acts carried out by the directors and senior management personnel on behalf of the Company shall, as against a *bona fide* third party, not be affected by any irregularity in his office, election or any defect in his qualification.

Article 182 Without the lawful authorization of these Articles of Association or the board of directors, a director of the Company may not act personally on behalf of the Company or the board of directors. If a director acts in his own name, he shall declare his own position and identity in advance where his act would cause a third party to reasonably believe that he is acting on behalf of the Company or the board of directors.

Article 183 In addition to the obligations imposed by the laws, administrative regulations or the listing rules of the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors and senior management personnel owes the following duties to each shareholder in the exercise of the duties and powers conferred upon them by the Company:

- (1) not to cause the Company to do anything beyond the scope of business as stipulated in its business license;
- (2) to act bona fide in the best interests of the Company;
- (3) not to expropriate the Company's property in any way, including (without limitation) opportunities which may benefit the Company; and
- (4) not to deprive of the personal interests of shareholders, including (without limitation) rights to distributions and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the shareholders' meeting for approval in accordance with these Articles of Association.

Article 184 Each of the Company's directors, supervisors, and senior management personnel owes a duty, in the exercise of his powers and in the discharge of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Article 185 The directors shall abide by the laws, administrative regulations and these Articles of Association and shall perform the following duties of due diligence to the Company:

- (1) to cautiously, earnestly and diligently fulfill the rights conferred by the Company to ensure that the business conduct of the Company is in conformity with laws, administrative regulations and all economic

policies of the State, and its business activities shall not go beyond the business scope as registered in its business license;

(2) to treat all the shareholders fairly;

(3) to timely gain knowledge of the business operations and management of the Company;

(4) to sign written confirmation comments on the regular reports of the Company and to ensure the authenticity, accuracy and completeness of the information disclosed by the Company;

(5) to faithfully provide relevant information and data to the supervisory board, and not to interfere with the supervisory board or the supervisors in exercising their functions and powers;

(6) other duties of due diligence prescribed in relevant laws, administrative regulations, departmental rules and these Articles of Association.

The duties of diligence as stated in aforesaid subparagraphs (4) to (6) shall also be applicable to senior management personnel.

Article 186 Each of the Company's directors, supervisors, and senior management personnel shall perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duties and his own interest may conflict. This principle includes (without limitation) discharging the following obligations:

(1) to act *bona fide* in the best interests of the Company;

(2) to act within the scope of his powers and not to exceed such powers;

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

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

(5) unless otherwise provided for in these Articles of Association or except with the informed consent of the shareholders' meeting, not to

enter into any contract, transaction or arrangement with the Company;

(6) not to use the Company's property for his own benefit without the informed consent of the shareholders' meeting;

(7) not to abuse his position to accept bribes or other illegal income or expropriate the Company's property in any way, including (without limitation) opportunities which benefit the Company;

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

(9) to comply with these Articles of Association, to perform his official duties faithfully, to protect the Company's interests and not to exploit his position and power in the Company for his own benefits;

(10) not to compete with the Company in any way, save with the informed consent of the shareholders' meeting;

(11) not to misappropriate the Company's funds or to lend such funds to any other person, not to open any account in his own name or in any other name for deposit of the Company's assets or to use such assets to provide guarantee for the debts of any shareholder of the Company or any other personal liabilities;

(12) not to divulge any confidential information relating to the Company which he has obtained during his term of office, without the informed consent of the shareholders' meeting; nor shall he use such information otherwise than for the Company's benefit, unless disclosure of such information is made to the court or any other relevant governmental authorities in the following circumstances:

1. the law so requires;
2. public interests so warrants;
3. the interests of the relevant director, supervisor or senior management personnel so requires.

Article 187 None of the directors, supervisors or senior management personnel of the Company shall direct the following persons or institutions (each a "related person") to do anything which such director, supervisor or senior management personnel is not allowed to do:

- (1) the spouse or minor children of any director, supervisor or senior management personnel of the Company;
- (2) the trustee of any director, supervisor, senior management

personnel of the Company or any person described in sub-paragraph (1) above;

(3) partners of directors, supervisors, senior management personnel of the Company or of any person referred to in sub-paragraphs (1) and (2) of this Article;

(4) a company in which any director, supervisor, senior management personnel, whether alone or jointly with the persons referred to in sub-paragraphs (1), (2) and/or (3) of this Article or other directors, supervisors, senior management personnel of the Company, has *de facto* control;

(5) the directors, supervisors and senior management personnel of a controlled company as set out in sub-paragraph (4) above.

Article 188 The directors, supervisors and senior management personnel of the Company, during their tenure, shall periodically report to the Company of the status on their holding of the Company's shares and any changes thereof; during their tenure the total number of shares transferred on an annual basis shall not exceed 25% of the total number of the shares of the Company held by them; the above personnel shall not transfer the shares of the Company they hold within 1 year from the date of listing of the Company's shares. The aforesaid personnel shall not transfer the Company's shares held by them within 6 months after they leave their positions in the Company. The foregoing provisions shall not apply to the change in shareholding due to judicial enforcement, heritage, gift and distribution of estate by operation of laws.

The directors, supervisors and senior management personnel, who hold less than 1,000 shares of the Company, may transfer their shares once in all without complying with the aforesaid percentage restrictions.

