

Jujiang Construction Group Co., Ltd.

Amended and Restated

Articles of Association

**(As adopted by a Special Resolution passed on 24
November 2016 and effective on 28 December 2016)**

***Note: This is an unofficial English translation and is for reference only. In case of discrepancies, the Chinese version shall prevail over its English version.**

CHAPTER 1 GENERAL PROVISIONS

Article1 Jujiang Construction Group Co., Ltd. (hereinafter referred to as the “Company”) is a joint stock company with limited liability in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “Company Law”) and other laws and administrative regulations in China. The Articles of Association are formulated in accordance with the Company Law, the Securities Law of the People’s Republic of China (hereinafter referred to as the “Securities Law”), the Special Regulations of the State Council on the Overseas Offering and Listing of shares by Joint Stock Limited Companies (hereinafter referred to as the “Special Regulations”), the Mandatory Provisions for Articles of Association of Companies Listed Overseas (hereinafter referred to as the “Mandatory Provisions”), the Circular Regarding Opinions on the Supplements and Amendments of Articles of Association of Companies to be Listed in Hong Kong (hereinafter referred to as the “Opinion Circular”), Guidelines for the Articles of Association of Listed Companies (Amended in 2016) (hereinafter referred to as the “Articles Guideline”), Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the “Listing Rules”), and other laws and administrative regulations.

Article9,81of
Company Law
Article1of
The Mandatory
Provisions
Paragraph(a),
Section1of
Appendix13D
to the Main
Board Listing
Rules, unless
otherwise
specified, the
Mandatory
Provisions
and Letter of
Opinions on
Supplementary
Amendments
mentioned
hereinafter
shall be
deemed to have
mentioned
Paragraph(a),
Section1,
Appendix13D
to the Main
Board Listing
Rules
Article 1, 2 of Articles
Guideline

Article2 Zhejiang Jiaying Jujiang Construct Group Co., Ltd. was established on 17 July 1996 and its name was changed to Jujiang Construction Co., Ltd. on 12 November 2008. On 29 December 2014, it is incorporated by promotion, registered at Jiaying City Administration of Industry and Commerce and obtained the business licence. The unified social credit code on the existing business licence is 91330400146841507E, with its original shareholders as the promoters of the joint stock company, namely, Zhejiang Jujiang Holding Co., Ltd. and Zhejiang Jujiang Equity Investment Management Co., Ltd.

Article 2 of Articles
Guideline

Article 3 Upon approval of the China Securities Regulatory Commission on 30 October 2015, the Company issued to the public 133,360,000 overseas listed foreign shares for the first time. The Company was listed on the Stock Exchange of Hong Kong Limited (hereafter referred as “Hong Kong Stock Exchange”) on 12 January 2016, the company registration is relocated to the Zhejiang Provincial Administration of Industry and Commerce.

Article4 Registered Chinese name of the company: 巨匠建設集團股份有限公司

Article8,81of
Company Law
Article2of
The Mandatory
Provisions
Article 4 of Articles
Guideline

English name: Jujiang Construction Group Co., LTD

Article 5 Domicile of the Company: Gaoqiao Town, Tongxiang City, Zhejiang Province

Postal code: 314500

Article10,
25,81of
Company Law
Article3of
The Mandatory
Provisions
Article 5 of Articles
Guideline

Telephone number: (86) 0573 8088 0907

Facsimile number: (86) 0573 8810 4880

Article 6 The registered capital of the Company is RMB533,360,000

Article
81 of
Company Law
Article 18 of
the Mandatory
Provisions
Article 6 of Articles
Guideline
Article 13, 81
of Company
Law
Article
4 of the
Mandatory
Provisions
Article 8 of Articles
Guideline

Article 7 The legal representative of the company is the chairman of the Board of the Company.

Article 8 The Company is a joint stock company with limited liability and of permanent existence.

Article 5 of
the Mandatory
Provisions
Article 7 of Articles
Guideline

Article 9 The Company is an independent enterprise legal person, and all acts of the company shall comply with laws, regulations and regulatory documents of China and the legal rights of the shareholders shall be protected. The Company is under the jurisdiction and protection of the laws, regulations and regulatory documents of China.

Article 10 Amendments to the Articles of Association will come into effect after being approved by the Company's general meeting through its special resolution and the relevant competent departments of the state in accordance with relevant laws and regulations (if necessary).

Article 6 of
the Mandatory
Provisions

Article 11 The Articles of Association as amended in the future shall be a legally binding public document that regulates the Company's organization and activities, the rights and obligations between the Company and its shareholders as well as among the shareholders once it goes into effect.

Article 12 The Articles of Association shall be binding on the Company, its shareholders, Directors, Supervisors, Manager and other members of senior management. All persons mentioned above shall have the rights to refer to the Articles of Association for claims regarding affairs related to the Company. In accordance with the Articles of Association, Shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against its shareholders, Directors, Supervisors and members of senior management; shareholders may institute legal proceedings against other shareholders, Directors, Supervisors, Manager and other members of senior management as per the Articles of Association.

Article 11
of Company
Law Article
7 of the
Mandatory
Provisions
Article 10, 11 of
Articles Guideline

The legal proceedings referred to in the preceding paragraph shall include legal proceedings instituted in courts or the application to arbitration institutions for arbitration.

Other members of senior management referred to in this paragraph and the preceding paragraph shall include deputy general manager, chief financial officer, board secretary and chief engineer.

Article 13 The Company may invest in other companies with limited liability or joint stock companies with limited liability, and shall be liable to the invested companies to the extent of its capital contribution. Unless the laws specify otherwise, the Company shall not a investor to bear joint and several liability for the debts of the invested companies.

Article 15 of
Company Law
Article 8 of
the Mandatory
Provisions

Article 14 All the assets of the Company shall be divided into shares of equal value and shareholders' liability shall be limited to their shares in the Company. The Company shall be liable for its debt with all of its assets.

Article 3 of
Company Law
Article 9 of Articles
Guideline

Article 15 The Company's employees may form trade unions and carry out trade union activities to protect their legal rights. The Company shall provide necessary support to such activities.

Article 18 of
Company Law

CHAPTER 2 BUSINESS OBJECTIVES AND SCOPE OF BUSINESS

Article 16 The operation principle of the Company is carrying out its business, continuously enhancing its standard of operation management and its core competitiveness, providing quality service to its clients, optimizing shareholders' interests and values of the Company, and achieving better economic and social efficiency, based on the relevant laws, regulations and regulatory rules.

Article 9 of
the Mandatory
Provisions
Article 12 of Articles
Guideline

Article 17 As registered in accordance the law, scope of business of the Company is as follows: Contracting house building and design engineering; Generally contracting architectural engineering construction; Construction industry designing business; Other sorts of general contract or specialized contract; sales in decorating materials for construction except dangerous chemicals. (Selling approved projects according to law, undertaking business activities after getting approval by relevant authorities).

Article 12, 81
of Company
Law
Article
10 of the
Mandatory
Provisions
Article 13 of Articles
Guideline

Article 18 The Company may change its scope of business and amend the Articles of Association in accordance with law upon registration of change with Zhejiang Provincial Administration of Industry and Commerce and with the approvals of shareholders at the Shareholders Meeting and the relevant competent authorities.

Article 12 of
Company Law

CHAPTER 3 SHARES AND REGISTERED CAPITAL

Article 19 The stock of the Company shall take the form of shares. The Company shall have ordinary shares at all times. The Company may create other classes of shares according to its needs upon approval by the vetting department authorized by the State Council.

Article 11 of
the Mandatory
Provisions
Section 9 of
Appendix 3 to
the Main Board
Listing Rules
Article 14 of Articles
Guideline

Article 20 Shares issued by the Company all have a par value, of RMB 1 per share (Unless otherwise specified, all amounts in the Articles of Association are stated in RMB). "Renminbi" as referred to in the previous Paragraph shall mean the legal currency of the People's Republic of China (the "PRC").

Article 128 of
Company Law
Article 12 of
the Mandatory
Provisions
Article 16 of Articles
Guideline

Article 21 Issuing of company shares shall adopt an open, fair, and just principle. Shares of the same type shall have equal rights. During the issuance of the same type of shares, each share shall have the same conditions of issuance and price. Any such share subscribed by any unit or individual should charge the same price.

Section 9 of
Appendix 3 to
the Main Board
Listing Rules
Article 15 of Articles
Guideline

Article 22 The Company may issue shares to both domestic and foreign investors subject to the approval by the China Securities Regulatory Commission. Foreign investors referred to in the preceding paragraph shall mean investors from foreign countries, Hong Kong, Macao and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors from China except the foregoing regions who subscribe for shares issued by the Company.

Article 13 of
the Mandatory
Provisions

Article 23 Domestic shares refer to the shares denominated in RMB issued by the Company to domestic investors. Foreign shares refer to the shares denominated in foreign currencies issued by the Company to overseas investors and the shares held by foreign investors which were transferred from domestic shareholders. Among the foreign shares, those listed overseas are referred to as overseas listed foreign shares (of which those listed in Hong Kong can be referred to as H shares' which are listed on The Hong Kong Stock Exchange upon approval with a par value denominated in RMB and are subscribed and traded in Hong Kong dollars) and those unlisted overseas are referred to as non-listed foreign shares.

Article 14 of
the Mandatory
Provisions
Section 9 of
Appendix 3 to
the Main Board
Listing Rules
Rule 19A.01(3)
(b) of the Main
Board Listing
Rules

Unless otherwise specified in the Articles of Association, holders of domestic shares and foreign shares are both holders of ordinary shares and shall have the same rights and obligations.

For the purposes of the preceding paragraph, the term of "foreign currency" shall refer to the lawful currency of a country or area outside the People's Republic of China, which is recognized by the State Administration of Foreign Exchange and can be used to pay for the shares to the Company.

Article 24 Following approval of the State Council authorities in charge of securities, the total amount of ordinary shares that the Company may issue is 400,000,000. The number of shares issued to the promoters at the time of establishment is 400,000,000 representing 100 % of the total number of ordinary shares that may be issued by the Company.

Article 81 of
Company Law
Article 1, 15 of
the Mandatory
Provisions
Article 18 of Articles
Guideline

All the issued shares at the time of incorporation of the Company were subscribed by the promoters. 2 promoters subscribed for the shares of the Company by converting net assets of the Company as at 31 December 2013 into shares. The names, the number of shares subscribed for, method of the capital contribution and shareholding of each promoters are as follows:

No.	Name of the shareholder	Method of capital contribution	Number of shares subscribed for	Shareholding (%)
1	Zhejiang Jujiang Holding Co., Ltd. (浙江巨匠控股集團有限公司)	Shares converted from net assets	204,000,000	51%
2	Zhejiang Jujiang Equity Investment Management Co., Ltd. (浙江巨匠股權投資管理股份有限公司)	Shares converted from net assets	196,000,000	49%
Total			400,000,000	100%

Article 16 of
the Mandatory
Provisions
Section 9 of
Appendix 3 to
the Main Board
Listing Rules

Article 25 After its establishment, with the review of the China Securities Regulatory Commission on 30 October, 2015 and approval of the Hong Kong Stock Exchange, the Company shall issue 133,360,000 ordinary shares, all being foreign investment shares listed outside the People's Republic of China, accounting for 25% of the total number of ordinary shares that may be issued by the Company.

After issuing the foreign investment shares listed outside the People's Republic of China mentioned above. The composition of the Company's share capital shall be: 533,360,000 ordinary shares, of which Zhejiang Jujiang Holding Co., Ltd. shall hold 204,000,000 shares, Zhejiang Jujiang Equity Investment Management Co., Ltd. shall hold 196,000,000 shares, holders of foreign investment shares listed outside the People's Republic of China shall hold 133,360,000 shares.

Article 26 Subject to the approval of the plans of the Company to issue overseas listed foreign shares or domestic shares by the China Securities Regulatory Commission and by shareholders at a Shareholders' Meeting, the Board of Directors of the Company may arrange for a separate issuance of such shares. The Company may implement the plan of issuing overseas listed foreign shares and domestic shares separately within 12 months since it is approved by the China Securities Regulatory Commission.

Article 17 of
the Mandatory
Provisions

Article 27 The Company shall complete issuing overseas listed foreign shares and domestic shares within the number fixed in the plan at one time; if this cannot be achieved due to exceptional circumstances, the Company may issue the same in several attempts upon the approval by the China Securities Regulatory Commission.

Article 18 of
the Mandatory
Provisions

Article 28 The Company may increase its capital according to its business operation and development needs in accordance with the relevant laws, regulations and regulatory documents and the listing rules of the jurisdiction where the Shares of the Company are listed. The Company may increase its capital through the following:

Article 178 of Company Law
Article 20 of the Mandatory Provisions
Article 21 of Article Guideline

- (1) issue of shares to the public;
- (2) private placement of shares;
- (3) issue of bonus shares or placement of new shares to existing shareholders;
- (4) increase share capital by conversion of reserves;
- (5) other ways permitted in accordance with laws and administrative regulations and approved by the China Securities Regulatory Commission.

The Company's increase of capital by way of issuing new shares shall be in accordance with the laws and administrative regulations of China and with the approval according to the procedures as required by the Articles of Association.

CHAPTER 4 CAPITAL REDUCTION AND REPURCHASE OF SHARE

Article 29 The Company may reduce its registered capital according to the Articles of Association in accordance with the Company Law, other relevant regulations and the procedures set fourth in the Articles of Association.

Article 22 of the Mandatory Provisions
Article 22 of Article Guideline

Article 30 The Company shall prepare a balance sheet and a list of assets when reducing its registered capital.

Article 177 of Company Law
Article 23 of the Mandatory Provisions

The Company shall notify its creditors within 10 days and shall publish public notices in a newspaper within 30 days as of the date of the Company's resolution for reduction of register capital. A creditor shall have the right to require the Company to pay off debts or provide an appropriate guarantee to pay off debts within 30 days as of the date of receipt of the notice from the Company or within 45 days as of the date of the public announcement if not receiving the notice.

The registered capital of the Company shall not be lower than the legally required minimum amount after the reduction of capital.

Article 31 The Company may repurchase its shares in accordance with the laws, administrative regulations, regulatory documents and the Articles of Association and upon the approval by relevant competent authorities of China under the circumstances below:

Article 142 of
Company Law
Article 24 of
the Mandatory
Provisions
Article 23 of Article
Guideline

- (1) cancellation of shares for the purpose of reducing its capital;
- (2) merging with other companies that hold shares in the Company;
- (3) awarding shares to the employees of the Company;
- (4) shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares; and
- (5) Other circumstances specified by laws and administrative regulations.

Saving for the foregoing circumstances, the Company shall not engage in the selling and buying of the Company's shares.

Repurchase of the Company's shares for reasons set out in Clauses (1) to (3) of this Article shall be subject to resolution at a general meeting of shareholders. After the Company has repurchased its shares in accordance with Clause (1) of this Article, such shares shall be cancelled within 10 days after repurchase, or shall be transferred or cancelled within 6 months in the circumstances set out in Clauses (2) and (4). Shares repurchased by the Company in accordance with Clause (3) of this Article shall not exceed 5% of the total shares issued by the Company; the repurchase cost shall be covered by the after-tax profit of the Company; and the shares repurchased shall be transferred to employees within one year.

Article 32 As approved by relevant authorities, the Company may repurchase its shares by the following means:

Article 25 of
the Mandatory
Provisions
Article 24 of Article
Guideline

- (1) by making a general offer to all of its shareholders for the repurchase of shares on a pro rata basis;
- (2) by open dealing on a stock exchange;
- (3) by an off-market agreement outside of the stock exchange.
- (4) other ways as permitted by relevant securities regulatory authorities.

Article 33 If the Company repurchases its shares by concluding an off-market agreement outside of the stock exchange, it shall obtain prior approval at the Shareholders' Meeting pursuant to the Articles of Association. Upon approval in the same matter at the Shareholders' Meeting, the Company may discharge or amend the said agreement or waive any of its rights there under. The off-market agreement for the repurchase of shares referred to in the preceding paragraph shall include (but not limited to) a document to become obliged to repurchase and acquire the right to repurchase shares of the Company.

Article 26 of
the Mandatory
Provisions

Paragraphs (1)
and (2),
Section 8 of
Appendix 3 to
the Main Board
Listing Rules

The Company shall not assign the agreement for the repurchase of its shares or any rights there under.

In respect of the Company's repurchase of its shares, if the repurchase is made not on the market or through tender, the repurchase price shall not exceed a specified price limit, and if the repurchase is made through tender, the offer shall be made to all shareholders.

Article 34 After the Company repurchases shares in accordance with law, it shall cancel or transfer such shares in accordance with laws and administrative regulations, and shall apply to the Administration for Industry and Commerce of Zhejiang Province for change in registered capital or shareholding and make announcement accordingly. The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

Article 179 of
Company Law
Article 27 of
the Mandatory
Provisions

Article 35 Unless the Company is undergoing liquidation, it shall repurchase its outstanding shares pursuant to the rules below:

Article 28 of
the Mandatory
Provisions

- (1) where the Company repurchases shares at par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose;
- (2) where the Company repurchases shares of the Company at a premium to its par value, payment up to the par value shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose. Payment of the portion in excess of par value shall be effected as follows:
 - (i) if the shares being repurchased are issued at par value, payment shall be made from the surplus of its distributable profits;
 - (ii) if the shares being repurchased were issued at a premium to its par value, payment shall be made from the surplus of its distributable profits or from the proceeds of a new issue for that purpose, provided that the amount paid from the proceeds of such new issue shall not exceed the aggregate amount of the premiums received by the Company on issuance of the shares so repurchased or the balance of the Company's capital reserve account (including the premiums on the new issue) at the time of such repurchase.

- (3) The Company shall make payments with its distributable profits for the following expenses:
- (i) for acquisitions of rights to repurchase its own shares;
 - (ii) for the variation of any contract for the repurchase of its shares;
 - (iii) for release from its obligations under any repurchase contract.
- (4) After the total par value of the shares that are cancelled is deducted from the Company's registered capital, the amount equal to the par value of its shares deducted from its distributable profits shall go to the Company's capital reserve account.

CHAPTER 5 FINANCIAL ASSISTANCE FOR THE PURCHASE OF THE COMPANY'S SHARES

Article 36 The Company or its subsidiaries (including the entities under the Company) shall not offer any financial assistance to anyone who is acquiring or is proposing to acquire shares of the Company by way of a gift or by granting an advance, guarantee, compensation, loan or otherwise at any time. The said purchaser of shares shall include a person who directly or indirectly assumes any obligations incurred for the acquisition of such shares.