Article 189 The fiduciary duty of a director, supervisor or senior management personnel of the Company does not necessarily terminate on the expiration of their term of office. His duty of confidentiality in respect of trade secrets of the Company survives the termination of his tenure. Other duties may continue for such period as the principle of fairness may require, depending on the length of time which has lapsed between the occurrence of the event and the termination of office and on the circumstances and terms under which the relationship between

the relevant director, supervisor or senior officer on the one hand and the Company on the other hand was terminated.

Article 190 The liabilities of any director, supervisor or senior management personnel of the Company for breach of a certain duty or obligation may be relieved by the informed consent of the shareholders' meeting, save under the circumstances set forth in Article 57 hereof.

Article 191 Where a director, supervisor, senior management personnel of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement with the Company (other than their employment contracts with the Company), he shall disclose the nature and extent of such interest to the board of directors at the earliest opportunity, whether or not the relevant matter is subject to the approval of the board of directors under normal circumstances.

If a director or his associate (as defined in the *Rules Governing the Listing of Securities of the Hong Kong Stock Exchange Limited*) has a material interest in any contract, transaction, arrangement or other matter that requires the approval of the board of directors, the relevant director shall not vote on the relevant matter at the meeting of the board of directors, and shall not be counted towards the quorum of the meeting.

Unless the interested director, supervisor or senior management personnel of the Company has disclosed his interest in the relevant matter to the board of directors in accordance with the first paragraph of this Article and the relevant matter is approved by the board of directors at a meeting in which the director, supervisor or senior management personnel is not counted as part of the quorum and refrains from voting, the Company shall have the right to cancel such contract, transaction or arrangement; except where the counterparty to such contract, transaction or arrangement is a *bona fide* party who does not have any knowledge of the breach of duty by the interested director, supervisor or senior management personnel.

A director, supervisor or senior management personnel of the Company is deemed to be interested in a contract, transaction or

arrangement in which his related person is interested.

The first to fourth paragraphs of this Article do not apply where the laws, regulations and listing rules of the place where the Company is listed clearly state that such restrictions are not applicable.

Article 192 Where a director, supervisor or senior management personnel of the Company gives the board of directors a notice in writing before the Company initially considers the conclusion of relevant contract, transaction or arrangement, stating that, by reason of the facts specified in the notice, he is interested in the contract, transaction or arrangement to be concluded by the Company, such director, supervisor or senior management personnel shall be deemed to have made the disclosure under the preceding Article to such extent as specified in the notice.

Article 193 The Company shall not pay taxes for any director, supervisor and senior management personnel in any manner.

Article 194 The Company shall not directly or indirectly make a loan to or provide any guarantee for a loan of any director, supervisor or senior management personnel of the Company or its parent or any of their respective related persons.

The foregoing paragraph shall not apply to the following circumstances:

(1) the provision by the Company of a loan or a guarantee for a loan to its subsidiaries;

(2) the provision by the Company of a loan or a guarantee for a loan or any other funds to its directors, supervisors, senior management personnel pursuant to the terms of their engagement contracts approved by the shareholders' meeting for them to pay the expenses incurred by them for the purposes of the Company or for the performance of their duties;

(3) if the ordinary course of business of the Company includes providing loans or guarantees for loans, the Company may provide a loan or a guarantee for a loan to the relevant director, supervisor, senior management personnel or his related persons on normal

commercial terms.

Article 195 A loan provided by the Company in violation of the preceding Article shall be immediately repayable by the recipient of the loan, regardless of the terms of the loan.

Article 196 A guarantee which has been provided by the Company for a loan in violation of Article 193(1) shall not be enforceable against the Company, except:

(1) The lender was not aware of the relevant circumstances when it provided the loan to a related person of a director, supervisor or senior management personnel of the Company or the Company's parent; or

(2) the collateral which has been provided by the Company has already been lawfully disposed of by the lender to a *bona fide* purchaser.

Article 197 The term "guarantee" as referred to in the preceding articles shall include an act whereby a guarantor assumes liability or provides property to guarantee or secure the performance of obligations by an obligor.

Article 198 In addition to any rights and remedies provided by the laws and administrative regulations, where a director, supervisor or senior management personnel of the Company breaches the duties which he owes to the Company, the Company has the right:

(1)to demand such director, supervisor or senior management personnel to compensate it for losses sustained by the Company as a result of such breach;

(2)to rescind any contract or transaction which has been entered into between the Company and such director, supervisor or senior management personnel or between the Company and a third party (where such third party knows or should have known that such director, supervisor, senior management personnel representing the Company has breached his duties owed to the Company);

(3)to demand such director, supervisor or senior management personnel to surrender the gains derived from the breach of his duties;

(4)to recover any monies which should have been received by the Company but were actually received by such director, supervisor or

senior management personnel instead, including (without limitation) commissions; and

(5) to demand repayment of interest earned or which may have been earned by such director, supervisor or senior management personnel on money that should have been paid to the Company.

Article 199 If a director, supervisor or senior management personnel has violated the law, administrative regulations, rules of the competent authorities or these Articles of Association and its appendices in discharging his duties, thereby causing losses to the Company, he shall be liable to pay compensation.