Article 29 of
the Mandatory
Provisions
Article 20 of Article
Guideline

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

This Article shall not be applicable to the circumstances described in Article 38 of this Association.

Article 37 The financial assistance described in this Association shall include but not limited to the means below:

Article 30 of
the Mandatory
Provisions

- (1) Gift;
- (2) guarantees (including the guarantor to undertake the liability or offer assets to secure the obligor's performance of obligations), compensation (not including compensation arising out of the Company's own defaults), or release or waiver of any right;
- (3) provisions of loans or any other agreements where the Company shall fulfill the obligations prior to other parties, or changes in the said loans or parties to agreements, or the assignment of the rights under such loans or agreements;
- (4) any other financial assistance provided by the Company in the event that the Company is insolvent or possesses no net assets, or in the event that its net assets would thereby be reduced to a material extent.

For the purpose of this Chapter, “assuming any obligations” shall include obligations assumed by contract or any arrangement (whether enforceable or unenforceable, and whether made on its own account or with any other persons) or by any other means that result in a change in financial position.

Article 38 The following cases shall be exempted from Article 36 of this Association:

Article 31 of
the Mandatory
Provisions

- (1) the provision of financial assistance by the Company where the financial assistance is provided in good faith in the best interests of the Company, and the principal purpose of which is not for the acquisition of shares, or the provision of financial assistance being an incidental part to a plan;
- (2) the lawful distribution of the Company’s assets in the form of dividends;
- (3) the distribution of dividends in the form of shares;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure effected according to the Articles of Association;
- (5) provision of loans by the Company within its scope of business and in the ordinary course of the business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, financial assistance is provided from distributable profits);
- (6) the provision of monetary assistance for contributions to staff and workers’ stock plans (provided that the net assets are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided from distributable profits).

CHAPTER 6 SHARE TRANSFER

Article 39 Except otherwise provided by laws and administrative regulations, the shares of the Company may be freely transferred and shall not be subject to any lien.

Article 137
of Company Law

Article 40 The Company does not permit using the shares of the Company as the subject of a pledge.

Article 21 of Mandatory
Provisions
Article 19A.46 and 1(2)
of Appendix 3 of Main
Board Listing Rules

Article 41 The shares of the Company held by the promoters shall not be transferred within one year from the date of establishment of the Company. The shares issued before the public offering of shares of the Company shall not be transferred within one year from the date when the shares of the Company are listed on the stock exchange.

The directors, supervisors and senior management of the Company shall declare to the Company the shares held by them in the Company and corresponding changes. The shares transferred by anyone of the above personnel each year during his/her term of office shall not exceed 25% of the total shares of the same class held by him/her in the Company. The shares held in the Company shall not be transferred within 1 year since the date of listing of shares of the Company. Within six months after the departure of the above-mentioned personnel, the shares held by them in the Company shall not be transferred.

Article 42 If any director, supervisor, senior management of the Company, or the shareholder holding over five percent of the shares of the Company sells, within six months upon purchase, the shares he/she holds of the Company or repurchases the shares within six months after selling the same, then the earnings so obtained by him/her shall belong to the Company and be recovered by the board of directors of the Company. However, a securities company that has a shareholding of more than five percent due to the underwriting of the remaining shares shall not be subject to the restriction of six months when selling the said shares.

If the Company's board of directors fails to comply with the provisions of the preceding paragraph, the shareholders shall have the right to require the board of directors to comply within 30 days. If the Company's board of directors still fails to comply within the said time limit, the shareholders shall have the right to, for the Company's benefits, bring a lawsuit in the people's court in their own name.

If the Company's board of directors fails to comply with the provisions of the first paragraph, the directors responsible therefore shall bear joint and several liability.

Article 43 The H shares with all capital paid up may be freely transferred pursuant to the Articles of Association; however, the board of directors may refuse to recognize any transfer document without any reasoning, except that the following conditions are satisfied:

- (1) The transfer documents and other documents relating to any share ownership or which may affect share ownership shall be registered, with fees paid for the registration to the Company according to the charging criteria provided in the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
- (2) The transfer documents only relate to H shares;
- (3) The stamp duty payable on the transfer documents has been paid;
- (4) The relevant stocks and the evidence requested reasonably by the board of directors as proof of the transferor's right to transfer the shares shall be provided;
- (5) If the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
- (6) The relevant shares are not subject to any lien of any company;
- (7) No share may be transferred to any person who is a minor or mentally ill or otherwise legally incapacitated.

CHAPTER 7 SHARE CERTIFICATES AND REGISTER OF SHARE HOLDERS

Article 44 The share certificates of the Company shall be in registered forms. The share certificates are evidence of the shares held by shareholders issued by the Company. The Company shall issue share certificates in book entry form or physical form or in other forms as prescribed by the State Council's securities authorities in accordance with the requirements of the relevant governments and authorities of the territories on whose stock exchanges the Company's shares are issued and listed.

Article 129 of
Company Law
Rule 19A.52 of
the Main Board
Listing Rules
Article 32 of
the Mandatory
Provisions

In addition to the matters required by the Company Law, the share certificates of the Company shall also contain other matters required by the stock exchange(s) on which the shares are listed.

During the period when the H shares are listed on the Hong Kong Stock Exchange, the Company must ensure that all of the documents relating to the title to the shares listed on the Hong Kong Stock Exchange (including H shares) include the statements as follows.

The Company shall instruct and procure the share registrars not to register the subscription, purchase or transfer of share in the name of any individual holder unless and until he submits such properly executed forms to the share registrars which shall include the statements as follows:

- (1) agreements among the purchaser of the share, the Company and each shareholder, and between the Company and each shareholder, have been reached to comply with and in accordance with the Company Law, the Special Provisions and other laws, administrative regulations and the Articles of Association.
- (2) the purchaser of the shares and the Company, each of the shareholders, Directors, Supervisors, Manager and other members of senior management of the Company, as well as the Company when acting on behalf of the Company and each director, supervisor, Manager and other members of senior management, agree with each shareholder that all of the disputes and claims arising from the Articles of Association, or any rights and obligations stipulated in the Company Law and other Chinese laws and administrative regulations relating to the Company, shall be referred to arbitration in accordance with the Articles of Association. Any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct hearing in open session and to publish its award which is final.
- (3) the purchaser of the shares, the Company and each shareholder agree that the shares of the Company may be freely transferable by the holder.
- (4) the purchaser of the shares authorizes the Company to reach an agreement on behalf of him with each of the directors, Manager and other members of senior management to authorize such directors, Manager and other members of senior management to comply with and perform their duties to the shareholders in accordance with the Articles of Association.

Article 45 Share certificates of the Company shall be signed by the Chairman of the Board of Directors. In the event that the stock exchange(s) on which the Company's shares are listed require the signatures of other members of senior management of the Company on the share certificates, the share certificates shall also be signed by such members of senior management. The share certificates shall be effective upon being affixed or printed with the seal of the Company or other securities seals specified. The share certificates shall only be sealed with the Company's seal under the authorization of the Board. The signatures of the Chairman of the Board or other members of senior management may be printed.

Article 33 of
the Mandatory
Provisions
Paragraph (1), of
Opinion Circular
Section 2(1) of
Appendix 3 to
the Main Board
Listing Rules

The issuance and trading of uncertificated shares are subject to the requirements otherwise prescribed by the securities regulatory bodies located at the places where the shares of the Company are listed.

Article 46 The Company shall have a register of shareholders to record the following matters:

Article 130 of
Company Law
Article 34 of
the Mandatory
Provisions

- (1) the name (title), address (residence), occupation or nature of business of each shareholder;
- (2) the number and class of the shares of each holder;
- (3) the payment made or payable amount for the shares of each holder;
- (4) the certificate numbers of the shares of each holder;
- (5) the date on which each shareholder is entered in the register as a shareholder of the Company;
- (6) the date on which each shareholder ceases to be a shareholder of the Company.

Paragraph (3),
Section 1 of
Appendix 3 to
the Main Board Listing
Rules

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

Where two or more persons are registered as joint shareholders of any shares, they should be deemed as joint owners of relevant shares subject to the followings:

- (1) the Company does not have to register more than 4 persons as joint shareholders of any shares;
- (2) the joint shareholders shall, together or individually, pay the amounts payable for relevant shares;
- (3) if any of the joint shareholders dies, only the surviving joint shareholders may be deemed as holders of relevant share of the Company, but the Board of Directors is entitled to require the death certificate which it considers to be proper as regard to the amendment to the register of shareholders; and
- (4) as regard to the joint shareholders for any share, only the person whose name is at the first place on the register of shareholders has the rights to receive the certificate of relevant shares and notice from the Company and to attend or exercise all of the votes relating to the shares. The notice which is serviced on the above-mentioned person should be deemed to be serviced on all of the joint shareholders of relevant shares.

Article 47 The Company may maintain the register of shareholders outside China and appoint an overseas agent to manage the register of shareholders in accordance with the memorandum of understanding or agreement concluded with the China Securities Regulatory Commission and overseas securities regulatory authorities. The original register of shareholders for foreign shares listed in Hong Kong shall be maintained in Hong Kong.

Article 35 of
the Mandatory
Provisions
Article 2 of
Opinions Circular

Paragraph (b),
Section 1 of
Appendix 13D
to the Main Board
Listing
Rules

A duplicate copy of the register of shareholders for the holders of overseas-listed foreign shares shall be maintained at the Company's residence. The appointed overseas agent(s) shall at all times ensure consistency between the original and the duplicate copy of the register of shareholders.

In the event of any inconsistency between the original and the duplicate copy of the register of shareholders for overseas-listed foreign shares, the original register of shareholders shall prevail.

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

Article 36 of
the Mandatory
Provisions

The register of shareholders shall include:

- (1) the register of shareholders that is maintained at the Company's residence (other than those share registers described in Clause (2) and Clause (3) below);
- (2) the register of shareholders in respect of the holders of overseas-listed foreign shares that is maintained in the same place as the overseas stock exchange on which the shares are listed;
- (3) the registers of shareholders that are maintained in such other places as the Board of Directors may consider necessary for the purpose of listing the Company's shares.

Article 49 Parts of the register of shareholders shall not overlap. No transfer of shares registered in any part of the register shall, during the continuous period of such registration, be registered in any other part of the register.

Article 37 of
the Mandatory
Provisions

Amendments to, or correction to, any part of the register of shareholders, shall be made in accordance with the laws of the jurisdiction where such part of the register is maintained.

Article 50 Within 30 days from the date of Shareholders' Meeting or 5 days from the record date for the Company's distribution of dividends, no change shall be made in the register of shareholders as a result of transfer of shares.

Article 38 of
the Mandatory
Provisions

Article 51 When the Company calls for a Shareholders' Meeting, distributes its dividends, conducts liquidation or executes any other act requiring identification of shareholders, the Board shall fix the share registration date, at the end of which the shareholders in the register shall be shareholders of the Company.

Article 39 of
the Mandatory
Provisions

Article 52 Any person who objects to the register of shareholders and claims to be entitled to have his name (title) entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for an amendment of the register.

Article 40 of
the Mandatory
Provisions

Article 53 For any person who is a registered shareholder or who claims to be entitled to have his name (title) entered in the register of shareholders in respect of shares in the Company, if his share certificate (hereinafter, "original share certificate") is lost, he may apply to the Company for a replacement share certificate in respect of such shares (hereinafter, the "Relevant Shares").

Article 41 of
the Mandatory
Provisions

Article 54 Applications for a replacement share certificate by shareholders of domestic shares shall be addressed pursuant to Article 143 of the Company Law.

Article 41 of
the Mandatory
Provisions

Article 55 Applications for a replacement share certificate by holders of overseas-listed foreign shares shall be addressed pursuant to the laws, the rules of the stock exchange, or other relevant regulations of the jurisdiction in which the original register of shareholders for overseas-listed foreign shares is maintained.

Article 41 of
the Mandatory
Provisions

Article 56 With respect to holders of H shares who have lost their share certificates and file an application to the Company for a new share certificate, it shall be handled in compliance with the following requirements:

Article 41 of
the Mandatory
Provisions

- (1) The applicant shall submit an application to the Company in a prescribed form along with a notarization or a statutory declaration stating the grounds upon which the application is made and the circumstances and evidence of the loss. Moreover, the applicant shall declare that no other person shall be entitled to have his name entered into the register of shareholders with respect to the Relevant Shares.
- (2) The Company shall not have received any declaration made by any person other than the applicant declaring that his name shall be entered into the register of shareholders with respect to such shares prior to the issue of a replacement share certificate to the applicant.

- (3) In the event that the Company intends to issue a replacement share certificate to an applicant, it shall publish an announcement of such intention at least once every 30 days within a period of 90 days in the newspaper as prescribed by the Board.
- (4) Prior to its publication, the Company shall deliver, to the stock exchange on which its shares are listed, a copy of aforementioned announcement. The Company may publish the announcement upon receipt of confirmation from such stock exchange confirming the announcement has been exhibited on the premises of said stock exchange. Such announcement shall be exhibited on the premises of the stock exchange for a period of 90 days.

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

- (5) Upon expiration of the 90-day period referred to in the Clauses (3) and (4) of this Article, the Company may issue the replacement share certificate to the applicant in the event that the Company has not received any objections from any person with respect to the issuance of a replacement share certificate.
- (6) When the Company issues a replacement share certificate pursuant to the provisions of this Article, it shall cancel the original share certificate and record the cancellation of said original share certificate, along with the issuance of the replacement share certificate in the register of shareholders.
- (7) All expenses relating to the cancellation of the original share certificate and the issuance of a replacement share certificate shall be borne by the applicant, and the Company shall have the right to refuse to take any action until reasonable guarantee is provided by the applicant.

Article 57 Where the Company issues a replacement share certificate pursuant to the Articles of Association, as for a bona fide purchaser obtaining the new share certificate referred to above or a shareholder registered as a owner of the relevant shares (in case of a bona fide purchaser), his name (title) shall not be removed from the register of shareholders.

Article 42 of
the Mandatory
Provisions

Article 58 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the said person claiming damage proves that the Company has committed a fraud.

Article 43 of
the Mandatory
Provisions

CHAPTER 8 RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

Article 59 The shareholders of the Company refer to the legal holders of shares of the Company, whose names (titles) are registered in the register of shareholders of the Company.

Article 44 of
the Mandatory
Provisions
Section 9 of
Appendix 3 to
the Main Board Listing
Rules

The shareholders shall enjoy rights and assume obligations on the basis of the class and amount of shares held. Shareholders who hold shares of the same class shall enjoy the same rights and assume the same obligations. All shareholders of different classes shall rank *pari passu* among themselves as to dividends or distributions in any other form.

Article 60 The Company's shareholders of ordinary shares shall enjoy the following rights:

- (1) the right to receive dividends and other distributions proportional to the number of shares held;
- (2) the right to lawfully request, convene, preside over, and attend Shareholders' Meeting either in person or by proxy and exercise the voting right;
- (3) the right to supervise, advise or inquire the operating activities of the Company;
- (4) the right to transfer, bestow, or pledge the shares held according to laws and regulations and the Articles of Association;
- (5) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:
 1. to obtain a copy of the Articles of Association, subject to payment of the cost;
 2. to inspect and to make duplicate copies, subject to payment at a reasonable charge, of the followings:
 - (i) all parts of the register of shareholders;
 - (ii) personal profiles of the Company's Directors, Supervisors, Manager and other members of senior management including:
 - (a) their present and former names and aliases;
 - (b) their principal addresses (residence);
 - (c) their nationalities;
 - (d) their full-time and all other part-time occupations and duties;
 - (e) their identification documents and the numbers thereof.
 - (iii) report(s) on the Company's share capital;
 - (iv) the latest audited financial report, the report of the Board of Directors, the report of auditors, and the report of the Board of Supervisors of the Company;
 - (v) special resolutions of the Company;

Article 97 of
Company Law
Article 45 of
the Mandatory
Provisions
Rule 19A.50 of
the Main Board Listing
Rules
Article 32 of Articles
Guideline

Rule 19A.50(7)
of the Main
Board Listing
Rules

Rule 12 of
Appendix 3 to
the Main Board Listing
Rules
Article 32 of Articles
Guideline

- (vi) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;
- (vii) a copy of the annual inspection report that has been filed with the administration of industry and commerce or other competent authorities in China; and
- (viii) minutes of Shareholders Meeting, and resolutions of the board of directors and supervisory board;

The Company shall make available the documents mentioned in Clauses (i) to (viii) other than Clause (ii) above and other applicable documents at its Hong Kong office for inspection, free of charge, by the public and shareholders in accordance with requirements of the Rules Governing the Listing of Securities on Hong Kong Stock Exchange (the documents mentioned in Clause (viii) shall be available for inspection by shareholders only).

Article 34 of Articles
Guideline

If any shareholder needs to access the relevant information as set out in the preceding article, the said shareholder shall provide the Company with written documents evidencing the type and number of shares held by the said shareholder, and the Company shall provide such information as required by the said shareholder upon authentication of the shareholder.

Article 35, 36 of
Articles Guideline

- (6) the right to receive distribution of the remaining assets proportional to the number of shares held when the Company dissolves or liquidates;
- (7) the right to require the Company to buy their shares in the event of objection to resolutions of the general meeting concerning merger or division of the Company; and
- (8) other rights conferred by the laws and regulations and the Articles of Association of the Company.

The Company shall not otherwise stay or infringe any rights attached to any shares on the sole basis that the holders of such shares with direct or indirect interests in such shares have failed to disclose the said interests to the Company.

When a shareholder requests to inspect the relevant information mentioned in the preceding paragraph or requests any materials, such shareholder shall provide the Company with written documents evidencing the class and number of shares held, and the Company shall provide such relevant information or such materials upon request after verifying his shareholder identity.

Article 61 If the resolutions of the Shareholders' Meeting and the board of directors violate any laws or administrative regulations, the shareholders shall have the right to request the people's court to invalidate the resolutions.

If the procedures for convening or the way of voting for meetings of Shareholders' Meeting and board of directors violate the provisions of laws, administrative regulations or the Articles of Association, or any resolution violates the Articles of Association, shareholders shall have the right to, within 60 days from the date when the resolution is reached, request the people's court to revoke the said resolution.

Where a shareholder files an action in accordance with the provisions of the preceding paragraph, the Company may plea to the people's court to request the shareholder provide corresponding guarantee.