Article 200 The Company shall conclude a written contract with each director and supervisor of the Company concerning his emoluments. Such contract shall be approved by the shareholders' meeting before it is entered into. The above-mentioned emoluments shall include:

- (1) emoluments in respect of his service as a director, supervisor or senior management personnel of the Company;
- (2) emoluments in respect of his service as a director, supervisor or senior management personnel of a subsidiary of the Company;
- (3) emoluments in respect of the provision of other services for or in connection with the management of the Company or any subsidiary thereof; and
- (4) payment to such director or supervisor as compensation for his loss of office or in connection with his retirement.

A director or supervisor may not sue the Company for benefits due to him in respect of the above-mentioned matters, except pursuant to the contract mentioned above.

Article 201 The contract concerning emoluments between the Company and its directors or supervisors should provide that, in the event that the Company is to be acquired, the Company's directors and supervisors shall, subject to the prior approval of the shareholders' meeting, have the right to receive compensation or other payments in respect of his loss of office or retirement. The term "acquisition of the Company" as referred to in the preceding sentence refers to any of the following

circumstances:

- (1) an offer made by any person to all the shareholders;
- (2) an offer made by any person with a view to turning the offeror into a “controlling shareholder” within the meaning of Article 58 hereof.

If the relevant director or supervisor does not comply with this Article, any sum so received by him shall belong to those persons who have sold their shares as a result of the aforesaid offer. The expenses incurred in distributing such sum on a pro rata basis amongst such persons shall be borne by the relevant director or supervisor and shall not be paid out of the distributed sum.

CHAPTER FIFTEEN: FINANCIAL AND ACCOUNTING SYSTEM AND DISTRIBUTION OF PROFITS

Article 202 The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and PRC enterprise accounting standards formulated by the relevant finance authority of the State Council.

Article 203 The fiscal year of the Company shall be the calendar year. In other words, the fiscal year shall be from January 1 to December 31 of each calendar year.

Article 204 The Company shall prepare the financial report after the end of each fiscal year. The above-mentioned report shall be examined and verified pursuant to law.

Article 205 The Company shall submit its quarterly financial report to the local branch of the securities regulatory authority of the State Council and the stock exchange and publish the report within 1 month after the date of expiration of the first 3 months and first 9 months of each fiscal year; the biannual financial report shall be submitted to the local branch of the securities regulatory authority of the State Council and the stock exchange and published within 2 months after the expiration of the first 6 months of each fiscal year; and the annual financial report

shall be submitted to the securities regulatory authority of the State Council and the stock exchange and published within 4 months after the expiration of each fiscal year.

Article 206 The board of directors of the Company shall place before the shareholders at each annual shareholders' general meeting such financial reports as relevant laws, administrative regulations and normative documents promulgated by the local government and the relevant authorities require the Company to prepare.

Article 207 Directors' report, financial report (including the balance sheet, each document required by law to be annexed thereto, profit and loss account or income and expenditure account) or summary financial report of the Company shall be placed at the Company and made available for inspection by shareholders 20 days prior to the annual shareholders' meeting. Each shareholder of the Company shall have the right to obtain a copy of the financial reports referred to in this Chapter.

The Company shall send copies of the said reports to each holder of foreign shares by postage prepaid mail at the recipient's address shown in the register of shareholders no later than 21 days prior to the convening of the annual shareholders' meeting.

Subject to the laws, regulations and listing rules of the place where the Company is listed, the aforesaid reports may be issued or provided by way of the methods provided in Article 253 of these Articles of Association instead of being issued or provided by the ways mentioned in the second paragraph of this Article.

Article 208 The financial statements of the Company shall be prepared not only in accordance with the PRC accounting standards for business enterprises and relevant regulations but also in accordance with international accounting standards or the accounting standards of the place(s) outside the PRC where shares of the Company are listed. If there are major differences in the financial statements prepared in accordance with these two sets of accounting standards, such differences shall be stated in such financial statements. For the purposes of the Company's distribution of after-tax profits in a given fiscal year, the less of the

after-tax profits shown in the above-mentioned two sets of financial statement shall prevail.

Article 209 Any semi-annual results or financial information published or disclosed by the Company must also be prepared in accordance with PRC accounting standards for business enterprises and relevant regulations as well as international accounting standards or accounting standards of the place overseas where the Company's shares are listed.

Article 210 The Company shall not keep separate accounts other than those required by law. Assets of the Company will not be deposited into any account opened in the name of any individual.

Article 211 The Company shall implement internal audit system. The Company shall have an internal audit organization staffed with professional auditors which shall be responsible for conducting internal audits and supervision of the Company's financial income and expenditure and other economic activities.

Article 212 The internal audit organization shall have 1 director and a number of internal audit officers. The internal audit system and duties of the internal audit officers shall be implemented upon the approval of the board of directors. Director of internal audit organization shall be directly responsible to and report its work to the board of directors.

Article 213 When allocating the after-tax profits of the current year, the Company shall allocate 10 % of its profit to the statutory common reserve fund. In the event that the accumulated statutory common reserve fund of the Company has reached more than 50% of the registered capital of the Company, no further allocation is needed.

In the event that the statutory common reserve fund of the Company is insufficient to make up the losses of the Company of the previous year, before allocating the statutory common reserve fund in accordance with the stipulations of the previous paragraph, the Company shall first make up the losses by using the profits of the current year.