Article 62 Where a director or a senior management of the Company is in violation of laws, administrative regulations or the Articles of Association when assuming his or her duties, which causes losses to the Company, the shareholders who individually or jointly hold more than 1% of the shares of the Company for more than 180 consecutive days shall be entitled to request the board of supervisors in writing to bring a lawsuit to the people's court. Where the board of supervisors is in violation of laws, administrative regulations or the Articles of Association when assuming its duties, which causes losses to the Company, shareholders may request the board of directors in writing to bring a lawsuit to the people's court. If the board of supervisors or the board of directors, after receiving the written request of the shareholders as mentioned in the preceding paragraph, refuses to initiate litigation or fails to institute legal proceedings within 30 days from the date of receipt of the request, or if the case is urgent and the failure to bring an action promptly will cause irreparable damage to the interests of the Company, shareholders mentioned in the preceding paragraph shall have the right to bring a lawsuit directly to the people's court in their own name for the interests of the Company.

Where any person infringes upon the lawful rights and interests of the Company and causes losses to the Company, shareholders as prescribed in the first paragraph of this Article may bring a lawsuit to the people's court in accordance with the provisions of the preceding two paragraphs.

If any director or senior management of the Company violates laws, administrative regulations or the Articles of Association and harms the interests of shareholders, shareholders may bring a lawsuit to the people's court.

Article 63 The shareholders of ordinary shares shall assume the following obligations:

- (1) to comply with laws, administrative regulations and the Articles of Association;
- (2) to effect payment for the subscription of shares according to the number of shares subscribed and the method of contribution;
- (3) not to withdraw shares unless in the circumstances stipulated by laws and regulations;

Article 46 of
the Mandatory
Provisions
Article 37, 38 of
Articles Guideline

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

Shareholders of the Company who abuse their shareholder's rights and thereby causing loss on the Company or other shareholders shall be liable for loss compensation according to the law.

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

- (5) to assume other obligations as the laws and regulations and the Articles of Association require. Shareholders are not liable to further contribution to the share capital other than such terms as agreed upon by the subscriber of the relevant shares on subscription.

Article 64 Where a shareholder who holds more than 5% of the voting shares of the Company pledges the shares he/she holds, he/she shall make a written report to the Company on the date of occurrence of the fact.

Article 65 The controlling shareholder and the actual controller of the Company shall not use their connected relationship to harm the interests of the Company. In case of violation of the provisions, causing losses to the Company, the controlling shareholder or the actual controller shall be liable for the losses caused.

The controlling shareholder and the actual controller of the Company shall assume fiduciary duty to the Company and the shareholders of the Company. The controlling shareholder shall exercise the rights of the investor in strict accordance with the law, and not use profit distribution, asset reorganization, foreign investment, fund occupation and loan guarantee to damage the lawful rights and interests of the Company and other shareholders; in addition, the controlling shareholder shall not use its controlling status to damage the interests of the Company and other shareholders.

Article 66 Besides the obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which the Company's shares are listed, a controlling shareholder (as defined below) shall not exercise his voting rights with respect to the following matters in a manner that is prejudicial to the interests of the shareholders, collectively or individually:

Article 47 of
the Mandatory
Provisions

- (1) to relieve a Director or Supervisor from liability to act honestly in the best interests of the Company;
- (2) to allow the expropriation by a Director or Supervisor (for his own benefit or for the benefit of other person(s)), in any manner, of the Company's assets, including (but not limited to) any opportunities deemed beneficial to the Company;

- (3) to allow the expropriation by a Director or Supervisor (for his own benefit or for the benefit of other person(s)) of the individual rights of other shareholders, including (but not limited to) the rights to distributions and vote (except pursuant to a restructuring proposed to shareholders for approval at a Shareholders' Meeting in accordance with the Articles of Association).

Article 67 For the purpose of the preceding Article, a “controlling shareholder means a person who satisfies any one of the following conditions:

Article 48 of
the Mandatory
Provisions

- (1) a person who, acting alone or in concert with others, has the power to elect more than half of the Directors;
- (2) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% or more of the voting rights in the Company;
- (3) a person who, acting alone or in concert with others, holds 30% or more of the issued and outstanding shares of the Company;
- (4) a person who, acting alone or in concert with others, has de facto control of the Company in any other way.

CHAPTER 9 SHAREHOLDERS' MEETING

Article 68 Shareholders' Meeting shall be the authoritative body of the Company and shall exercise its functions and powers in accordance with the law.

Article 49 of
the Mandatory
Provisions

Article 69 Shareholders' Meeting shall possess the following functions and powers:

Article 38 of
Company Law
Article 50 of
the Mandatory
Provision
Article 40 of Articles
Guideline

- (1) to decide on the Company's operational policies and its investment plans;
- (2) to elect and replace Directors and to decide on the matters relating to the remuneration of Directors;
- (3) to elect and replace shareholders' representative Supervisors, and decide on matters relating the remuneration of the relevant Supervisors;
- (4) to examine and approve reports of the Board of Directors;
- (5) to examine and approve reports of the Board of Supervisors;
- (6) to examine and approve the Company's proposed annual preliminary and final financial budgets;
- (7) to examine and approve the Company's profit distribution and loss recovery plans;
- (8) to decide on the increase or reduction of the Company's registered capital;
- (9) to decide on such matters as merger, division, dissolution, liquidation or change in the form of the Company;

- (10)to decide on the issuance of debentures by the Company;
- (11)to decide on the engagement, dismissal or non-reappointment of the Company's accounting firm;
- (12)to amend the Articles of Association;
- (13)to examine and approve the external guarantees specified in Article 70;
- (14)to consider the Company's purchase or disposal of major assets within one year with the aggregate transaction amount exceeding 30% of the latest audited total assets of the Company;
- (15)to examine and approve matters relating to the changes in the use of proceeds;
- (16)to consider equity incentive scheme;
- (17)to consider any motions raised by shareholders who hold 3% or more of the voting shares of the Company;
- (18)to decide on any other matters as the laws and regulations and the Article of Association of the Company specify.

Article 70 The following acts of external guarantee shall be submitted to the General Meeting for consideration after being examined and approved by the board of directors:

- (1) any guarantee provided after the Company and its subsidiaries' aggregate external guarantees reach or exceed 50% of the latest audited net assets;
- (2) the total amount of external guarantees provided by the Company to the extent that it meets or exceeds 30% of the audited total assets of the latest period of the Company;
- (3) any guarantee with amount exceeding 30% of the audited total assets of the latest period of the Company, if calculated accumulatively for 12 consecutive months;
- (4) any guarantee with amount exceeding 50% of the audited net assets of the latest period of the Company, if calculated accumulatively for 12 consecutive months, and with absolute amount exceeding RMB50 million;
- (5) any guarantee provided for an object with asset-liability ratio exceeding 70%;
- (6) any individual guarantee with amount exceeding 10% of the audited net assets of the latest period of the Company;

(7) guarantees provided to the shareholders, the actual controller and their related parties;

Article 51 of
the Mandatory
Provisions

(8) other guarantee matters which must be submitted to the Shareholders' Meeting for approval, as required by laws and administrative regulations, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Articles of Association.

The guarantee matters within the scope of authority of the board of directors shall also be approved by more than two thirds of the directors present at the meeting of the board of directors, besides be approved by the majority of the directors; the guarantee mentioned in item (3) shall be adopted by shareholders representing more than two thirds of the voting rights.

Article 71 The Shareholders' Meeting shall include annual general meetings and extraordinary general meetings. Annual general meetings shall be called by the Board of Directors and held once every year, and within 6 months of the end of the preceding financial year.

Article 100 of
Company Law
Article 52 of
the Mandatory
Provisions

The Board shall convene an extraordinary general meeting within 2 months under any of the following circumstances:

- (1) when the number of directors is less than that required by the Company Law or is less than two thirds of the numbers required by the Articles of Association;
- (2) when the Company fails to recover the loss amounting to over one third of the share capital;
- (3) when shareholder(s) holding 10% or more of the Company's issued and outstanding shares carrying voting rights request(s) in writing the convening of an extraordinary general meeting;
- (4) when deemed necessary by the Board of Directors or the Board of Supervisors motions to call an extraordinary general meeting;
- (5) Other circumstances stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Article 72 Place for convening the Shareholders' Meeting of the Company: the Company's domicile or other specific place as specified in the notice of the Shareholders' Meeting.

Shareholders' Meeting will be held in the form of on-site meetings at a meeting place. In order to ensure the legality and validity of the Shareholders' Meeting, pursuant to the requirements of the securities regulatory authorities of the jurisdiction where the shares of the Company are listed the Company will provide shareholders with convenience for participation in Shareholders' Meeting through various means and ways, such as Internet voting platform and other modern information technology means. Where a shareholder participates in a Shareholders' Meeting through the above-mentioned means, he/she shall be deemed having attended the meeting.

Article 73 Independent directors have the right to propose to the board of directors to convene an extraordinary general meeting. The board of directors shall, in accordance with the provisions of the laws, administrative regulations and the Articles of Association, give written feedback within 10 days upon receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting; if the board of directors disagrees with the convening of an extraordinary general meeting, the reasons shall be stated and publicized.

Article 74 The board of supervisors shall have the right to propose to the board of directors the convening of an extraordinary general meeting and shall file a written request to the board of directors. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback within 10 days after receipt of the proposal.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting. The changes to original proposal contained in the notice shall be consented by the board of supervisors.

If the board of directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receipt of the proposal, the board of supervisors may convene and preside over the meeting as if the board of directors could not perform or failed to assume the duty of convening the extraordinary general meeting.

Article 75 For convening an extraordinary general meeting or a class meeting, shareholders shall go through the following procedures:

Shareholders holding more than 10% of the shares of the Company individually or collectively shall have the right to request the board of directors to convene an extraordinary general meeting and submit the request to the board of directors in writing. The board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, provide written feedback within 10 days after receipt of the request.

If the board of directors agrees to convene an extraordinary general meeting, it shall, within 5 days after the resolution of the board of directors is reached, issue a notice on convening an extraordinary general meeting. The changes to original request contained in the notice shall be consented by relevant shareholders.

If the board of directors does not agree to convene an extraordinary general meeting or fails to provide feedback within 10 days after receipt of the request, the shareholders holding more than 10% of the shares individually or collectively shall have the right to propose to the board of supervisors to convene an extraordinary general meeting and submit the request in writing to the board of supervisors.

If the board of supervisors agrees to convene an extraordinary general meeting, it shall, within 5 days after receipt of the request, issue a notice on convening an extraordinary general meeting. The changes to original proposal contained in the notice shall be consented by relevant shareholders.

If the board of supervisors fails to give a notice on convening a Shareholders' Meeting within the prescribed time limit, it shall be deemed not to convene and preside over the said meeting, while the shareholders holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the said meeting.

Article 76 If the board of supervisors or shareholders decide to convene a Shareholders' Meeting, the board of directors shall be notified in writing. At the same time, the convening of the said meeting shall be filed with the local office of CSRC and the stock exchange at the place where the Company is located.

Before the resolution on convening the Shareholders' Meeting is announced, the convening shareholders shall hold no less than 10% of the shares of the Company. The convening shareholders shall, upon the issuance of the notice of the said meeting and the announcement of resolution of the meeting, submit relevant supporting documents to the local office of CSRC and the stock exchange at the place where the Company is located.

Article 77 The board of directors and the secretary of the board of directors shall be cooperative with regard to the Shareholders' Meeting convened by the board of supervisors or shareholders themselves. The board of directors shall provide the register of shareholders at the date of shareholding registration.

For the Shareholders' Meeting convened by the board of supervisors or shareholders themselves, the expenses necessary for the meetings shall be borne by the Company.

Article 78 The contents of the proposals shall be within the terms of reference of the Shareholders' Meeting, with specific issues and specific resolutions, and comply with relevant laws, administrative regulations and the Articles of Association.

Article 79 If the Company holds a Shareholders' Meeting, the board of directors, the board of supervisors and the shareholders who hold more than 3% shares of the Company individually or jointly, shall have the right to make proposals to the Company.

Shareholders holding 3% or more of the shares of the Company individually or jointly may submit interim proposals and submit them to the convenor in written form 10 days before the convening of the Shareholders' Meeting. The convenor shall, within 2 days after receipt of the proposal, issue a supplementary notice about the said meeting, to publicize the contents of provisional proposals.

In addition to the circumstances stipulated in the preceding paragraph, the convenor shall not revise the proposals listed in the notice of a Shareholders' Meeting or add new proposals after issuing the notice of the meeting.

The Shareholders' Meeting shall not vote or make a resolution if the proposal is not specified in the notice of a Shareholders' Meeting or not in line with the provisions of Article 78 of the Articles of Association.

Article 80 If the Company holds a Shareholders' Meeting, it shall issue a written notice 45 days prior to the convening of the meeting, to notify all registered shareholders the matters to be considered, the date and the place for convening of the meeting. The shareholders intending to attend the meeting shall send written reply regarding attendance of the meeting to the Company 20 days before the convening of the meeting.

Article 81 The Company shall, based on the written replies received from shareholders, calculate the number of voting shares represented by the shareholders who intend to attend the meeting 20 days prior to the date of the general meeting of shareholders. In the event that the number of voting shares represented by the shareholders who intend to attend the meeting represents one half or more of the Company's total voting shares, the Company may hold the meeting. If otherwise, then the Company shall, within 5 days, notify the shareholders again by public notice of the matters to be considered, and the place and the date for the meeting. The Company may hold the meeting following the publication of such notice.

Article 55 of
the Mandatory
Provisions

No matters unspecified in the notice of extraordinary general meeting shall be decided on at such meeting.

Article 82 The notice of the Shareholders' Meeting shall:

- (1) be in writing;
- (2) specify time, date and place of the meeting;
- (3) describe matters for consideration at the meeting;
- (4) provide such necessary information and explanations for shareholders to make an informed judgment on the matters to be considered. Without limitation to the generality of the foregoing, where a proposal is made with respect to the merger of the Company with another company, the repurchase of shares, the restructuring of share capital, or the restructuring of the Company in any other manner, the terms of the proposed transaction must be provided in detail along with copies of the proposed agreement, if any, and the reason(s) and effect of such proposal must be properly explained;
- (5) contain a disclosure of the nature and extent, if any, of the material interests of any Director, Supervisor, the General Manager, or other members of senior management in the proposed transaction and the effect of the transaction in their capacity as shareholders to the extent that it is different from the effect on the interests of shareholders of the same class;
- (6) contain the full text of any special resolution proposed to be passed at the meeting;
- (7) state clearly that a shareholder is entitled to attend and vote at the meeting, and to appoint one or more proxies to attend and vote on his behalf, and that a proxy need not be a shareholder;
- (8) specify the time and place for delivering proxy forms for the relevant meeting;

Article 56 of
the Mandatory
Provisions

- (9) specify the record date for determining the shareholders who are entitled to attend the general meeting;
- (10) stating the names and contact telephone numbers of the standing contact persons in connection with the meeting.

Article 83 If the election of directors and supervisors is to be discussed at a Shareholders' Meeting, the notice of the meeting shall fully disclose the details of candidate directors and supervisors, at least including the following:

- (1) educational background, work experience, part-time work experience and so on;
- (2) whether there is any connected relationship with the Company or the controlling shareholder or the actual controller of the Company;
- (3) the number of shares held of the Company;
- (4) whether punished by CSRC and other relevant departments or disciplined by the stock exchange.

In addition to the adoption of cumulative voting system to elect directors and supervisors, each director or supervisor candidate shall be proposed in an individual proposal.

Article 84 Notice of general meeting of shareholders shall be served on each shareholder (whether or not entitled to vote at the meeting), by way of announcement or personal delivery or prepaid mail to their addresses as shown in the register of shareholders. For the holders of domestic shares, notices of the general meeting may also be issued by way of public announcements.

Article 57 of
the Mandatory
Provisions

The public announcement as referred to in the preceding paragraph shall be published in 1 or more national newspapers designated by the China Securities Regulatory Commission and the regulatory authority where the Shares of the Company are listed or within 45 days to 50 days prior to the date of the meeting, the website of the Company and the website of the relevant stock exchange. Upon publication of such announcements, the holders of domestic shares shall be deemed to have received the notice for the Shareholders' Meeting.

The notification, materials or written announcement of the shareholders' assembly meeting should be delivered to the shareholders of overseas-listed foreign shares 45 days prior to the said meeting, such notification or announcement should be delivered to every shareholders of overseas-listed foreign shares by person or by mail in accordance with the addresses of every shareholders. The notification for shareholders of H Shares should be sent at Hong Kong. In accordance with relevant laws, regulations and listing rules, such notification, materials or written announcement of the shareholders' assembly meeting should be announced at the website of the Company or websites designated by the stock exchange where shares of the Company are listed.

Article 85 An accidental failure to serve notice of a meeting on, or the non-receipt of such notice by, any person entitled to receive such notice shall not invalidate the meeting or the resolutions passed.

Article 58 of
the Mandatory
Provisions

Article 86 After the issuance of the notice of a Shareholders' Meeting, the said meeting shall not be postponed or canceled without any justification. The proposal specified in the notice shall not be canceled. In case of delay or cancellation, the convener shall publicize and explain the reason at least 2 business days before the scheduled date of convening.

Article 57 of
the Articles Guideline

Article 87 The board of directors and other convenors of the Company shall take necessary measures to ensure the normal order of the meetings of Shareholders' Meeting. Any person who interferes with the Shareholders' Meeting, stirs up troubles and violates the legitimate rights and interests of shareholders will be stopped with relevant measures and promptly reported to relevant departments.

Article 58 of
the Articles Guideline

Article 88 All shareholders registered on the register date or their proxies are entitled to attend the Shareholders' Meeting, and vote in accordance with relevant laws, regulations and the Articles of Association. Shareholders may attend the Shareholders' Meeting in person or entrust proxies to attend and vote on behalf of them.

Article 59 of
the Articles Guideline

Article 89 Any shareholder entitled to attend and vote at the Shareholders' Meeting shall be entitled to appoint to entrust one or several persons (whether a shareholder or otherwise) as his proxy/proxies to attend and vote on his behalf. A proxy so appointed shall have:

Article 106 of
Company Law
Article 59 of
the Mandatory
Provisions

- (1) the right to speak at the meeting;
- (2) the right to demand or join in demand for a poll;
- (3) the right to vote by poll, but the proxies of a shareholder who has appointed more than one proxy may only vote by poll.