After allocating the after-tax profits of the Company to the statutory common reserve fund, the Company may allocate its after-tax profits

to the discretionary common reserve fund subject to the resolution of the shareholders' meeting.

The remaining profits after making-up the losses and allocating to the common reserve funds fund shall be distributed in accordance with the proportion of shares held by the shareholders, except where these Articles of Association specifies otherwise that distribution shall not be made in proportion to shareholdings. Before making up the losses and allocating to the common reserve funds, the Company shall not distribute the dividends or carry out other distributions by way of bonus. Where distribution has been made in violation of the foregoing provisions, the shareholders must return the profits so distributed to the Company.

The Company's shares held by its own are not entitled to any profit distribution.

Article 214 The capital reserve fund shall include the following funds:

- (1) the premiums obtained from the issue of shares in excess of the par value; and
- (2) other revenue required by the State Council's authority in charge of finance to be included in the capital reserve fund.

Article 215 The common reserve fund of the Company shall be used to make up the losses, expand the production and operation of the Company, or be capitalized to increase the capital of the Company. However, the capital reserve fund of the Company shall not be used to offset losses of the Company.

When the statutory common reserve fund is capitalized, the balance of the statutory common reserve fund may not fall below 25% of the Company's registered capital prior to such capitalization.

Article 216 (1) The Company shall place emphasis on delivering reasonable return on investments to the investors. The profits distribution policy of the Company shall be consistent and stable, taking into account the long-term interests of the Company, the overall interests of all shareholders and the Company's sustainable development. The

Company shall pay due attention to the opinions of independent directors and minority shareholders through various channels when allocating its profits.

(2) The Company may distribute dividends in the following forms: cash, shares or other forms provided by laws, administrative regulations, rules of competent authorities and regulatory provisions in the place where the Company's shares are listed. The Company shall give priority to the distribution of profits in cash. The Company may make interim dividends distribution.

(3) When the Company makes profit within the reporting period of its annual report and the cumulative undistributed profits are positive, and the Company has adequate cash inflows to fulfill the requirements of normal operation and sustainable development, the Company should distribute cash dividends, and the profits distributed in cash every year shall be no less than 40% of the realized net profit attributable to the shareholders of the Company's parent for the corresponding period. The distribution of dividends in shares shall be subject to the following requirements: when the Company is performing well and the board of directors considers that the Company's share price does not match the size of its share capital and that the distribution of dividends in shares would be in the best interests of all shareholders of the Company, the Company may formulate a proposal for the distribution of dividends in shares subject to the abovementioned conditions for distributing cash dividends. When making profit distribution, the proportion of cash distribution in such profit distribution should be at least 20%.

(4) The Company may adjust its profits distribution policy referred to in sub-paragraphs (2) and (3) of this Article in case of war, natural disasters and other force majeure, or where changes to the external environment of the Company result in a material impact on the production and operation of the Company, or where there are significant changes in the Company's own operations or financial conditions, or where the Company's board of directors considers it necessary. The board of directors shall discuss the rationality of such adjustment in detail and form a resolution which shall be submitted to shareholders' meeting for approval by special resolution. The

convening of the shareholders' meeting shall comply with regulatory requirements of the place where the Company's shares are listed.

(5)The management of the Company shall formulate the annual profits distribution plan and submit such plan to the board of directors for consideration. Independent directors shall issue independent opinions on such plan and the board of directors shall form a resolution which shall be submitted to shareholders' meeting for approval. If the conditions for the distribution of cash dividends have been satisfied and the Company does not propose a cash dividends distribution plan or does not propose such plan in compliance with the sub-paragraph (3) of this Article, the independent directors of the Company shall issue their independent advice, and the board of directors shall give specific explanations regarding the reasons for such arrangement and form a resolution which shall be submitted to shareholders' meeting for approval and make relevant disclosures. The plan for half-yearly dividends distribution of the Company shall comply with Article 217 of these Articles of Association.

Article 217 The Company shall inform the shareholders when distributing dividends.

Any cash dividends paid by the Company to holders of domestic shares shall be calculated and paid in Renminbi. Any dividends paid by the Company to holders of overseas-listed foreign shares shall be calculated and declared in Renminbi and paid in a foreign currency, while dividends on overseas-listed foreign shares listed in Hong Kong shall be paid in Hong Kong dollars.

Article 218 Unless the shareholders' meeting has resolved otherwise, the board of directors may determine to make half-yearly dividends distribution. Unless otherwise provided by the relevant laws and regulations, the amount of the half-yearly dividends distribution shall not exceed 50% of net profit attributable to the shareholders of the Company's parent for the half year interim period.

Article 219 Unless otherwise stipulated in the laws and administrative regulations, for any payment of dividend in a foreign currency, the average

benchmark price of such foreign currency quoted by the People's Bank of China one calendar week before the date on which the dividend is declared shall be adopted as the exchange rate.

Article 220 In distributing dividends to its shareholders, the Company shall, in accordance with the provisions of the tax laws of the PRC, withhold and pay on behalf of the individual shareholders the taxes payable on the dividend income received by such shareholders.

Article 221 The Company shall appoint a receiving agent for holders of overseas-listed foreign shares to collect on behalf of the relevant shareholders the dividends distributed and other funds payable in respect of the overseas-listed foreign shares.