Article 90 If any individual shareholder attends the meeting in person, he/she shall present his/her ID card or other valid documents or certificates or stock account card that can indicate his or her identity; and the entrusted proxy attending the meeting shall present his/her valid identity certificate and the power of attorney from the shareholder concerned.

Article 91 A legal person shareholder shall be represented at the meeting by the legal representative or the proxy entrusted by the legal representative. If the legal representative attends the meeting, he/she shall show his/her ID card and other effective certificates that can prove he/she has the qualification as the legal representative. If the entrusted proxy attends the meeting, he/she shall present his/her ID card and the written power of attorney issued according to law by the legal representative of the legal person shareholder.

Article 92 The proxy form shall be in writing, either to be executed by the appointer or by power of attorney. Should the appointer be a legal entity, then such proxy form shall be executed with the company seal or by its Directors or the legal representative. Such instrument shall specify the number of shares represented by each proxy.

Article 93 The letter of attorney produced by the Shareholder to consign others to participate in the General Meeting shall indicate the following:

- (1) Name of the proxy;
- (2) Whether the proxy has voting rights;
- (3) instructions to cast affirmative, negative or abstention votes on each review issue listed in the agenda of the General Meeting;
- (4) date of issuance and valid term of the letter of attorney;
- (5) signature (or seal) of the appointing party. If the appointing party is an institutional Shareholder, the letter of attorney shall be affixed with the common seal of the institution;
- (6) the number of Shares of the appointing party in respect of which the proxy is given.

If more than one person are appointed as proxies, the letter of attorney shall state the number of Shares in respect of which the proxy is given to each such person.

Article 94 The proxy form shall be maintained at the residence of the Company or at such other locations as specified for that purpose in the notice regarding the convening of the meeting in no less than 24 hours prior to the time of the meeting at which the proxy proposes to vote, or the time appointed for voting. In the event that such instrument is signed by another person authorized by the appointer, the authorization or other authorization instrument shall be notarized, and such notarized authorization or other instrument shall be maintained at the residence of the Company or at such other locations as specified for that purpose in the notice regarding the convening of the meeting at the same time. In the event that an appointer is a legal entity, its legal representative or such person as authorized by a resolution of its Board of Directors or other governing body may attend the Company's general meeting in the capacity of a representative. For the purpose of the Articles of Association, the attending of and voting at such meeting by the appointee shall be deemed to be done by the appointer.

Where the shareholder is a recognised clearing house (or its proxy) defined by the Hong Kong relevant Ordinance from time to time, the shareholder may authorise one or more persons it considers appropriate as its representative(s) at any shareholders' general meeting or any category shareholders meeting; however, if more than one person are authorised, the power of attorney shall contain the number and class of shares for which such persons are authorised, and shall be signed by an authorised personnel of the recognised clearing house. The person(s) so authorised can represent the recognised clearing house (or its proxy) to attend the meeting and exercise its right, as if the persons are the Company's individual shareholders, and shall not be required to produce evidence of shareholding, the notarised power of attorney and/or further evidence to prove that he/ she/they have been duly authorised.

Article 95 Any form issued to a shareholder by the Board of Directors for the appointment of a proxy by the shareholder for attendance and voting at a meeting shall enable the shareholder to instruct the proxy to vote for or against each resolution with respect to businesses transacted at the meeting. Such forms shall contain a statement which states that, in the absence of instructions by the shareholder, whether or not the proxy may vote in the proxy's own discretion.

Article 62 of
the Mandatory
Provisions
Paragraph (1),
Section 11 of
Appendix 3 to
the Main Board Listing
Rules

Article 96 A vote provided in according to the instruments in such proxy forms shall be valid, notwithstanding the previous death or loss of capacity of the appointer or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares with respect to which the proxy is given, provided that no notice in writing of such matters shall have been received by the Company prior to the commencement of the meeting at which the proxy is used.

Article 63 of
the Mandatory
Provisions

Article 97 The register of attendees shall be made by the Company. The register shall include the names of the attendees (or the names of entities), the identity card number, the domicile, the amount of the shares held or representing voting rights, and the name of the entrusting person (or the name of the entity).

Article 98 The convenor and the lawyers employed by the Company shall jointly verify the legality of shareholders' qualification in accordance with the register of shareholders, and register the name of shareholders and the shares held by them representing voting rights. Registration of the meeting shall be terminated prior to the announcement by the Chairman of the meeting of the number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights.

Article 99 At the time of a Shareholders' Meeting, all directors, supervisors and secretary of the board of directors of the Company shall attend the meeting, and managers and other senior management shall attend the meeting without voting rights.

Article 100 The Shareholders' Meeting shall be presided over by the chairman of the board of directors. In the event that the chairman of the board of directors cannot perform his duties or does not perform his duties, a director elected by more than half of the directors shall preside over the meeting.

The Shareholders' Meeting convened by the board of supervisors shall be presided over by the chairman of the board of supervisors. When the chairman of the board of supervisors cannot perform his duties or does not perform his duties, a supervisor elected by more than half of the supervisors shall preside over the meeting.

The Shareholders' Meeting convened by shareholders shall be presided over by a representative elected by the convenor.

When a Shareholders' Meeting is held, if the chairman of the meeting violates the rules of the meeting, rendering it impossible to continue the meeting, the Shareholders' Meeting may, based on the consent of more than half of the shareholders present at the meeting with voting rights, elect one person to act as the chairman to continue the meeting.

If, for any reason, shareholders are unable to elect a chairman, the shareholder present at the meeting with the most voting shares (including the proxy of the shareholder) shall act as the chairman.

Article 101 The Company shall formulate the rules of procedure of Shareholders' Meeting and specify in detail the procedure for convening and voting for the meetings, including notification, registration, proposal review, voting, counting, declaration of voting results, resolution formation, meeting minutes and signatures and announcements thereof, as well as the principles of authorization to the board of directors by Shareholders' Meeting, and the content of authorization. The rules of procedure of the meetings of Shareholders' Meeting shall be attached as an annex to the Articles of Association, drawn up by the board of directors and approved by Shareholders' Meeting.

Article 102 At the annual general meeting of Shareholders, the board of directors and the board of supervisors shall make report on past year work to the Shareholders' Meeting. Each independent director shall also make his report.

Article 103 Directors, supervisors and senior management shall make explanations to shareholders' questions and suggestions put forward at the Shareholders' Meeting.

Article 104 The chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights before the voting. The number of shareholders and proxies present at the meeting and the total number of shares held representing voting rights shall be subject to the registration at the meeting.

Article 105 The Shareholders' Meeting shall have minutes and the secretary of the board of directors shall be responsible for making the minutes. The minutes of the meeting include the following content:

- (1) the time, place and agenda of the meeting and the convener's name;
- (2) (the name of the chairman of the meeting and the names of the directors, supervisors, managers and other senior management personnel present at or attending the meeting;
- (3) the number of shareholders and proxies present at the meeting, the total number of shares held representing voting rights and their proportion to the total number of shares of the Company;
- (4) the examination and approval of each proposal, the main points of their speeches and the voting results;
- (5) the opinions or suggestions of shareholders, as well as the corresponding reply or explanation;
- (6) the names of the lawyer, the counter and the counting overseer;
- (7) other contents which the Articles of Association require shall be included into the minutes of the meeting.

Article 106 The convener shall ensure that the minutes of the meeting are true, accurate and complete. The directors, supervisors, secretary of the board of directors, the convener or his representative, and the chairman of the meeting present at the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the attendance record of the shareholders attending the meeting, the power of attorney and the valid data of voting, for a period of 10 years.

Article 107 The convener shall ensure that Shareholders' Meeting are held continuously until final resolutions are reached. If, due to special reasons such as force majeure, a meeting of Shareholders' Meeting is suspended or cannot reach a resolution, necessary measures shall be taken to resume the meeting as soon as possible or the meeting shall be directly terminated, with announcement made promptly.

Article 108 There are two kinds of resolutions made at the Shareholders' Meeting, ordinary resolutions and special resolutions.

Article 103 of
Company Law
Article 64 of
the Mandatory
Provisions

An ordinary resolution must be approved by votes representing more than one-half of the voting rights of the shareholders (including proxies) present at the meeting.

A special resolution must be approved by the votes representing more than two thirds of the voting rights of the shareholders (including proxies) present at the meeting.

Article 109 A shareholder (including proxy), when voting at a Shareholders' Meeting, shall exercise voting rights in accordance with the number of his shares carrying the voting rights and each share shall have one vote.

Article 103 of
Company Law
Article 65 of
the Mandatory
Provisions
Section 14 of
Appendix 3 to
the Listing Rules

When material issues affecting the interests of minority shareholders are considered at a general meeting, the votes of minority shareholders shall be counted separately. The separate votes counting results shall be disclosed publicly in a timely manner.

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

The Board, independent directors and shareholders who meet the relevant requirements may collect voting rights from other shareholders. Information including the specific voting intention shall be fully provided to the shareholders from whom voting rights are being collected. Consideration or defacto consideration for soliciting shareholders' voting rights is prohibited. The Company shall not impose any minimum shareholding limitation for soliciting voting rights.

If any shareholder should waive his/her voting right on a particular matter, or is restricted to vote only for or against the matter, in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, such shareholder should waive his/her voting right or abstain from voting in accordance with the provisions therein; any vote casted by or on behalf of any shareholder in violation of such provisions or restriction shall not be counted into the poll result.

Article 110 When the Shareholders' Meeting is considering issues related to related party transactions, related shareholders shall not participate in the voting, and the number of shares representing voting rights held by them shall not be counted into the total number of valid votes; the announcements on resolutions made by Shareholders' Meeting shall fully disclose the voting by non-related shareholders.

When Shareholders' Meeting is considering matters related to related party transactions, related shareholders shall comply with the following procedures:

- (1) if any matter considered at the meeting is related to any shareholder, such shareholder shall disclose his connected relationship to the Company's board of directors prior to the convening of the meeting;
- (2) when Shareholders' Meeting is considering connected transaction matters, the chairman of the meeting shall announce the shareholders with connected relationships, and explain the related shareholders' relationships with connected transactions;
- (3) the chairman of the meeting declares the related shareholders shall evade, and unrelated shareholders shall consider and vote on connected transactions;
- (4) resolutions on connected transactions shall be adopted by unrelated shareholders present at the meeting, representing more than half of the shares with voting rights;
- (5) If related shareholders fail to disclose connected relationship or evade related matters in accordance with the above procedures, the resolutions concerning the related matters shall be null and void.

Article 111 The Company shall provide shareholders with convenience for participation in meetings of Shareholders' Meeting through various ways and means, as well as Internet voting platform and other modern information technology means, in the premise of ensuring the legality and effectiveness of the meetings.

Article 112 Unless the Company is in a special situation such as a crisis, the Company will not enter into a contract with the person other than a director, manager or other senior management to entrust the management of the whole or important business of the Company to such person, without the approval of the Shareholders' Meeting through special resolution.

Article 113 The list of candidates for directors and supervisors shall be submitted to the Shareholders' Meeting for voting.

Cumulative voting shall be implemented in accordance with the provisions of the Articles of Association or the resolutions of the Shareholders' Meeting, for the voting for election of directors and supervisors at meetings of Shareholders' Meeting.

The term “cumulative voting” as mentioned in the preceding paragraph means that, when the Shareholders’ Meeting is electing directors or supervisors, each share represents the voting rights equivalent to the number of the directors or supervisors to be elected. The voting rights owned by shareholders can be used in a concentrated manner. The board of directors shall announce to shareholders the resumes and basic information of candidate directors and supervisor.

The ways and procedures for the nomination of directors and supervisors are as follows:

- (1) The ways and procedures for nomination of directors: 1. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 3% of the shares with voting rights issued by the Company may put forward the list of candidates for non-independent directors, according to the number of proposed candidates and within the number of candidates prescribed in the Articles of Association. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 1% of the shares issued by the Company may put forward the list of candidates for independent directors. The list of candidates for directors shall be submitted to the Company’s board of directors for qualification verification. 2. The Company’s board of directors shall determine the candidates for directors, and submit corresponding proposal to the Shareholders’ Meeting for election.
- (2) The ways and procedures for the nomination of supervisors: 1. The board of directors, the board of supervisors, and the shareholders individually or collectively holding more than 3% of the shares with voting rights issued by the Company may put forward the list of candidates for shareholder representative supervisors, according to the number of proposed candidates and within the number of candidates prescribed in the Articles of Association, and submit it to the board of supervisors for consideration. 2. The board of supervisors shall determine the candidates for supervisors, and submit corresponding proposal to the Shareholders’ Meeting for election. 3. The employee supervisors shall be elected by employee representative meeting of the Company.

Article 114 In addition to cumulative voting, the Shareholders’ Meeting will vote on all the proposals one by one. The different proposals on the same matter will be voted in chronological order of submission of these proposals.

Except in the case that a Shareholders’ Meeting is suspended or resolutions cannot be reached at the meeting for reasons such as force majeure, no proposal will be suspended or left unvoted at the meeting.

Article 115 When any proposal is being considered at Shareholders’ Meeting, no modifications will be made to such proposal; otherwise, relevant modifications shall constitute a new proposal and not be voted at such meeting.

Article 116 Votes of the shareholders' general meeting shall be taken by raising hands for resolutions, unless the following persons require voting before or after any vote by raising hands for resolutions:

Article 66 of
the Mandatory
Provisions

- (1) the chairman of the meeting;
- (2) at least two shareholders with voting rights or their proxies;
- (3) one or several shareholders (including proxies) holding totally or separately 10% or more of the shares carrying the right to vote at the meeting.

Unless somebody proposes voting by ballot, the chairman of the meeting shall declare whether the proposal has been adopted according to the results of the vote by raising hand, 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 resolution adopted at the meeting.

The demand for a vote by ballot may be withdrawn by the person who made it.

Article 117 A poll demanded on the election of chairman of the meeting or a question of adjournment of the meeting shall be taken forthwith. A poll demanded on any other matters shall be taken at the time decided by the chairman of the meeting, and the meeting may proceed to consider and vote on other matters. The result of the poll shall be deemed to be a resolution of the meeting at which the poll was demanded. The same vote may only be cast once at the location of a general meeting, or by online voting or other means. In the event of multiple casting of the same vote, only the outcome of the first casting of such vote shall be counted.

Article 67 of
the Mandatory
Provisions

Article 118 The Shareholders' Meeting adopts vote by open ballot.

Article 119 Before proposals are voted at Shareholder's Meeting, two shareholder representatives shall be elected to count and oversee the voting. If relevant shareholders have a stake in the matters for consideration, such shareholders and their proxies shall not participate in the counting and overseeing of votes.

When the Shareholders' Meeting is voting on proposals, the lawyers, the shareholder representatives and the supervisor representatives shall be jointly responsible for counting and overseeing the votes, and announce the results of voting on the spot. The voting results of the resolutions shall be recorded in the minutes of the meeting.

The shareholders of a listed company or their proxies who vote on the Internet or in other ways have the right to check their voting results through corresponding voting system.

Article 120 A Shareholders' Meeting shall be closed at the site no earlier than on the Internet or other means. The Chairman of the meeting shall announce the voting results of each proposal and announce whether a proposal is adopted on the basis of the voting results.

Prior to the official announcement of the voting results, the parties involved in the Shareholders' Meeting, the counter, the overseer, the major shareholders and other relevant parties are obliged to keep voting results confidential.

Article 121 Shareholders attending the Shareholders' Meeting shall give one of the following opinions on the proposal submitted for voting: for, against or abstain, except for the declaration by securities registration and clearing institution as the nominal holder of stock connect mechanism between PRC and Hong Kong stock markets, based on the actual holders' intentions.

The un-filled, wrongly-filled, illegible and un-voted votes shall be deemed as the voters' waiver of voting rights, and the voting by the shares held by them shall be counted as "abstain".

Article 122 At a poll taken at a meeting, a shareholder (including proxy) entitled to 2 or more votes need not cast all his votes in the same manner.

Article 68 of
the Mandatory
Provisions

Article 123 In case of an equality of votes by show of hands or by poll, the chairman of the meeting shall be entitled to have a casting vote.

Article 69 of
the Mandatory
Provisions

Article 124 The following matters shall be resolved by ordinary resolutions at the Shareholders' Meeting:

Article 103 of
Company Law
Article 70 of
the Mandatory
Provisions
Article 75 of Articles
Guideline

- (1) reports of the Board of Directors and the Board of Supervisors;
- (2) any plans for the distribution of profits and for recovering losses formulated by the Board of Directors;
- (3) appointment and removal of the members of the Board of Directors and Supervisors on behalf of shareholders, and decision on their remuneration and methods of payment;
- (4) preliminary and final annual budgets, balance sheets, profit accounts, and other financial statements of the Company;
- (5) The Company's annual report;
- (6) other matters other than those required by laws, administrative regulations, or by the Articles of Association to be approved by a special resolution.

Article 125 The following matters shall be resolved by special resolutions at the Shareholders' Meeting:

Article 103 of
Company Law
Article 71 of
the Mandatory
Provisions

- (1) the increase or reduction in share capital and the issue of shares of any class, warrants and other similar securities;
- (2) the issue of debentures of the Company;
- (3) the division, merger, dissolution, liquidation or change in the form of the Company;
- (4) the amendments to the Articles of Association;
- (5) Any purchase or disposal of substantial assets made or guarantee provided by the Company within one year, the amount of which exceeds 30% of the total assets as presented in the latest audited consolidated financial statements of the Company;
- (6) Share Option Incentive Scheme;
- (7) other matters as required by the laws, administrative regulations or the Articles of Association of the Company and matters which ordinary resolutions have been made at the Shareholders' Meeting indicating that resolutions regarding such matters will substantially impact the Company and such matters need to be passed by special resolutions.

Article 126 The chairman of the meeting shall be responsible for determining whether a resolution has been passed, and such decision shall be final and conclusive and shall be announced at the meeting and recorded in the minutes thereof.

Article 74 of
the Mandatory
Provisions

Resolutions of the general meeting shall be announced according to the requirements of the securities regulatory authorities of the jurisdictions where the shares of the Company are listed. The announcement shall specify the number of attending shareholders and their proxies, the total number of voting shares they represent and the proportion of these shares to the total number of the voting shares of the Company, the voting method, the voting results for every motion and the details of each of the resolutions passed.

Article 127 If the chairman of the meeting has any doubt about the result of the voting, he may organize counting the votes; if the chairman of the meeting fails to count the votes, the shareholders or proxies present at the meeting who have any doubt about the results announced by the chairman shall have the right to request counting the votes immediately after the voting results are announced, and then the chairman of the meeting shall immediately organize counting the votes.

Article 128 If the Shareholders' Meeting organizes counting the votes, the counting results shall be recorded in the minutes of the meeting. The Shareholders' Meeting shall form minutes for the resolutions of the matters considered, which shall be signed by the attending directors. The minutes of the meeting shall be kept at the Company's domicile, together with the signature register of the attending shareholders and the power of attorney to proxies.

Article 129 If any proposal is not adopted or the resolutions of the previous meeting of Shareholders' Meeting are modified at this meeting, a special notice shall be given in the announcement on the resolutions of this meeting.

Article 130 If relevant proposal on the election of directors and supervisors is adopted at a Shareholders' Meeting, the new directors and supervisors shall take office from the date when relevant resolutions are adopted at the meeting.

Article 131 If the proposal of cash dividend, stock dividend or share capital increase from capital reserve is adopted at Shareholders' Meeting, the Company shall implement the specific plan within two months after the conclusion of the meeting.

Article 132 Copies of the minutes of the Shareholders' Meeting shall be open for inspection by any shareholder free of charge during the business hours of the Company. In the event that a shareholder requests a copy of such minutes from the Company, the Company shall send the copy to such shareholder within 7 days upon the receipt of reasonable fees thereof.

Article 77 of
the Mandatory
Provisions

CHAPTER 10 SPECIAL PROCEDURES FOR THE VOTING BY CLASS SHAREHOLDERS

Article 133 Shareholders who hold different classes of shares shall be known as class shareholders. Class shareholders shall be entitled to rights and assume obligations according to the laws, regulations and the Articles of Association. Where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares.

Article 78 of
the Mandatory
Provisions
Paragraphs (1)
and (2), Section
10 of Appendix
3 to the Main Board
Listing
Rules

Where the share capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favourable voting rights, must include the words "restricted voting" or "limited voting".

Article 134 Rights conferred on any class of shareholders in the capacity of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders at a general meeting, and by the class shareholders so affected at a separate meeting conducted according to Articles 136 to 140. That the quorum for a separate class meeting (other than an adjourned meeting) to consider a variation of the rights of any class of shares shall be the holders of at least one-third of the issued shares of the class.

Article 79 of
the Mandatory
Provisions
Paragraph (2),
Section 6 of
Appendix 3 to
the Main Board
Listing Rules

Article 135 The following circumstances shall be deemed as a variation or abrogation of rights of a class shareholder:

- (1) an increase or decrease in the number of shares of such class, or an increase or decrease in the number of shares of another class having voting rights or distribution rights or other privileges equal to or superior to those of the shares of such class;
- (2) the conversion of all or part of the shares of such class into the shares of another class or the conversion or creation of a right of conversion of all or part of the shares of another class into the shares of such class;
- (3) the removal or reduction of rights to receive accrued dividends or rights to cumulative dividends attached to the shares of such class;
- (4) the reduction or removal of the preferential rights attached to the shares of such class for the receipt of dividends or for the distribution of assets in the event that the Company is liquidated;
- (5) the addition, removal or reduction of the rights of conversion, options rights, voting rights, transfer rights, pre-emptive rights, or rights to acquire securities of the Company attached to the shares of such class;
- (6) the removal or reduction of the rights to receive payment receivable from the Company in the particular currencies attached to the shares of such class;
- (7) the creation of a new class of shares having voting rights or distribution rights or other privileges equal to or superior to those of the shares of such class;
- (8) the restriction of the transfer or ownership of the shares of such class or the imposition of stricter restrictions thereof;
- (9) the issue of any rights to subscribe for, or to convert into, shares in the Company of the same class or another class;
- (10) the enhancement of rights or privileges of the shares of other classes;
- (11) the restructuring of the Company pursuant to which shareholders of different classes assume disproportionate liability;
- (12) the revision or abrogation of the provisions of this Chapter.

Article 136 The class shareholders so affected, whether or not otherwise entitled to vote at a general meeting of shareholders, shall nevertheless be entitled to vote at any class meetings with respect to matters set forth in Clauses (2) to (8), (11) to (12) of Article 135, but interested shareholder(s) shall not be entitled to vote in class meetings.

An “interested shareholder” as used in this Article, shall mean:

- (1) in the case of a repurchase of shares by offers to all shareholders of the Company or by open dealing on a stock exchange pursuant to Article 32 of the Articles of Association, a “controlling shareholder” as defined in Article 67;
- (2) in the case of a repurchase of shares by an off-market agreement pursuant to Articles 33 of the Articles of Association, a holder of the shares to which the proposed agreement relates;
- (3) in the case of a restructuring of the Company, an “interested shareholder” would mean a shareholder who assumes less liability than any shareholders of the same class or who has an interest in the proposed restructuring different from the interests of shareholders of the same class.

Article 137 A resolution in a class meeting shall be passed by votes representing two thirds or more of the voting rights of shareholders of that class in the relevant meeting who are entitled to vote at the class meetings according to Article 136.

Article 82 of
the Mandatory
Provisions

Article 138 A written notice of a class meeting shall be given 45 days prior to the date of the class meeting to notify all of the registered shareholders of such class of the matters to be considered, the date and the place of the class meeting.

Article 83 of
the Mandatory
Provisions

A shareholders who intends to attend the class meeting shall deliver his written reply for the attendance at the meeting 20 days prior to the date of the meeting. In the event that the shareholders who intend to attend such a meeting represent more than half of the total number of voting shares of that class, the Company may hold the class meeting; otherwise, the Company shall within 5 days notify the shareholders of the class, again by public notice, of the matters to be considered as well as the date and place for the class meeting. The Company may then hold the class meeting after the publication of such notice.

Article 139 Notice of class meetings need only be served on those shareholders entitled to vote at class meeting.

Article 84 of
the Mandatory
Provisions

Meetings of any class of shareholders shall be conducted in as similar a manner as that of Shareholders’ Meeting. The provisions of the Articles of Association relating to the manner of conducting any Shareholders’ Meeting shall apply to any meeting of a class of shareholders.

Article 140 Apart from the holders of other classes of shares, holders of domestic shares and holders of overseas listed foreign shares shall be deemed to be of different classes.

Article 85 of
the Mandatory
Provisions
Letter 3 of Opinion
Circular
Paragraphs (f)
(i) and (ii),
Section 1 of
Appendix 13D
to the Main Board
Listing
Rules

The special procedures for voting of class shareholders shall not apply under the following circumstances:

- (1) where, upon approval by a special resolution passed at a Shareholders' Meeting (subject to the unconditional authorization or the terms and conditions stipulated in the resolution), the Company authorizes, allocates or issues domestic shares and overseas listed foreign shares either separately or concurrently once every twelve months, and the number of each of the domestic shares and overseas listed foreign shares to be issued does not exceed 20% of the number of the respective outstanding shares;
- (2) where such shares are part of a plan of the Company to issue domestic shares or overseas listed foreign shares at its establishment, which has been completed within 15 months of the approval by the Securities Commission of the State Council or other competent regulatory bodies under the State Council.
- (3) Upon the approval of the China Securities Regulatory Commission, a holder of domestic shares of the Company may transfer his or her shares to overseas investors who may list and trade such shares overseas.

CHAPTER 11 BOARD OF DIRECTORS

Article 141 The directors of the Company are natural persons. The directors of the Company are elected or replaced by the Shareholders' Meeting. The directors of the Company include executive directors and non-executive directors. Non-executive directors include independent directors. The term "executive director" means any person who holds any other position other than a director in the Company. A non-executive director is a person who does not hold any other position other than a director in the Company; an independent director means a person who meets the qualifications required for an independent director under relevant laws and regulations.

Article 95 of Articles
Guideline

Article 142 The Company shall establish the Board of Directors consisting of certain number of Directors, of which one is the Chairman, one is the Vice Chairman and three are independent non-executive Directors, being the Directors who are independent of the shareholders of the Company and do not hold any positions in the Company.

Article 143 Directors shall be elected at the Shareholders' Meeting, with a term of office of three years. Directors may be eligible for re-election upon expiration of the term. Directors shall not be dismissed by shareholders at general meeting prior to the end of his term of office without proper reason.

Article 108 of
Company Law
Article 87 of
the Mandatory
Provisions
Letter 4 of
Opinions Circular

The term of office of directors shall commence from the date of appointment up to the expiry of the current term of office of the Board. In the event that the terms of directors fall upon expiry whereas new members of the Board are not re-elected in time, the existing directors shall continue to perform their duties in accordance with the law, administrative regulations, departmental rules and these Articles of Association until the newly elected directors assume their office.

Directors may concurrently serve as general manager or other senior management member, provided that the aggregate number of the directors who concurrently serve as general manager or other senior management members and the directors who are representatives of employees shall not exceed one half of all the directors of the Company.

Paragraph (2),
Section 4 of
Appendix 3 to
the Main Board
Listing Rules

A written notice of the intention of nomination of a Director candidate and of his willingness to be elected shall be sent to the Company seven days prior to the date of the Shareholders' Meeting.

Without violating the relevant laws, regulations and regulatory rules in connection with listing of the Company, the term of appointment of the newly elected director to fill a casual vacancy in the Board or any director appointed so as to increase the number of directors will be effective from the date of appointment to the next annual general meeting of the Company and such director will then be eligible for re-election.

Rule 4(4) and 4(5) of
Appendix 3 of the Main
Board Listing Rules

That the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days. (the period for lodgment of the notices will commence no earlier than the day, the issuer dispatching the notice of the meeting to be convened for such election and end no later than 7 days prior to the date of such meeting.)

Rules 3.10 and
3.10A of the
Main Board
Listing Rules
Rule 19.18(1)
of the Main
Board Listing
Rules

The Chairman and the Vice Chairman shall be elected and removed with approval of more than half of all the directors. The Chairman and the Vice Chairman shall hold office for a period of three years and are eligible for re-election.

Subject to relevant laws and administrative regulations, shareholders may remove any Director whose term of office has not expired by ordinary resolution at a Shareholders' Meeting, without prejudice to any claims as may be brought in accordance with any agreement.

A Director needs not to hold any shares of the Company.

The Board of Directors shall consist of at least three independent non-executive Directors, representing at least one thirds of its total number. At least one of the independent nonexecutive Directors must have appropriate professional qualifications or accounting or related financial management expertise. Moreover, at least one of the independent non-executive Directors must be ordinarily resident in Hong Kong.

Article 144 Directors shall abide by laws, administrative regulations and the Articles of Association, and assume the following duties of loyalty to the Company:

- (1) not to take advantage of his office to accept bribes or other illegal incomes, or to encroach on the property of the Company;
- (2) not to misappropriate any money of the Company;
- (3) not to store the Company's assets or funds in any account opened in own name or the name of another person;
- (4) not to lend the Company's money to other persons or provide guarantee for other persons with the Company's property, in violation of the provisions of the Articles of Association or without the consent of the Shareholders' Meeting or the board of directors;
- (5) not to enter into contracts or transactions with the Company, in violation of the provisions of the Articles of Association or without the consent of the Shareholders' Meeting;
- (6) not to take advantage of his office to seek the business opportunities for himself or others, which belong to the Company, or operate the business similar to that operated by the Company, for himself or others, without the consent of the Shareholders' Meeting;
- (7) not to encroach on the commissions arising from the transactions carried out with the Company;
- (8) not to disclose the Company's secrets without authorization;
- (9) not to use his connected relationship to damage the interests of the Company;
- (10) other duties of loyalty as provided for by laws, administrative regulations, departmental rules and regulations, as well as the Articles of Association.

The proceeds acquired by directors because of violation of this provision shall be owned by the Company; any loss resulted from the violation shall be compensated for by the directors concerned.

Article 145 Directors shall abide by laws, administrative regulations and the Articles of Association, and assume the following diligence obligations to the Company:

- (1) to exercise the rights conferred by the Company in a prudent, conscientious and diligent manner so as to ensure that the commercial activities of the Company comply with the requirements of state laws, administrative regulations and national economic policies, and that the commercial activities do not exceed the business scope stipulated in the business license;
- (2) to fairly treat all shareholders;
- (3) to keep abreast of the business operation and management of the Company;
- (4) to sign written confirmation for the Company's periodic reports, to ensure the information disclosed by the Company is true, accurate and complete;
- (5) to truthfully provide relevant information and data to the board of supervisors, and not to hinder the board of supervisors or supervisors from exercising their functions and powers;
- (6) to assume other diligence obligations prescribed by laws, administrative regulations, departmental rules and regulations and the Articles of Association.

Article 146 If any director fails to attend the meetings of the board of directors in person twice consecutively, nor entrust another director to attend the meetings, he shall be deemed incapable to assume his duties, and the board of directors shall recommend the Shareholders' Meeting to replace such director.

Article 147 A director may resign before the expiration of his term of office. The resignation of a director shall be submitted to the board of directors in writing. The board of directors shall disclose relevant situation within 2 days.

If the number of directors is less than the statutory minimum number due to the resignation of any director, the former director shall perform director's duties in accordance with laws, administrative regulations, departmental rules and the Articles of Association, before the newly elected director takes office.

In addition to the circumstances set out in the preceding paragraph, the resignation of a director shall take effect when the resignation report is submitted to the board of directors.

Article 148 No director may act on behalf of the Company or the board of directors in his/her own name, if not prescribed in the Articles of Association or if without the lawful authorization of the board of directors. When a director acts in his/her own name, the director shall declare his position and identity in advance in the event that a third party reasonably believes that the director is acting on behalf of the Company or the board of directors.

Article 149 If a director causes any loss to the Company due to his/her violation of laws, administrative regulations, departmental rules or the Articles of Association when he/she is performing his/ her duties, the director shall be liable for the compensation.

Article 150 Independent directors shall comply with relevant provisions of laws, administrative regulations and departmental rules and regulations.

Article 151 The Board of Directors shall be accountable to the shareholders at general meetings, and shall exercise the following functions and powers:

- (1) to be responsible for the convening of and reporting to the Shareholders Meeting;
- (2) to implement the resolutions passed by the Shareholders' Meeting;
- (3) to determine the Company's business plans and investment proposals;
- (4) to formulate the Company's preliminary and final annual financial budgets;
- (5) to formulate the Company's profit distribution proposal and loss recovery proposal;
- (6) to make plans for the Company's increasing or decreasing its registered capital and issuing bonds or other plans in relation to securities and listing of shares;
- (7) to formulate plans for major acquisitions, purchase of shares of the Company or the Company's merger, division, dissolution or alteration of corporate form of the Company;
- (8) to determine matters including external investments, acquisition and disposal of assets, pledge of assets, external guarantees, entrusted asset management and connected transactions of the Company within the scope of the authority granted by general meeting;
- (9) to decide on the Company's internal management structure;
- (10) to appoint or remove the Company's General Manager and secretary to the Board and to engage or remove the Company's deputy general manager and other members of senior management including the chief financial officer, and to decide on their remuneration and payment method and rewards and penalties;
- (11) to formulate the Company's basic management system;
- (12) to formulate proposals for any amendment to the Company's Articles of Association;

Article 88 of the
Mandatory Provisions
Article 47, 81 of
Company Law
Article 107 of Articles
Guideline

(13) to manage information disclosure of the Company;

(14) to propose the appointment or removal of the Company's auditors to the shareholders' general meeting;

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

(16) to exercise any other functions and powers conferred upon by laws, administrative regulations, departmental rules or the Articles of Association;

Matters which are outside the scope of authority of the Board as authorized by the shareholders' meeting shall be submitted to shareholders' meeting for consideration.

Resolutions regarding Clause (6), Clause (7) and Clause (12) above shall be passed by over two thirds of the total number of the Directors, and resolutions in relation to the rest of the circumstances above shall be passed by over half of the total number of the Directors unless otherwise required by the laws, administrative regulations, the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the Articles of Association and the internal rules of the Company.

Article 152 The Company must establish an audit committee, a remuneration and appraisal committee, a strategic committee and a nomination committee.

Rules 3.21 and
3.25 of the Main Board
Listing Rules
Rule A.5.1 of
Appendix 14 to
The Main Board
Listing Rules

The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise as required under rule 3.10(2) of Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director.

Members of the strategic committee shall be comprised of only the directors of the Company. It is chaired by the chairman of the board.

The remuneration committee is chaired by an independent non-executive director and comprising a majority of independent non-executive directors.

The nomination committee is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors.

Article 153 With respect to any proposed disposal of any fixed assets, and in the event that the estimated amount of such disposal together with the amount received from any other disposal of fixed assets occurring in 4 months prior to such proposed disposal exceed 33% of the amount of fixed assets shown on the latest balance sheet discussed at the Shareholders' Meeting, such disposal shall be subject to the approval at the Shareholders' Meeting; and the Board of Directors shall not dispose or agree to dispose such fixed assets prior to the approval of the Shareholders' Meeting.

"Disposal of fixed assets" referred to in this Article shall include the transfer of certain interests in assets, but excludes any provision of any security with any fixed assets.

The validity of any disposal by the Company of its fixed assets shall not be affected by the violation of the first paragraph of this Article.

Article 154 The board of directors of the Company shall give explanations to the Shareholders' Meeting on the non-standard audit opinion issued by the certified public accountant on the financial report of the Company.

Article 155 The board of directors shall develop its rules of procedure, to ensure the board of directors implements the resolutions of Shareholders' Meeting, improve work efficiency and ensure scientific decision-making.

The rules of procedure of the board of directors shall be annexed to the Articles of Association, drawn up by the board of directors and approved by the Shareholders' Meeting.

Article 156 The board of directors shall determine the authority of foreign entrusted financial management and connected transactions, and establish strict examination and decision-making procedures. For major investment projects, the board of directors shall organize relevant experts and professionals to conduct appraisal and report to Shareholders' Meeting for approval.