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

The receiving agent appointed by the Company for the holders of foreign shares listed in Hong Kong shall be a trust company registered under the *Trustee Ordinance* of Hong Kong.

CHAPTER SIXTEEN: ENGAGEMENT OF ACCOUNTING FIRM

Article 222 The Company shall engage an independent accounting firm that complies with relevant State regulations to audit the annual financial reports and review other financial reports of the Company.

The first accounting firm of the Company may be engaged by the inaugural meeting prior to the first annual shareholders' meeting. Such accounting firm shall hold office until the conclusion of the first annual shareholders' meeting.

If the inaugural meeting does not exercise its power under the preceding paragraph, the board of directors shall exercise such power.

Article 223 The term of engagement of an accounting firm engaged by the Company shall be between the end of the current annual shareholders'

meeting of the Company and the end of the next annual shareholders' meeting.

Article 224 The accounting firm appointed by the Company shall enjoy the following rights:

(1)the right to review the books, records and vouchers of the Company at any time, the right to require the directors and senior management personnel of the Company to supply relevant information and explanations;

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

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

Article 225 If the position of accounting firm becomes vacant, the board of directors may appoint an accounting firm to fill such vacancy before a shareholders' meeting is held. However, if the Company has any other incumbent accounting firm while such vacancy still exists, such accounting firm may continue to act.

Article 226 The shareholders' meeting may, by means of an ordinary resolution, dismiss any accounting firm prior to the expiration of its term of engagement, notwithstanding anything in the contract between the accounting firm and the Company, but without prejudice to such accounting firm's right, if any, to claim damages from the Company in respect of such dismissal.

Article 227 The remuneration or method of determination of remuneration of an accounting firm shall be decided upon by the shareholders' meeting. The remuneration of an accounting firm engaged by the board of directors shall be determined by the board of directors.

Article 228 The Company's appointment, removal or non-renewal of an accounting firm shall be decided upon by the shareholders' meeting.

Such decision shall be filed with the securities regulatory authority of the State Council for record.

Where the shareholders' meeting proposes to pass a resolution to appoint an accounting firm other than an incumbent accounting firm to fill a casual vacancy in the office of the accounting firm, to renew the appointment of an accounting firm who was appointed by the board of directors to fill a casual vacancy or to remove an accounting firm before expiry of its term of engagement, the following provisions shall apply:

(1) A copy of the appointment or dismissal proposal shall be sent (before issue of the notice of meeting) to the accounting firm which is proposed to be appointed or which proposes to leave or has already left in the relevant fiscal year. Reference to "leaving/leave" herein includes leaving by removal, resignation and retirement.

(2) If the leaving accounting firm makes representations in writing and requests the Company to notify the shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures:

(i) in any notice issued for the purpose of making the resolution, state the fact that the leaving accounting firm has made such representations; and

(ii) attach a copy of such representations to the notice and deliver it to the shareholders in the manner stipulated in these Articles of Association and its appendices.

(3) If the Company fails to circulate the accounting firm's representations in accordance with sub-paragraph (2) above, such accounting firm may require the representations to be read out at the meeting and may make further pleadings.

(4) Any leaving accounting firm shall be entitled to attend the following meetings:

(i) the shareholders' meeting at which its term of office would otherwise have expired;

(ii) the shareholders' meeting at which it is proposed to fill the vacancy

caused by its removal; and
(iii)the shareholders' meeting which is convened as a result of its voluntary resignation:

The leaving accounting firm has the right to receive all notices of, and other communications relating to, any such meeting, and to speak at any such meeting on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

Article 229 Prior notice should be given to the accounting firm 30 days in advance if the Company decides to remove such accounting firm or not to renew the appointment thereof. Such accounting firm shall be entitled to make representations at the shareholders' meeting. Where the accounting firm resigns from its position, it shall make clear to the shareholders' meeting whether there has been any impropriety on the part of the Company.

An accounting firm may resign by depositing at the Company's domicile a resignation notice which shall become effective on the date of such deposit or on such later date as may be specified in such notice. Such notice shall contain the following statements:

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

(2)a statement of any such circumstances.

Where a notice is deposited in accordance with the preceding sub-paragraph, the Company shall within 14 days send a copy of the notice to the relevant governing authority. If the notice contains a statement under the preceding sub-paragraph (2), a copy of such statement shall be placed at the Company for shareholders' inspection. The Company should also send a copy of such statement by postage prepaid mail to every holder of overseas-listed foreign shares at the address registered in the register of shareholders.

Subject to the laws, regulations and listing rules of the place where the Company is listed, the aforesaid copies may be issued or provided by way of the methods provided in Article 253 of these Articles of

Association instead of being issued or provided by the abovementioned ways.

Where the accounting firm's notice of resignation contains a statement in respect of the above circumstances, it may require the board of directors to convene an extraordinary shareholders' meeting to hear explanations on the circumstances connected with its resignation.

CHAPTER SEVENTEEN: EMPLOYMENT

Article 230 The Company perseveres in a human-centered principle and integrates the corporate development with a perpetual intention to ensure returns to shareholders, contribute to the society and benefit the employees. In compliance with the State's laws and regulations and local government's relevant provisions, the Company shall establish a sound employees management system, and effectively develop and utilize human resources.