The board of directors considers and approves the following transactions (except for the cash assets donation, simple reduction of the Company's debts):

- (1) The total amount of assets involved in the transaction (if carrying amount and appraisal value both exist, whichever is higher shall prevail) accounts for more than 10% of the total audited total assets of the latest period of the Company;
- (2) The transaction amount (including the liabilities and expenses incurred) accounts for more than 10% of the audited net assets of the latest period of the Company, and the absolute amount exceeds RMB10 million;
- (3) Profits arising from transactions account for more than 10% of the audited net profit of the Company for the most recent accounting year, and the absolute amount exceeds RMB1 million;

- (4) The relevant operating income of the transaction subject matter (such as equity) in the most recent accounting year accounts for more than 10% of the audited operating income of the Company in the most recent accounting year, and the absolute amount exceeds RMB10 million;
- (5) The relevant net profit of the transaction subject matter (such as equity) in the most recent accounting year accounts for more than 10% of the audited net profit of the Company in the most recent accounting year, and the absolute amount exceeds RMB1 million;
- (6) External guarantee: except for the external guarantee that is required by Article 70 of the Articles of Association, the other external guarantees shall be made by the board of directors. And the following rules shall be abided by:
 - 1. The external guarantee within the scope of authority of the board of directors shall be approved by more than two thirds of the directors present at the meeting of the board of directors, in addition to be adopted by more than half of all directors; if there are independent directors, the foregoing external guarantee shall be approved by more than two thirds of all independent directors.
 - 2. If the board of directors reaches any resolution on external guarantee beyond the above authority, which leads to losses to the Company, the Company may recover the losses from all the directors who are in favor of the resolution.
- (7) Connected transactions: If the connected transaction that the Company intends to carry out with natural persons amounts to RMB300,000 or more but less than RMB3 million or less than 5% of the absolute value of the latest audited net assets of the Company, and the transaction that the Company intends to carry out with related legal person amounts to RMB3 million or more and accounts for more than 0.5% of the absolute value of the latest audited net assets of the Company but less than RMB30 million or less than 5% of the absolute value of the latest audited net assets of the Company, such transactions shall be submitted to the board of directors for approval.

If the data involved in the above-mentioned indicators is negative, the absolute value shall be adopted for calculation.

Article 157 The Chairman of the Board shall exercise the following powers and functions:

Article 90 of
the Mandatory
Provisions

- (1) to preside over Shareholders' Meeting and to convene and preside over meetings of the Board of Directors;
- (2) to supervise and inspect the implementation of resolutions passed by the Directors at the meetings of the Board of Directors;
- (3) to sign the certificates of any securities issued by the Company;
- (4) to exercise other powers and functions conferred upon by the Board.

Article 158 If the Chairman of the Board fails to exercise the powers and functions, a director jointly elected by more than half of the members of the Board shall perform the duties.

Article 159 The Board of Directors shall meet regularly and at least 2 Board meetings shall be held each year. The Board meetings shall be convened by the Chairman and notice of 14 days shall be given of a regular Board meeting to give all Directors an opportunity to attend. For any other Board meetings to be convened to discuss any emergency matters, such meetings shall be convened by 3 or more Directors or the Chairman or manager of the Company and a reasonable notice in accordance with the Articles of Association shall be given. A regular Board meeting does not include the practice of obtaining the consent of the Board of Directors through the circulation of written resolutions.

Article 110 of
Company Law
Article 91 of
the Mandatory
Provisions

Article 160 Shareholders representing 1/10 or more voting rights, 1/3 or more directors or the board of supervisors may propose convening an interim meeting of the board of directors. The chairman of the board of directors shall convene and preside over a meeting of the board of directors within 10 days after receiving the proposal.

Article 161 The time for notification on convening an interim meeting of the board of directors: 5 days before the meeting.

Article 162 Written notices of Board meetings or extraordinary Board meetings shall be given by personal delivery, facsimile, express mail, registered airmail, post or phone.

Article 92 of
the Mandatory
Provisions

Article 163 The notice of the board meeting shall contain the following:

- (1) the date and place for convening the meeting;
- (2) the duration for the meeting;
- (3) agenda of the meeting; and
- (4) the date of such notice.

Article 164 Should a Director attend a meeting, and has not stated his non-receipt of the meeting notice prior to arriving at the onset of the meeting or at the meeting, the said notice of the meeting shall be deemed to have been served.

Article 165 Any regular or extraordinary meeting of the Board of Directors may be held by electronic communication so long as all Directors participating in the meeting can clearly hear and communicate with each other. All such Directors shall be deemed to be personally present at the meeting.

Article 166 Meetings of the Board of Directors shall be held only if more than half of the Directors (including the proxies) are present.

Article 111 of
Company Law
Article 93 of
the Mandatory
Provisions

Each Director shall have one vote. a resolution of the Board of Directors must be passed by the majority of the Directors of the Company.

Where there is an equality of votes cast both for and against a resolution, the Chairman of the Board of Directors shall be entitled to cast an additional vote.

Article 167 Any director with connected relationship with the matters considered at the meetings of the board of directors shall not vote for corresponding proposal, nor vote for such proposal as a proxy of another director. A meeting of the board of directors may be convened as long as it is attended by more than half of the directors without connected relationship. The resolutions reached at a meeting of the board of directors shall be adopted by more than half of the directors without connected relationship. If the number of directors present at a meeting of the board of directors without connected relationship is less than 3, the relevant proposal shall be submitted to the Shareholders' Meeting for consideration.

Article 168 The resolution of the board of directors shall be voted in such ways as: vote by hands or written vote. Meetings of the board of directors may be held through communication, with resolutions reached by fax or other written forms and signed by attending directors, in the premise that directors fully express their opinions.

Article 169 Directors shall attend Board meetings in person. Where a Director is unable to attend a Board meeting for any reason, he may by a written power of attorney appoint another Director to attend the meeting on his behalf. The power of attorney shall set out the name of the proxy, the subject and scope of authorization and validity of the time limit of the proxy, which shall be signed or officially sealed by the authorizing party.

Article 112 of
Company Law
Article 94 of
the Mandatory
Provisions
Article 121 of Articles
Guideline

A Director appointed as the representative of another Director to attend the meeting shall exercise the rights of a Director within the scope of authority conferred by the appointing Director. Where a Director is unable to attend a Board meeting and has not appointed a proxy to attend the meeting on his behalf, he shall be deemed to have waived his right to vote at the meeting.

Subject to the approval of the Stock Exchange of Hong Kong Limited, a director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates has a material interest nor shall he be counted in the quorum present at the meeting.

Article 170 In respect of the matters examined on an extraordinary Board meeting, if the Board has delivered in written form the proposal to be voted to all Directors, and the number of the Directors who give their signatures and consent has constituted the quorum required for making a decision pursuant to Article 108 this proposal shall be taken as a written resolution of the Board, without the need to hold the Board meeting. Such written resolution shall be deemed to have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures set out in the relevant provisions of the Articles of Association.

Article 171 The Board of Directors shall maintain minutes of resolutions passed at meetings of the Board of Directors. The minutes shall be signed by all the Directors present at the meeting and the person who recorded the minutes. The Directors shall assume liability for any resolutions of the Board of Directors. In the event that a resolution of the Board of Directors violates laws, administrative regulations or the Articles of Association resulting in the Company suffering serious loss, the directors who voted in favor of such a resolution shall compensate the Company for such loss. Notwithstanding the foregoing provision, in the event that it can be proven that a Director has expressly objected to such resolution in voting, and that such objection was recorded in the minutes of the meeting, such Director shall be duly released from such liability.

Article 112 of
Company Law
Article 95 of
the Mandatory
Provisions

Minutes of board of directors' meeting shall be kept as a company file for not less than 10 years.

Article 172 Minutes of a board of directors' meeting includes the following contents:

1. Date and place of the meeting as well as the name of the convener;
2. Names of directors attending the meeting and names of directors (representatives) appointed by other directors to attend;
3. Agenda of the meeting;
4. Main points of directors' speeches;
5. Methods and results of voting on each resolution (the voting results should clearly contain the number of votes consenting, objecting and abstaining).

CHAPTER 12 SECRETARY TO THE BOARD OF DIRECTORS

Article 173 The Company shall have a Secretary to the Board of Directors, who shall be a member of the senior management of the Company.

Article 174 The secretary to the Company's Board of Directors shall be a natural person who has the requisite professional knowledge and experience, and shall be appointed by the Board of Directors. His primary functions shall include:

- (1) deal with communication and liaison of the Company with concerned parties, the stock exchange and other securities regulators, and guarantee the Company prepares and submits reports and documents as required by relevant authorities according to the law;
- (2) to maintain deal with the information disclosure matter of the Company, supervise the Company in formulating and implementing the information disclosure management policy and the internal reporting system for material information, cause the Company and concerned parties to perform the obligation of information disclosure according to the law, and handle the disclosure of regular reports and provisional reports to the stock exchange pursuant to relevant provisions;
- (3) coordinate the relationships between the Company and its investors, entertain visiting investors of the Company, answer questions raised by the investors, and provide investors with information disclosed by the Company;
- (4) organize and arrange for the meetings of the General Meeting of Shareholders and the Board of Directors according to the legal procedure, and prepare and submit relevant documents and materials for such meetings;
- (5) attend meetings of the Board of Directors, prepare the meeting minutes and sign the record;

Article 123 of
Company Law
Article 96 of
the Mandatory
Provisions
Article 123 of
Company Law
Article 97 of
the Mandatory
Provisions
Guidelines
on Works of
Secretary to
the Board of
Directors of
Overseas Listed
Company

- (6) deal with the confidential work relating to the information disclosure of the Company, establish effective confidentiality systems and measures, cause the directors, supervisors, the President, other senior executives and insiders to keep secrets before the information disclosure, promptly take remedial actions in case of the divulgement of the insider information, and simultaneously report to the stock exchange;
- (7) guarantee the proper setup of the register of shareholders of the Company, to be responsible for duly keeping the register of shareholders and the register of directors of the Company as well as the information on the shares of the Company held by the majority shareholder, directors, supervisors, the President and other senior executives, also the documents and minutes relating to meetings of the General Meeting of Shareholders and the Board of Directors, to ensure that the Company has complete organizational documents and records, and to ensure that persons entitled to receive relevant records and documents of the Company receive such records and documents in a timely manner;
- (8) assist the directors, supervisors, the President and other senior executives to understand the relevant laws, regulations, policies, the listing rules of the stock exchange, other provisions and this Articles of Association relating to information disclosure, and understand the contents of the listing agreement with respect to their legal liabilities;
- (9) cause the Board of Directors to exercise its authorities according to the law; when the Board of Directors decides to adopt a resolution which is in violation of any laws, regulations, policies, the listing rules of the stock exchange, other provisions or this Articles of Association, the Board Secretary shall remind the directors present at the meeting, and ask the supervisors attending the meeting in a non-voting capacity to express opinions on the resolution; when the Board of Directors insists on making the aforesaid resolution, the Board Secretary shall record the opinions of the relevant supervisors and his or her own opinion in the meeting minute, and report the same to the stock exchange;
- (10) other responsibilities specified in the relevant applicable laws, regulations, policies, the listing rules of the stock exchange, other provisions and this Articles of Association.

Article 175 A Director or senior management of the Company may be appointed as the Secretary to the Board of Directors. The accountant of the Accounting firm appointed by the Company cannot serve concurrently as the Secretary to the Board of Directors.

Article 98 of
the Mandatory
Provisions

In the event that the office of secretary is held concurrently by a Director, and an action is required to be conducted separately by a Director and a Secretary, the person who holds the offices of Director and Secretary shall not perform such action in dual capacity.

CHAPTER 13 MANAGER AND OTHER SENIOR MANAGEMENT

Article 176 The Company shall have one Manager, who shall be appointed or removed by the Board of Directors.

Article 99 of
the Mandatory
Provisions

The Company has several deputy general managers, who shall be appointed or dismissed by the Board.

Senior management of the Company includes the general manager, deputy general manager, chief financial officer, Board secretary and chief engineer.

Requirements set out in Article 144 hereof with respect to the directors' duty of good faithfulness and the requirements set out in Article 145 (iv) to (vi) hereof with respect to the directors' obligations of integrity and diligence shall also be applicable to the Chairman and other senior management officers.

Article 177 A person holding other duties other than directorship in any entity of the Company's controlling shareholders and de facto controllers shall not hold the office of a senior management officers of the Company.

The term of office of the general manager shall be three years, subject to re-appointment upon expiry of his term.

Article 178 The Manager shall be held accountable to the Board of Directors and exercise the following functions and powers:

Article 100 of
the Mandatory
Provisions

- (1) to be in charge of the production, operation and management of the Company as well as implement resolutions of the Board and report his work to the board of directors;
- (2) to implementing the Company's annual operation and investment plan;
- (3) to make plans for the structuring of the Company's internal management departments;
- (4) to formulate the Company's basic management system;
- (5) to formulate regulations for the Company;
- (6) to propose to appoint or remove Vice General Managers and other members of senior management (including the chief financial officer);
- (7) to appoint or remove management staff except those that shall be appointed or removed by the Board;
- (8) to exercise other functions and powers conferred upon by the Articles of Association and the Board.

Article 179 The general manager shall formulate the working rules of the general manager and implement them after they are approval by the board of directors. The general manager's working rules include the following content:

- (1) the conditions and procedures for convening and the participants of the meeting of general manager;
- (2) the specific duties and responsibilities of the general manager and other senior management personnel;
- (3) the use of funds and assets of the Company, the authority to sign significant contracts, and the system of reporting to the board of directors and the board of supervisors;
- (4) other matters deemed necessary by the board of directors.

Article 180 The General Manager may attend meetings of the Board of Directors. However, the General Manager has no voting rights at the meetings unless he is also a Director.

Article 101 of
the Mandatory
Provisions

Article 181 The General Manager shall exercise his functions and powers in accordance with the laws and regulations and the Articles of Association on a basis of honesty and diligence.

Article 182 The general manager may resign before the expiration of his term of office. The specific procedures and methods for resignation of the general manager shall be defined in the labor contract concluded between the general manager and the Company.

Article 183 Deputy general manager shall be nominated by the general manager and decided by the board of directors; deputy general manager shall assist the general manager to carry out various work of the Company, accept the leadership by the general manager and be responsible to the general manager.

Article 184 If a senior management is in violation of laws, administrative regulations, departmental rules or the Articles of Association when he performs his duties to the Company, leading to losses to the Company, such senior management shall make compensation for the losses.

Article 102 of
the Mandatory
Provisions

CHAPTER 14 BOARD OF SUPERVISORS

Article 185 Supervisors shall abide by laws, administrative regulations and the Articles of Association, assume faithful and diligent obligations to the Company and not use their powers to accept bribes or other illegal income, nor encroach on the Company's property.

Article 117 of
Company Law
Article 103 of
the Mandatory
Provisions

Article 186 The Company shall establish a Board of Supervisors. The Board of Supervisors shall supervise the Board of Directors, Directors, General Manager and other members of senior management of the Company and shall prevent them from abusing powers, infringing interests of the shareholders, the Company and its employees.

Article 187 The Board of Supervisors shall consists four Supervisors, one of whom shall be appointed as the Chairman of Board of Supervisors. The term of office of supervisors shall be 3 years, and supervisors may be re-elected and re-appointed

Article 117 of
Company Law
Article 104 of
the Mandatory
Provisions
Letter 5 of
Opinions Circular

Article 188 If any supervisor is not elected in time after the expiration of his term of office, or if the resignation of the supervisor during his term of office causes the members of the board of supervisors less than the quorum, the former supervisor shall perform his duties in accordance with laws, administrative regulations and the Articles of Association before the new supervisor takes office.

The appointment and removal of the Chairman of Board of Supervisors shall be by votes of over two thirds of the Supervisors.

Article 189 Supervisors shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 190 Supervisors shall not use their connected relationship to damage the interests of the Company, otherwise, shall bear the liability for compensation, if losses are caused to the Company thereof.

If a supervisor causes any loss to the Company because of violating laws, administrative regulations, departmental rules or the Articles of Association when he performs his duties to the Company, he shall bear the liability for compensation.

Article 191 The Board of Supervisors shall consist of two shareholder representatives, which shall be elected by the Shareholder Meeting and two employee representatives of the Company which shall be democratically elected by employees of the Company.

Article 81, 117
of Company
Law
Article 105 of the
Mandatory
Provisions

The chairman of the Board of Supervisors convenes and conducts meetings of the Board of Supervisors. If the chairman of the Board of Supervisors cannot or does not carry out his duties, the vice chairman shall convene and preside over the meeting of the Board of Supervisors. When the vice chairman is unable to perform his duties or fails to discharge his duties, more than half of the Supervisors will nominate a Supervisor to convene and conduct the meeting of the Board of Supervisors.

Article 192 Directors, Manager, the chief financial officer or other members of senior management of the Company shall not be appointed as Supervisors.

Article 117 of
Company Law
Article 106 of
the Mandatory
Provisions

Article 193 The Board of Supervisors shall hold at least one meeting every six months, which shall be called by the Chairman of the Board of Supervisors, Supervisors have right to propose the convening of extraordinary general meetings.

Article 119 of
Company Law
Article 107 of
the Mandatory
Provisions

Article 194 The Board of Supervisors shall be held accountable to the Shareholders' Meeting and exercise the following functions and powers in accordance with the laws:

Article 54, 55,
81 of Company
Law
Article 108 of
the Mandatory
Provisions

- (1) to examine and present written examination opinion on regular report of the Company prepared by the Board;
- (2) to review the Company's financial affairs;
- (3) to supervise the work of the Directors, General Manager and other members of senior management who have violated laws, administrative regulations, the Articles of Association or the resolutions of the Shareholders' Meeting and to propose dismissal of directors and senior management members who violate any laws, administrative regulations, the Articles of Association or resolutions of shareholders' general meetings;
- (4) to demand redress from Directors, General Manager or any other members of senior management should their acts be deemed against the Company's interests;
- (5) to review such financial information as the financial statements, business reports and any plans for distribution of profits to be submitted by the Board of Directors to the Shareholders' Meeting, and to retain, on the Company's behalf any certified public accountants or chartered auditors to assist in the review of such information should any doubt arises with respect thereof;
- (6) to propose the convening of extraordinary general meetings and to convene and preside over the general meeting when the Board fails to perform such duties under the Company Law;
- (7) to coordinate with Directors on behalf of the Company or initiate legal proceedings against the Directors;
- (8) to put forward proposals to the shareholders' general meeting;
- (9) to commence actions against directors and senior management members in accordance with Article 151 of the Company Law;
- (10) to perform and exercise other functions and powers designated by shareholders at Shareholders' Meetings.

A supervisor can attend the board meetings as a non-voting attendee.