Article 231 Based on its business development needs and subject to its own internal rules and bylaws, the Company shall, to the extent provided by the laws, regulations and relevant provisions of local governments, employ, dismiss employees or terminate labor contracts with employees at its discretion.

Article 232 Pursuant to the State's laws, regulations, local government's relevant provisions and these Articles of Association, the Company shall establish the salary, insurance, benefits systems. In light of the economic and social development and economic performance of the Company, the Company shall make endeavors to enhance the overall salary level and benefits for its employees, and improve their working conditions.

Article 233 Pursuant to the State's laws and regulations and local government's relevant provisions, the Company shall develop an employees training system based on its business development and employees' needs and clear the path for employees' career and professional development.

CHAPTER EIGHTEEN: TRADE UNION

Article 234 The Company's staff shall have the right to form a trade union in accordance with the law and organize trade union activities to safeguard the legal rights of the staff. The Company shall provide the trade union with necessary conditions for its activities. The trade union of the Company or staff representatives shall enter into collective contracts with the Company according to law with regard to the remuneration, working hour, welfare, insurance and labour safety and hygiene etc. of the staff. The Company supports the trade union to take part in the Company's democratic management through staff representatives' meetings and other forms and to exercise its powers according to the law.

Article 235 The Company shall allocate 2% of the total wages of the Company's staff as the operating cost of the trade union. The trade union shall manage and utilize such funds on an independent basis. The use of the funds for the trade union shall be monitored by the State.

CHAPTER NINETEEN: MERGER AND DIVISION OF THE COMPANY

Article 236 In the case of merger or division of the Company, the board of directors shall provide the proposal and, upon approval in accordance with the procedures under these Articles of Association, deal with the relevant approval procedures pursuant to laws. A shareholder who objects to the proposal of merger or division shall have the right to demand the Company or the shareholders who consent to the proposal of merger or division to acquire such dissenting shareholders' shares at a fair price.

The resolutions in respect of the merger or division of the Company shall be made into special documents which shall be available for inspection by the shareholders of the Company. Such special documents shall be sent by mail to holders of overseas-listed foreign shares.

Subject to the laws, regulations and listing rules of the place where the Company is listed, the aforesaid documents may be issued or provided by way of the methods provided in Article 253 of these Articles of Association instead of being issued or provided by the abovementioned ways.

Article 237 The merger of the Company may take the form of either merger by absorption or merger by consolidation.

The merger by absorption means that one company takes over another one and the company being taken over shall be dissolved. The merger by consolidation means that at least two companies are merged into a new company, where the original companies shall be dissolved after their merger.

In the event of a merger, the merging parties shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's merger resolution which is passed and shall publish a public announcement in a newspaper designed by the regulatory authority of the place where the Company's shares are listed within 30 days of the date of the Company's merger resolution. The creditors may, within 30 days of its receipt of the notice or, if no notice has been received, within 45 days of the date of the announcement, ask the Company to discharge its debts or provide relevant guarantee.

After the merger, the credits and debts of each of the parties to the merger shall be inherited by the company which survives the merger or the newly established company.

Article 238 Where there is a division of the Company, its assets shall be divided up accordingly.

In the event of division of the Company, the parties to such division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's division resolution which is passed and shall publish a public announcement in a newspaper designated by the regulatory authority of the place where the Company's shares are listed within 30 days of the date of the Company's division resolution.

Debts of the Company prior to division shall be severally and jointly assumed by the companies which exist after the division, unless

otherwise provided for in the written agreement regarding discharge of debts that has been entered into by the Company and its creditors before the division.

Article 239 Where the merger or division of the Company involves a change in registered particulars, such change shall be registered with the companies registry according to law. Where the Company is dissolved, it shall cancel its registration according to law. Where a new company is established, its establishment shall be registered according to law.

CHAPTER TWENTY: DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 240 The Company shall be dissolved and liquidated upon the occurrence of any of the following events:

- (1) a resolution regarding the dissolution is passed by the shareholders' meeting;
- (2) dissolution is necessary due to a merger or division of the Company;
- (3) the Company is legally declared insolvent due to its failure to repay debts as they become due;
- (4) business license is revoked lawfully or the Company is ordered to be closed down or is wound up; and
- (5) where the Company has experienced material difficulties in operation and management and its continuation may cause substantial loss to the interest of the shareholders, and there are no other solutions, the shareholders holding more than 10% of all the voting shares petition to the people's court for dissolution of the Company and the people's court ruled to dissolve the Company.

Article 241 Where the Company is dissolved under sub-paragraph (1), (4) or (5) of the preceding Article, a liquidation committee shall be set up within 15 days to commence the liquidation proceedings, and the liquidation committee shall be composed of directors or any other persons determined by the shareholders' meeting. In case no such committee is established to timely proceed with liquidation, the creditors may make an application to a people's court for appointing relevant persons to

form the liquidation committee for liquidation.

Where the Company is dissolved under sub-paragraph (3) of the preceding Article, the people's court shall in accordance with the provisions of relevant laws organize the shareholders, relevant organizations and relevant professional personnel to establish a liquidation committee to proceed with the liquidation.

Article 242 If the board of directors decides that the Company should be liquidated (except for liquidation as a result of being declared bankrupt), the notice of the shareholders' meeting convened for such purpose shall include a statement to the effect that the board of directors has made full inquiry into the position of the Company and that the board holds the opinion that the Company can pay its debts in full within 12 months after the commencement of liquidation.