Article 195 The supervisory board sets out regulations for meetings of the supervisory board. It should clearly specify meeting method and voting procedure of the board, in order to ensure the working efficiency and the making of scientific decisions

Article 119 of
Company Law
Article 109 of
the Mandatory
Provisions
Letter 6 of
Opinions Circular
Paragraph (d)(ii),
Section 1 of
Appendix 13D
to the Main Board
Listing
Rule

The supervisory board should prepare minutes of meeting on decisions of matters discussed. Supervisors attending the meeting should sign on the minutes. Meetings of the Board of Supervisors shall not be held unless over two thirds of Supervisors are present. The resolutions of the Board of Supervisors shall be passed by the affirmative votes of more than two thirds of all of its members.

Article 196 All reasonable fees incurred in the retaining of such professionals as lawyers, certified public accountants or chartered auditors by the Board of Supervisors in the exercise of its functions and powers shall be borne by the Company.

Article 118 of
Company Law
Article 110 of
the Mandatory
Provisions

Article 197 Supervisors shall fulfill their obligations of supervision in accordance with the laws and regulations and the Articles of Association of Company.

Article 111 of
the Mandatory
Provisions

Article 198 The board of supervisors shall make the minutes of the decisions on the matters discussed, and the supervisors present at the meeting shall sign the meeting minutes. Supervisors have the right to require an illustrative record of their statements in the meeting minutes. The minutes of the meetings of the board of supervisors shall be kept as the Company's archives for 10 years.

Article 199 The notice of a meeting of the board of supervisors includes the following contents:

- (1) the date, place and duration of the meeting;
- (2) the subject matter and the topic for discussion;
- (3) the date on which the notice is given.

CHAPTER 15 QUALIFICATIONS AND OBLIGATIONS OF DIRECTORS, SUPERVISORS, MANAGER AND OTHER SENIOR MANAGEMENT

Article 200 A person may not serve as Director, Supervisor, Manager and one of the any other members of senior management of the Company if:

Article 146 of
Company Law
Article 112 of
the Mandatory
Provisions

- (1) he does not possess civil capacity or possess limited civil capacity;
- (2) he has been convicted for corruption, bribery, infringement of property or misappropriation of property or other offences which disrupted the social or economic order, in which less than a period of 5 years has lapsed since the sentence was served, or he has been deprived of his political rights and less than a period of 5 year has lapsed since the sentence was served;
- (3) he is a former Director, factory manager or manager of a company or an enterprise which has been dissolved or liquidated due to poor operation and management and is personally liable for the dissolution or liquidation of such company or enterprise, where a period of less than 3 years has lapsed since the date of completion of the dissolution or liquidation of such Company or enterprise;
- (4) he is a former legal representative of a company or an enterprise the business license of which was revoked as a result of violation of laws and is personally liable for such revocation, where a period of less than 3 years has lapsed since the date of revocation of said business license;
- (5) he has a relatively substantial amount of debts which have become overdue;
- (6) he is currently under investigation by judicial authorities for violation of criminal law;
- (7) he is not permitted to act in the capacity of leader of an enterprise according to laws and administrative regulations;
- (8) he is not a natural person;
- (9) he has been determined by competent authorities for violation of applicable securities regulations and such conviction involves a finding that he has acted fraudulently or dishonestly, where a period of less than 5 years has lapsed from the date of such determination.
- (10) the person who has been forbidden by the securities supervision and regulatory authority of the State Council from access to the securities market and the enforcement period has not expired;
- (11) other circumstances as stipulated by laws, administrative regulations or rules.

Election, appointment or engagement of Directors, Supervisors and senior management personnel in violation of these Articles of Association shall be void. In the event that any circumstance above occurs during the term of office of a Director, Supervisor or senior management personnel, the Director, Supervisor or senior management personnel shall be dismissed from his position by the Company.

Article 201 The validity of any act carried out by a Director, Manager or other members of senior management of the Company on the Company's behalf to a bona fide third party shall not be affected by any irregularities in his office, election or any defect in his qualifications.

Article 113 of
the Mandatory
Provisions

Article 202 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the stock exchange on which the Company's shares are listed, each of the Company's Directors, Supervisors, Manager and other senior management owe the following duties to each shareholder in the exercise of the functions and powers of the Company:

Article 114 of
the Mandatory
Provisions

- (1) not to cause the Company to exceed the scope of business stipulated in its business license;
- (2) to act honestly in the best interests of the Company;
- (3) not to expropriate the Company's property in any manner, including (but not limited to) usurpation of beneficial opportunities to the Company;
- (4) not to expropriate the individual rights of shareholders, including (but not limited to) voting rights and distribution rights, except pursuant to a restructuring of the Company which has been submitted to the Shareholders' Meeting for approval in accordance with the Articles of Association.

Article 203 Each Director, Supervisor, Manager and other senior management of the Company shall, in the exercise of his powers and in the discharge of his duties, exercise the care, diligence and skill(s) that a reasonably prudent person would exercise under comparable circumstances.

Article 147 of
Company Law
Article 115 of
the Mandatory
Provisions

Article 204 Each Director, Supervisor, Manager and other senior management of the Company shall exercise his power or perform his duties in accordance with the principles of fiduciary duty; and shall avoid conflicts of interests. These principles include (but not limited to) the following obligations:

Article 147, 148 of
Company Law
Article 116 of
the Mandatory
Provisions

- (1) to act honestly in the best interest of the Company;
- (2) to act within the scope of his powers and not to exceed such powers;
- (3) to exercise discretion in person without being subject to the directions of other individuals, and not to transfer such power to other individuals unless otherwise permitted by laws or administrative regulations or approved by the shareholders based on an informed decision at the Shareholders' Meeting;

- (4) to treat shareholders of the same class with equality, and to treat different classes with fairness;
- (5) not to execute any contracts or transactions or make arrangements with the Company unless otherwise provided by the Articles of Association or approved by the shareholders based on an informed decision at the Shareholders' Meeting;
- (6) not to pursue his own benefit in any way using the Company's assets unless approved by the shareholders based on an informed decision at the Shareholders' Meeting;
- (7) not to accept any bribery or other illegal income through his powers and position, and not to seize the Company's assets in any manner, including (but not limited to) beneficial opportunities to the Company;
- (8) not to accept any commission with respect to the Company transactions without the approval granted by the shareholders based on an informed decision at the Shareholders' Meeting;
- (9) to comply with the Articles of Association, to perform his duties honestly and faithfully, to protect the Company's interests, and not to pursue personal gains by taking advantage of his powers and position at the Company;
- (10) not to compete with the Company in any manner unless approved by the shareholders based on an informed decision made at the Shareholders' Meeting; not to misappropriate the funds of the Company or make loans to others out of the funds of the Company, not to deposit the assets of the Company into accounts under his name or any other name, and not to use assets of the Company as security for debts to shareholders of the Company or other individuals;
- (11) not to divulge any confidential information concerning the Company that has been obtained during his term of office, unless approved by the shareholders based on an informed decision at the Shareholders' Meeting; and not to utilize such information unless for the purpose of benefiting the interests of the Company; notwithstanding the foregoing provisions, they are allowed to disclose such information to a court of law or other competent government authorities under the following circumstances:
 - (i) as prescribed by laws;
 - (ii) as required for the purpose of public interest;
 - (iii) as required for the interest of the Directors, Supervisors, Manager or other members of senior management.

Article 205 A Director, Supervisor, Manager and other senior management of the Company shall not direct the following persons or organizations (referred to as “connected parties” in the Articles of Association) to do what he is prohibited from doing:

Article 117 of
the Mandatory
Provisions

- (1) spouses or minor children of that Director, Supervisor, General Manager or other members of senior management of the Company;
- (2) the trustees of those Directors, Supervisors, Manager or other members of senior management of the Company or trustees of those as described in Clause (1) above;
- (3) the partners of those Directors, Supervisors, Manager or other members of senior management of the Company or partners of those as described in Clause (1) and Clause (2) above;
- (4) a company (or companies) under the exclusive control of those Directors, Supervisors, Manager or other members of senior management of the Company or under joint control of any person as described in Clause (1), Clause (2), Clause (3) of this Article or other Directors, Supervisors, Manager or other members of senior management of the Company;
- (5) The Directors, Supervisors, Manager or other members of senior management of the controlled companies as described in Clause (4) above.

Article 206 The fiduciary duty of a Director, Supervisor, Manager and other senior management of the Company may not necessarily cease upon the conclusion of his term, and their obligations to keep the commercial secrets of the Company shall survive beyond the conclusion of his term. The duration of other obligations and duties shall be determined in accordance with the principle of fairness, taking into account the lapse between the time when a Director, Supervisor, General Manager or other members of senior management of the Company leaves the office and the occurrence of the relevant event, and the situation and the circumstances under which his relation with the Company was ceased.

Article 118 of the
Mandatory
Provisions

Article 207 The shareholders may by informed decisions at the general meeting to discharge the liability of any Director, Supervisor, and any other members of senior management of the Company as a result of violation of any specific duty, except for the circumstances as specified in Article 66 hereof.

Article 119 of
the Mandatory
Provisions

Article 208 A Director, Supervisor, General Manager and other members of senior management of the Company who directly or indirectly has many material interests in any contracts, transactions, or arrangements executed or proposed to be executed with the Company (except for contracts of service between the Directors, Supervisors, and other members of senior management and the Company), shall, as soon as possible, disclose to the Board of Directors, the nature and extent of his interest, regardless of whether or not such matters require the approval of the Board of Directors under the normal circumstance.

Article 120 of
the Mandatory
Provisions

Unless the interested Directors, Supervisors, General Manager and other members of senior management of the Company have made such disclosure to the Board of Directors as required by the preceding paragraph of this Article, and the relevant matter has been approved by the Board of Directors at the Board meeting in which such Directors, Supervisors, Manager or other members of senior management have not been counted into the quorum and voted at the meeting, the Company shall be entitled to rescind such contracts, transactions, or arrangements, except as to any other party which is deemed a bona fide party without knowledge of the violation of duties on the part of such Directors, Supervisors, Manager and other members of senior management.

Where any connected party of any Directors, Supervisors, General Manager and other members of senior management of the Company possess interest in any contracts, transactions or arrangements, such Directors, Supervisors, General Manager and other members of senior management shall also be deemed to be interested.

Article 209 In the event that, prior to the Company's initial consideration of such contracts, transactions, or arrangements referred to by the preceding Article, and a Director, Supervisor, General Manager or other senior management of the Company has delivered a written notice to the Board of Directors, stating his interests in such future contracts, transactions, or arrangements, such Directors, Supervisors, Manager and other members of senior management shall be deemed to have made the disclosure as provided in the preceding Article with respect to the statement(s) contained in the notice.

Article 121 of
the Mandatory
Provisions

Article 210 The Company shall not, in any manner, pay any taxes for its Directors, Supervisors, Manager and other members of senior management.

Article 122 of
the Mandatory
Provisions

Article 211 The Company shall not directly or indirectly provide a loan or a guarantee in connection with the provision of a loan to a Director, Supervisor, General Manager and other senior management of the Company or of the Company's holding company or any of their respective connected parties.

Article 123 of
the Mandatory
Provisions

The first paragraph is not applicable to the following cases:

Article 16 of
Company Law

- (1) the provision of a loan by the Company to, or a guarantee in connection with a loan to, its subsidiaries;
- (2) the provision of a loan by the Company to, or a guarantee in connection with a loan or making any other funds available to any of its Directors, Supervisors, and other members of senior management to pay any expenses incurred by them for the purpose of the Company or for the purpose of his performance of his duties in accordance with a service contract approved by the shareholders at the Shareholders' Meeting;

- (3) in the event that the ordinary course of the business of the Company includes the loaning of funds or the provision of guarantees, the Company may make a loan to, or provide a guarantee in connection with a loan to, the relevant Directors, Supervisors, Manager and other members of senior management or their respective connected parties, provided that such loans or guarantees are on normal commercial terms.

Article 212 Any person who receives any funds from a loan which has been made by the Company in violation of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds.

Article 124 of
the Mandatory
Provisions

Article 213 A guarantee for a loan which has been provided by the Company in violation of paragraph 1 of Article 211 shall not be enforceable against the Company, except with respect to the following circumstances:

Article 125 of
the Mandatory
Provisions

- (1) the loan was provided to a connected party of any of the Directors, Supervisors, Manager and other members of senior management of the Company or of the Company's holding company and the provider of the loan of such funds has no knowledge of the relevant circumstances at the time of making the loan;
- (2) the collateral provided by the Company has already been lawfully disposed of by the lender to a bona fide purchaser.

Article 214 For the purpose of the foregoing provisions of this Chapter, a "guarantee" shall include an undertaking or any property provided by the guarantor to secure the obligator's performance of his obligations.

Article 126 of
the Mandatory
Provisions

Article 215 In addition to the rights and remedies provided by laws and administrative regulations when a Director, Supervisor, Manager or other members of senior management of the Company breaches his duties to the Company, the Company shall be entitled:

Article 127 of
the Mandatory
Provisions

- (1) to require such Director, Supervisor, Manager or other members of senior management to compensate for any loss sustained by the Company as a result of such breach of duty;
- (2) to rescind any contract or transaction entered into between the Company and such Director, Supervisor, Manager or other members of senior management or between the Company and a third party, where such party knows or should have known that such Director, Supervisor, Manager or other members of senior management representing the Company was in breach of his duty to the Company;
- (3) to require such Director, Supervisor, Manager or other members of senior management to surrender the profits made as result of such breach of his duty;
- (4) to recover any amount which otherwise should have been received by the Company but were received by such Director, Supervisor, Manager or other members of senior management instead, including (but not limited to) any commission;
- (5) to demand the payment of interest earned or which may have been earned by such Director, Supervisor, Manager or other members of senior management on any sum which should have been received by the Company.

Article 216 The Company shall enter into a written contract with each Director, Supervisor and member of senior management containing at least the following:

Rules 19A.54
and 19A.55 of
the Main Board
Listing Rules

- (1) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with the Company Law, the Special Provisions, the Articles of Association and the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission of Hong Kong as amended from time to time, and an agreement that the Company shall enjoy the remedies provided in the Articles of Association and that neither the contract or his office is capable of assignment;
- (2) an undertaking made by such Director, Supervisor and member of senior management to the Company that he will comply with and perform his obligations to shareholders under the Articles of Association;
- (3) and an arbitration cause provided in Article 279 of these Articles of Association.

Article 217 With the prior approval of the Shareholders' Meeting, the Company shall enter into a written contract with a Director or Supervisor with respect to his remuneration. The aforementioned remuneration may include:

Article 128 of
the Mandatory
Provisions

- (1) remuneration with respect to his service as a Director, Supervisor or members of senior management of the Company;
- (2) remuneration with respect to his service as a Director, Supervisor or members of senior management of any subsidiary/subsidiaries of the Company;
- (3) remuneration with respect to the provision of other services in connection with the management of the Company and any of its subsidiaries;
- (4) any payment as compensation for, or in connection with loss of office or retirement from office of such Director or Supervisor.

No proceedings may be brought by a Director or Supervisor against the Company for any benefit which otherwise would have been received by him by virtue of any aforementioned matters except pursuant to any contract described above.

Article 218 Any contracts between the Company and its Directors or Supervisors with respect to their remuneration shall provide that the Directors and Supervisors shall, subject to the prior approval of Shareholders' Meeting, be entitled to receive compensation or other payment with respect to his loss of office or retirement in the event that the Company is to be acquired by others. For the purposes of this paragraph, the acquisition of the Company shall include any of the following:

Article 129 of
the Mandatory
Provisions

- (1) a general offer made by any person to all the shareholders;
- (2) an offer made by any person in anticipation of becoming a "controlling shareholder". The meaning of a "controlling shareholder" is defined as the same in Article 67 hereof.

In the event that 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 such offer. The expenses incurred in distributing such sum prorate a among such persons shall be borne by the relevant Director or Supervisor and shall not be deducted from such sum.

CHAPTER 16 FINANCIAL ACCOUNTING SYSTEM AND PROFIT DISTRIBUTION

Article 219 The Company shall establish its financial and accounting systems and internal auditing system in accordance with the laws, administrative regulations and accounting principles of the China formulated by the Ministry of Finance.

Article 163 of
Company Law
Article 130 of
the Mandatory
Provisions
Article 149 of Articles
Guideline

Article 220 A financial report shall be prepared at the end of each financial year and shall be examined and verified according to laws.

Article 164 of
Company Law
Article 131 of
the Mandatory
Provisions

The Company's financial report shall include the following financial and accounting statements as well as breakdown schedules:

- (1) balance sheet;
- (2) profit and loss statement;
- (3) cashflow statement;
- (4) description of the financial situation;
- (5) statement of profit distribution

Article 221 The Board of Directors of the Company shall present to the shareholders, at each annual general meeting, such financial reports as required by applicable laws, administrative regulations, directives promulgated by competent local government, central governmental authorities.

Article 132 of
the Mandatory
Provisions
Rule13.46(2)
(b) of Appendix 13 of
the Main
Board Listing
Rules

Article 222 The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days prior to the date of annual general meeting of shareholders. Each shareholder of the Company is entitled to obtain a copy of the financial reports referred to in this Chapter.

Article 165 of
Company Law
Article 133 of
the Mandatory
Provisions

The Company shall, at least 21 days before the date of the annual general meeting of shareholders, submit (i) the aforesaid report or the board of directors' report together with the balance sheet (including each document required to be attached to the balance sheet) and the income statement or income and expenditure account or (ii) the summary financial report in the form of postage prepaid mail to each overseas listed foreign shareholder whose address is subject to the registered address in the shareholder register.

Article 223 The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the placing of listing overseas where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be given in the financial statements. When the Company distributes its after-tax profits for that financial year, the lower of the after-tax profits as shown in (i) the financial statement prepared in accordance with the PRC accounting standards and regulation, and (ii) the international accounting standards or that of the placing of listing overseas where the Company's shares are listed, shall be adopted.

Article 134 of
the Mandatory
Provisions

Article 224 The interim results or financial information published or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the international accounting standards or such accounting standards in the place of listing overseas.

Article 135 of
the Mandatory
Provisions

Article 225 Within 4 months from the end of each fiscal year, the Company shall submit annual financial accounting report to China Securities Regulatory Commission and the Stock Exchange, and within 2 months from the end of the first 6 months of each fiscal year, submit semi-annual financial accounting report to the local office of China Securities Regulatory Commission and the stock exchange, as well as within 1 month from the end of the first 3 months and the end of the first 9 months of each fiscal year, submit quarterly financial accounting report to the local office of China Securities Regulatory Commission and the stock exchange.