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

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

Article 243 The liquidation committee shall, within 10 days of its establishment, send notices to creditors and shall, within 60 days of its establishment, publish a public announcement in a newspaper designated by the regulatory authority of the place where the Company's shares are listed. The creditors who have received the notice shall, within 30 days of receipt of the notice, and the creditors who do not receive the notice shall within 45 days of the date when the announcement was made, declare their creditor's rights to the liquidation team. When declaring the creditor's rights, the creditors shall specify the relevant matters about the creditor's rights and provide corresponding evidence. The liquidation committee shall register such creditor's rights.

During the period of declaration of the creditor's rights, the liquidation committee shall not settle any debt with the creditors.

Article 244 During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(1)to liquidate the Company's assets and prepare a balance sheet and an inventory of assets respectively;

(2)to notify the creditors by notice or by public announcements;

(3)to dispose of any unfinished businesses of the Company relating to liquidation;

(4)to pay all outstanding taxes and taxes incurred during the liquidation proceedings;

(5)to settle claims and debts;

(6)to deal with the assets remaining after repayment by the Company of its debts;

(7)to represent the Company in any civil proceedings.

Article 245 After it has liquidated the Company's assets and after it has prepared the balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and present it to a shareholders' meeting or to the people's court for confirmation.

After payment of the liquidation costs, salary of the staff, social insurance expenses and legal compensation, repayment of tax arrears and discharge of the Company's debts, the remaining assets of the Company shall be distributed among the shareholders in accordance with the classes and proportions of shares held by them.

The Company may, during the liquidation period, remain to exist, but shall not carry out business activities irrelevant to the liquidation. The Company's assets shall not be allocated to the shareholders before being applied towards the payments set forth in the preceding sentence.

Article 246 Where the Company is liquidated upon dissolution, after liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets in connection with the liquidation of the Company, if the liquidation committee discovers that the Company's assets are insufficient to repay the Company's debts in full, the liquidation committee shall immediately apply to the people's court in accordance with laws for declaration of insolvency.

After the Company is declared insolvent by a ruling of the people's court, the liquidation committee shall hand over all matters relating to the liquidation to the people's court.

Where the Company is declared bankrupt according to law, it shall carry out an insolvency liquidation according to the laws concerning insolvency liquidation.

Article 247 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses received and made during the liquidation period and a financial account, which shall be verified by a Chinese registered accountant and submitted to the shareholders' meeting or a people's court for confirmation.

The liquidation committee shall, within 30 days after the confirmation of the documents referred to in the preceding paragraph by the shareholders' meeting or the people's court, submit such documents to the companies registry and apply for cancellation of registration of the Company, and publish a public announcement relating to the termination of the Company.

Article 248 The members of the liquidation committee shall be faithful to their duties and fulfill the liquidation obligations in accordance with the law.

The members of the liquidation committee shall not abuse their authority and powers to accept bribery or other illegal income, or encroach upon the Company's assets.

Where a member of the liquidation committee causes loss to the Company or the creditors intentionally or because of gross negligence, he (she) shall bear the relevant compensation liability.

CHAPTER TWENTY-ONE: PROCEDURES FOR AMENDMENT OF THESE ARTICLES OF ASSOCIATION

Article 249 The Company may amend these Articles of Association and its appendices in accordance with the laws, administrative regulations and its Articles of Association.

Article 250 The Company shall amend these Articles of Association and its appendices on the occurrence of any of the following events:

(1) the Company Law or the relevant laws or administrative regulations are amended and these Articles of Association and its appendices are in conflict with the amended laws or administrative regulations;

(2) the Company has experienced any change which makes its status not consistent with that recorded in these Articles of Association and its appendices;

(3) it has been decided by the shareholders' meeting to amend these Articles of Association and its appendices.

Article 251 The board of directors shall amend these Articles of Association and its appendices pursuant to the resolution of the shareholders' meeting on amendment of these Articles of Association and the approval opinions of the competent authorities.

Article 252 Amendment of these Articles of Association involving the contents of the ‘Mandatory Provisions’ shall become effective upon approval of the approval authority authorized by the State Council.

Article 253 If the amendment of these Articles of Association and its appendices involves any registered particulars of the Company, such change shall be reregistered in accordance with law. If the amendment to these Articles of Association and its appendices is a matter which is required to be disclosed by the relevant laws and regulations, an announcement shall be made in accordance with the provisions of those laws and regulations.

CHAPTER TWENTY-TWO: NOTICES

Article 254 Unless otherwise provided by these Articles of Association and its appendices, subject to laws, regulations and listing rules of the place where the Company’s shares are listed and these Articles of Association, notices of the Company shall be issued in any of the following manners: (1) by hand; (2) by post; (3) by public announcement (where notice is given by way of announcement, such announcement may be published in newspaper(s)); (4) any other manner as recognized by securities regulatory authority at the place where the Company's shares are listed or as provided in these Articles of Association.

If a notice of the Company is issued by public announcement, it shall be deemed as duly received by the relevant officers once announced.

If dividend warrants are to be sent to shareholders by post, the Company can cease sending dividend warrants by such means only if such warrants have been left uncashed for two times or are returned undelivered on the first delivery.

Unless otherwise provided in these Articles of Association, subject to the laws, regulations and listing rules of the place where the Company’s shares are listed, any requirement under these Articles of Association in relation to the delivery, e-mailing, post, distribution, announcement or the provision of any corporate communications may

be sent out or provided via the Company's website or through electronic methods.

"Corporate Communications" refers to any documents issued or to be issued by the Company for the information or action of holders of any of its securities, including but not limited to:

- (1) the directors' report, its annual accounts together with a copy of the auditors' report and, where applicable, its summary financial report;
- (2) the interim report and, where applicable, its summary interim report;
- (3) the notice of meeting;
- (4) listing documents;
- (5) a circular; and
- (6) a proxy form.

Article 255 Notices sent by mail shall be deemed to have been received 48 hours after an envelope containing the notice, with address legibly written and postage pre-paid, is posted.

If a notice of the Company is issued by hand, the date when the recipient signs or stamps on the return receipt shall be regarded as the date of service of the notice.

If a notice of the Company is issued by public announcement, the date of the first publication of the announcement shall be regarded as the date of service of the notice.

If the notice of the Company is sent out in electronic form, the sending date shall be regarded as the date of service of the notice.

Subject to the laws, regulations and listing rules of the place where the Company is listed, if a corporate communication is sent by way of announcement via the website, the delivery date shall be regarded as follows:

- (1) on the date when the notice in accordance with the laws, regulations and listing rules of the place where the Company is listed is sent to the intended recipient;

(2)if later, the date on which the corporate communication first appears on the website after that notice is sent.

Article 256 A meeting and the resolutions adopted thereat shall not be invalidated as a result of the accidental omission to give notice of the meeting to, or the failure to receive such notice by, a person entitled to receive such notice.

CHAPTER TWENTY-THREE: SETTLEMENT OF DISPUTES

Article 257 The Company shall abide by the following principles for dispute resolution:

(1)Whenever any disputes or claims relating to the affairs of the Company arise between: holders of the overseas-listed foreign shares and the Company; holders of the overseas-listed foreign shares and the Company's directors, supervisors, senior management personnel; or holders of the overseas-listed foreign shares and holders of domestic shares, in respect of any rights or obligations provided for in these Articles of Association and its appendices, the Company Law or other relevant laws and administrative regulations, such disputes or claims shall be referred by the relevant parties to arbitration.

Where a dispute or claim referred to in the preceding paragraph is referred to arbitration, the entire claim or dispute must be referred as a whole, and all persons who have a cause of action based on the same facts giving rise to the dispute or claim or whose participation is necessary for the resolution of such dispute or claim, shall, where such person is the Company or the Company's shareholders, directors, supervisors or senior management personnel, submit to the decisions made in the arbitration.

Disputes in respect of the definition of shareholders and disputes in relation to the register of shareholders need not be resolved by arbitration.

(2)A claimant may elect for arbitration to be carried out at either the China International Economic and Trade Arbitration Commission in accordance with its arbitration rules or the Hong Kong International

Arbitration Center in accordance with its arbitration rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant. If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for a hearing to take place in Shenzhen in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.

(3) Settlement of disputes or claims referred to in sub-paragraph (1) of this Article by way of arbitration shall be governed by the laws of the PRC, save as otherwise provided in the laws and administrative regulations.

(4) The arbitral award of an arbitral body shall be final and conclusive and binding on all parties.

CHAPTER TWENTY-FOUR: SUPPLEMENTARY

Article 258 These Articles of Association and its appendices are written in Chinese. Where versions in other languages or different versions are in conflict with these Articles of Association and its appendices, the latest Chinese version verified and registered at the companies registry shall prevail.

Article 259 In these Articles of Association and its appendices, the expressions of “more than” and “within” shall include the numbers that follow them whilst the expressions of “beyond”, “below” and “over” shall not include the numbers that follow them.

Article 260 The power to interpret these Articles of Association and its appendices shall be vested to the board of directors of the Company. Any matter which is not covered in these Articles of Association and its appendices shall be put forward by the board of directors to the shareholders' meeting for approval.

Article 261 If these Articles of Association and its appendices are in conflict with the laws, administrative regulations or provisions of other regulatory documents or regulatory provisions of the place where the Company is

listed promulgated from time to time, the laws, administrative regulations and provisions of other regulatory documents or regulatory provisions of the place where the Company is listed shall prevail.

Article 262 The term “accounting firm” used in these Articles of Association and its appendices shall have the same meaning as the term “auditor” used in the Mandatory Provisions.

For the purpose of these Articles of Association and its appendices, references to “general manager” and “deputy general manager” shall have the same meaning as “manager” and “deputy manager” in the Company Law, respectively.

Article 263 The appendices to these Articles of Association include the Rules of Procedures for the Shareholders' Meeting, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Board.

By Order of the Board

Chen Xikun

Chairman

As at the date of this announcement, the Board of Directors comprises Mr. Chen Xikun#, Mr. Yuan Jianqiang#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Mr. Zhou Meiyun+, Mr. Chen Weidong*, Mr. Dong Xiucheng* and Mr. Zheng Weijun*.

“ + ” *Non-Executive Director*

“ # ” *Executive Director*

“ * ” *Independent Non-Executive Director*