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

The Company shall publish financial reports twice in each fiscal year, i.e. publishing interim financial report within 60 days after the end of the first six months of the fiscal year, and publishing annual financial report within 120 days after the end of the accounting year.

For the disclosure of financial report by the Company, if it is otherwise required by laws, regulations or the securities regulatory body at the place where the Company locates, such requirements shall be complied with.

Article 226 The Company shall not establish account books other than those required by law. The assets of the Company shall not be deposited in any account opened under a personal name.

Article 171 of
Company Law
Article 137 of
the Mandatory
Provisions

Article 227 When the Company distributes after-tax profit for the year, 10% of the profit shall be drawn and included in the statutory reserve fund. If the accumulative amount of the Company's statutory reserve fund reaches 50% or more of the registered capital of the Company, it may no longer be drawn.

Article 152 of Articles
Guideline

If the Company's statutory reserve fund is not sufficient to cover the losses of previous years, the profit of the current year shall be used to make up for the losses, before drawing of statutory reserve fund in accordance with the provisions of the preceding paragraph.

After the Company draws statutory reserve fund from the after-tax profit, it may, based on the resolution of the Shareholders' Meeting, draw discretionary reserve fund from the after tax profit.

The after-tax profit after the Company makes up for losses and draws reserve fund shall be distributed according to the proportion of the shares held by shareholders, except otherwise stipulated in the Articles of Association.

If the Shareholders' Meeting violates the provisions of the preceding paragraph and distributes profits to shareholders before the Company makes up for losses and draws statutory reserve fund, shareholders must return the profit distributed in violation of the provisions to the Company.

The Company's shares held by the Company shall not participate in the distribution of profits.

Any amount paid up in advance of calls on any shares may carry interest but shall not entitle the holder of such shares to participate in respect thereof in a dividend subsequently declared.

The power to cease sending dividend warrants by post will not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, such power may also be exercised after the first occasion on which such a dividend warrant is returned undelivered.

Subject to the laws and regulations of China and the rules of Hong Kong Stock Exchange, the Company may exercise its power to forfeit unclaimed dividends, but only upon the expiry of the period for which the dividends can be claimed. With regard to the exercise of power to issue warrants in bearer form, no new warrants shall be issued to replace one that has been lost, unless the Company is satisfied beyond reasonable doubt that the original has been destroyed. With regard to the right to dispose of the shares held by untraceable shareholders, such right may not be exercised except in the following circumstances: (1) during a period of 12 years dividends in respect of the shares in question have been distributed at least three times and no dividend has been claimed; and (2) upon expiry of the 12-year period, the Company has given notice of its intention to dispose of the shares by way of an announcement published in the newspapers and informs The Stock Exchange of Hong Kong Limited of its intention.

Article 228 The capital reserve fund shall include the followings:

- (1) any premium which exceeds the proceeds from issuance of shares at face value;
- (2) any other income credited to the capital reserve fund as required by the finance department of the State Council.

Article 138 of
the Mandatory
Provisions

Article 229 The Company's reserve fund shall be used to make up for the Company's losses, expand the Company's production or operation or increase corporate capital. However, the capital reserve fund shall not be used to make up for the Company's losses.

When the statutory reserve fund is transferred into capital, the retained reserve fund shall not be less than 25% of the registered capital of the Company before the transfer.

Article 230 After the Shareholders' Meeting reaches a resolution on profit distribution, the board of directors shall complete the distribution of dividends (or shares) within 2 months after the convening of the Shareholders' Meeting.

Article 231 The Company's profit distribution policy is:

- (1) The Company's profit distribution shall pay attention to investors' reasonable return on investment, and be carried out in cash, stock or other ways permitted by laws and regulations.
- (2) In accordance with the provisions of Article 227, the Company shall allocate the remaining after-tax profits after drawing 10% statutory reserve fund and drawing any discretionary fund according to the needs of the Company's development. The profit distribution of the Company shall not exceed the range of accumulative distributable profit.

Article 232 The Company shall appoint a receiving agent for the shareholders of the overseas listed foreign shares.

Such receiving agent shall receive dividends of the overseas-listed foreign shares on behalf of such relevant shareholders, as well as all other amounts payable to such shareholders. The receiving agent appointed by the Company shall meet relevant requirements of the laws of the places or the relevant regulations of the stock exchange in which the Company's shares are listed. The receiving agent appointed for shareholders of H shares listed in Hong Kong Stock Exchange shall be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

If the Company is authorized to confiscate the unclaimed profit that is available for distribution, such power shall not be exercised before the expiration of the relevant applicable period of validity.

Article 233 The Company implements internal audit system and is equipped with auditors to supervise the internal auditing on the Company's financial revenue and expenditure and economic activities.

Article 234 The internal audit system of the Company and the accusations of the auditors shall be implemented after the approval of the board of directors, and the person in charge of the audit shall be responsible to the board of directors and report the work to the board of directors.

CHAPTER 17 APPOINTMENT OF ACCOUNTING FIRM

Article 235 The Company shall retain an independent accounting firm that fulfills the requirements to obtain “the qualification to undertake securities related business” provided by the relevant regulations of China to audit the Company’s annual financial report and review the Company’s other financial reports, conducting verification of net asset value and providing other relevant consulting services. For the purposes of the Articles of Association, the accounting firm retained by the Company at any time shall be the Company’s auditor. The term of engagement can be renewed upon expiry.

Article 141 of
the Mandatory
Provisions

The retaining of the first accounting firm of the Company may occur at the inauguration meeting prior to the first annual general meeting of shareholders. The term of such accounting firm shall terminate upon the conclusion of the first annual general meeting of shareholders.

Should the inauguration meeting not exercise the powers under the preceding paragraph, the Board of Directors shall exercise those powers

Article 236 The appointment of an accounting firm by the Company must be decided by Shareholders’ Meeting, and the board of directors shall not appoint any accounting firm before a decision is made by Shareholders’ Meeting.

Article 237 The Company promises providing true and complete accounting vouchers, accounting books, financial accounting reports and other accounting data to the employed accounting firms and shall not refuse to provide them, conceal anything or make a lie therein.

Article 238 The term of an accounting firm retained by the Company shall commence upon the conclusion of one annual general meeting of shareholders and shall sustain until the conclusion of the next annual general meeting of shareholders.

Article 142 of
the Mandatory
Provisions

Article 239 The accounting firm engaged by the Company shall have the following rights:

- (1) to inspect books, records and vouchers of the Company at any time, and to require the Directors, Manager and other members of senior management of the Company to provide relevant information and explanations;
- (2) to require the Company to take all reasonable steps to obtain from its subsidiaries any information and explanations necessary for the discharge of its duties;
- (3) to attend any Shareholders’ Meeting 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 retained accounting firm.

Article 143 of
the Mandatory
Provisions

Article 240 In the event of a vacancy in the Company's accounting firm, the Board of Directors may retain an accounting firm to fill such vacancy prior to the convening of the general meeting of shareholders. Such accounting firm may continue to act during the vacancy period if the Company has another incumbent accounting firm.

Article 144 of
the Mandatory
Provisions

Article 241 Irrespective of the provisions in the contract concluded between the Company and the accounting firm, the Shareholders' Meeting may remove the accounting firm by an ordinary resolution before the term of the accounting firm expires. Notwithstanding such provisions, the accounting firm's entitlement to claim for damages arising out of its removal shall not be affected thereby.

Article 169 of
Company Law
Article 145 of
the Mandatory
Provisions

Article 242 The remuneration of an accounting firm or the manner in which such firm is to be compensated shall be decided by the Shareholders' Meeting.

Article 146 of
the Mandatory
Provisions

Article 243 The Shareholders' Meeting shall decide to retain, remove or discontinue the retention of an accounting firm and file with the China Securities Regulatory Commission.

Article 169 of
Company Law
Article 147 of
the Mandatory
Provisions

Article 244 In the event that a resolution at Shareholders' Meeting is passed to retain an accounting firm other than the incumbent accounting firm to fill any casual vacancy in the office of the accountant, or to reappoint an accounting firm which was retained by the Board of Directors to fill any casual vacancy, or to remove an accounting firm prior to the expiration of its term, the following provisions shall apply:

Article 169 of
Company Law
Letter 9 of
Opinions Circular
Paragraph (e)(i),
Section 1 of
Appendix 13D
to the Main
Board Listing
Rules

- (1) The retaining or removal motion shall be sent (before a notice of Shareholders' Meeting is given) to the accounting firm that is proposed to be retained or to leave or the accounting firm which has left in the relevant financial year (including any accounting firm leaving due to removal, resignation and retirement).
- (2) In the event that the accounting firm that is proposed to leave makes written representations and requests that the Company give notice to shareholders of such representations, the Company shall (unless the representations have been received too late) take the following measures: (i) in any aforementioned notice for making a resolution, the Company shall state the representations made by such accounting firm which is to leave; (ii) to attach a copy of the representations to the notice and deliver it to every shareholder entitled to receive the notice in the manner as provided in the Articles of Association.
- (3) In the event that the Company fails to send the accounting firm's representations in the manner set out in Clause (2) above, such accounting firm may (in addition to its right to be heard) make further appeal.

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 which it attends on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

Article 245 Notice shall be given to the accounting firm no less than 14 days in advance should the Company decide to remove such accounting firm or not to reappoint it. Such accounting firm shall be entitled to make representations at the Shareholders' Meeting. Where the accounting firm resigns from its position, it shall clarify to the shareholders at the Shareholders' Meeting on any irregularities on the part of the Company.

Article 169 of Company
Law Article 148 of
Mandatory Provisions

Article 246 An accounting firm may resign from its office by depositing a resignation notice at the Company's residence, which shall become effective on the date of such deposit or on such later date as stated therein. Such notice shall contain the following statements:

Letter 10 of
Opinions Circular
Paragraphs (e)
(ii) and (3)(iii),
Section 1 of
Appendix 13D
to the Main
Board Listing
Rules

- (1) a statement to the effect that there are absolutely no circumstances with respect to its resignation which it believes 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 under the preceding paragraph, the Company shall, within 14 days, send a copy of the notice to the relevant competent authorities. If the notice contains any statement(s) referred to in Clause (2) of the preceding paragraph, a copy of such statement(s) shall be made available for inspection by shareholders at the Company's address. A copy of such statement(s) shall also be sent by prepaid mail to all holders of overseas listed foreign shares at their respective addresses shown in the register of shareholders.

Where the accounting firm's notice of resignation contains the statement(s) referred to in Clause (2) above, the accounting firm may require the Board of Directors to call an extraordinary shareholders' meeting for the purpose of explaining the circumstances connected with its resignation.

CHAPTER 18 MERGER AND DIVISION OF THE COMPANY

Article 247 In the event of a merger or division of the Company, the Company's Board of Directors shall submit a motion, which shall be approved in accordance with the procedures stipulated in the Articles of Association and go through relevant examination and approval formalities pursuant to laws. Shareholders who object to the merger or division proposal shall be entitled to request that the Company or the consenting shareholders acquire such dissenting shareholders' shares at a fair price. The content of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders of the Company. The documents as stated above shall be sent by mail to holders of foreign overseas-listed shares.

Article 149 of
the Mandatory
Provisions

Article 248 For the special documents referred to in Article 247, the shareholders of overseas listed foreign shares may send an explicit written request to the Company, requesting the Company to provide printed or electronic version of corresponding notice, data or written statement. If the shareholders of overseas listed foreign shares request the Company to provide printed version of corresponding notice, data or written statement, they shall also expressly request the Company to provide printed English version, or printed Chinese version or the both. The Company shall, on the basis of such written request, serve the corresponding document to the registered address by hand or prepaid postal mail.

The shareholders of overseas listed foreign shares may also give the Company a written notice in advance within a reasonable time, and revise the manner and language version for receipt of the aforesaid information according to appropriate procedures. At the same time, the Company may also issue a written notice requesting the shareholders of overseas listed foreign shares to confirm the receipt of the Company's notices, data or written statements in printed or electronic form. If the Company has not received the above-mentioned written notice from the shareholders of the overseas listed foreign shares during the time specified by relevant laws, administrative regulations and the relevant provisions of the securities regulatory authority at the place where the Company's stock is listed, the overseas foreign shareholders shall be deemed to send or provide its notices, data or written statements to the Company in accordance with the Articles of Association, relevant laws, administrative regulations and the relevant provisions of the securities regulatory authority at the place where the Company's stock is listed in the way (including but not limited to electronically published on the construction site website) specified in advance by the Company.

Article 249 The merger of the Company may take merger by absorption or merger by new establishes.

Article 172 of
Company Law
Article 150 of
the Mandatory
Provisions

Merger by absorption means a company absorbs other companies, and the absorbed company is dissolved. Merger by new establishes means two or more companies are merged to set up a new company, and the merged companies are dissolved.

Article 250 In the case of a merger, the parties to the merger shall sign a merger agreement and prepare a balance sheet and a property list. The Company shall notify creditors within 10 days from the date when the merger resolution is reached and shall publicize it in a newspaper within 30 days. Within 30 days from the date of receipt of the notice, or within 45 days from the date of failure to receive the notice, creditors may request the Company to pay off the debts or provide corresponding guarantee.

Article 251 When a company is merged, the creditor's rights and debts of the parties to the merger shall be inherited by the merging company or newly established company after the merger.

Article 252 Where there is a division of the Company, its assets shall be divided accordingly.

Article 175 of
Company Law
Article 151 of
the Mandatory
Provisions

In the event of a division, the parties to the division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days and publish an announcement in newspapers within 30 days after the date of the Company's division resolution.

The joint and several liabilities for the debts of the Company incurred prior to the division shall be assumed by the companies formed following the division as agreed, unless otherwise specified by a written agreement on debt repayment reached by the Company with the creditors before the separation.

Article 253 The Company needs to prepare a balance sheet and a property list when it is necessary to reduce its registered capital.

The Company shall notify creditors within 10 days from the date of reaching the resolution to reduce the registered capital, and shall publicize it in a newspaper within 30 days. Within 30 days from the date of receipt of the notice, or within 45 days from the date of failure to receive the notice, creditors shall have the right to request the Company to pay off the debts or provide corresponding guarantee.

The registered capital of the Company after the capital reduction shall not fall below the statutory minimum amount.

Article 254 Changes in registration particulars of the Company caused by merger or division must be registered with the Zhejiang Provincial Administration of Industry and Commerce in accordance with law. Cancellation of the Company shall be registered in accordance with the law when the Company is dissolved. Incorporation of the Company shall be registered when a new company is incorporated in accordance with law.

Article 152 of
the Mandatory
Provisions

The Company shall register the change of its registered capital with the relevant company registry.

CHAPTER 19 DISSOLUTION AND LIQUIDATION OF THE COMPANY

Article 255 The Company shall be dissolved and liquidated according to laws upon any of the following circumstances:

- (1) A resolution for dissolution is passed by the Shareholders' Meeting;
- (2) A merger or division of the Company for which a dissolution becomes necessary;
- (3) the term of operation of the Company set out in the Articles of Association is expired or one of the events which are grounds for dissolution as set out in the Articles of Association has been occurred;
- (4) business license is terminated in accordance with the laws, or the business is ordered to close or terminated;

Article 180 of
Company Law
Article 153 of
the Mandatory
Provisions
Article 178 of Articles
Guideline

- (5) the Shareholders holding more than 10% of the voting rights of the Company request the court to dissolve the Company, when the Company faces serious difficulties in business and operations that its further existence would seriously harm the interests of the Shareholders, which has become unavoidable after all other solutions have been exhausted;
- (6) the Company is declared bankrupt according to law due to its failure to repay debts as they become due.

Article 256 If the Company is in any of the circumstances as mentioned in item (3) of Article 255 of the Articles of Association, it may survive through amending the Articles of Association.

Article 155 of
the Mandatory
Provisions

The amendments to the Articles of Association in accordance with the provisions of the preceding paragraph shall be adopted by shareholders present at the meeting of Shareholders' Meeting, who represent more than 2/3 of the voting rights.

Article 257 If the Company is to be dissolved in accordance with the provisions of Article 255 (1), (3), (4) and (5), it shall establish a liquidation group within 15 days from the date when dissolution cause appears, and began to liquidate. The liquidation group shall be composed of directors or the persons as determined at a Shareholders' Meeting. If a liquidation group is not set up within specified time limit for liquidation, creditors may apply to the people's court to appoint relevant personnel to form a liquidation group for liquidation.

Article 258 The liquidation committee shall, within 10 days of its establishment, notify the creditors, and, within 60 days of its establishment, publish announcements on newspapers. The liquidation committee shall register the debts receivable by the creditors.

Article 185 of
Company Law
Article 156 of
the Mandatory
Provisions

Creditors shall, within 30 days of receipt of the notice, or for creditors who have not personally received such notice, shall within 45 days of the date of the announcement, contact the liquidation committee to claim their rights.

Article 186 of
Company Law

In the period of declaring claims, the liquidation committee may not pay any debts to creditors.

Article 259 During liquidation, the liquidation committee shall exercise the following functions and powers:

Article 184 of
Company Law
Article 157 of
the Mandatory
Provisions

- (1) to organize the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify or to publish an announcement to the creditors;
- (3) to dispose of any continuing businesses of the Company in connection with the liquidation;
- (4) to pay outstanding taxes and tax payment incurred in the process of liquidation;
- (5) to settle claims and debts; to organize the remaining assets subsequent
- (6) to the settlement of the Company's debts;
- (7) to represent the Company in any civil proceedings.

Article 260 Following the organization of the Company's assets and the preparation of a balance sheet and an inventory of assets by the liquidation committee, the liquidation committee shall formulate a liquidation proposal and present it to the Shareholders' Meeting or the relevant competent authorities.

Article 186 of
Company Law
Article 158 of
the Mandatory
Provisions

Upon the respective payment of liquidation costs, wages for employees, social insurance and statutory compensations, outstanding taxes and loans, and pay off debts, surplus assets of the Company shall be distributed to Shareholders in accordance with their proportion of Shares held.

During the liquidation period, the company continues to exist, but shall not carry out any business activities irrelevant to the liquidation. The company property, prior to the settlement of debts in accordance with the preceding Article, will not be allocated to Shareholders.

Article 261 The liquidation committee shall immediately apply to the People's Court for a declaration of bankruptcy if it becomes aware, having liquidated the Company's assets and prepared a balance sheet and an inventory of assets, that the Company's assets are insufficient to repay its debts in full in an event of dissolution. Upon the Company being declared bankrupt by a ruling of the People's Court, the liquidation committee shall transfer to the People's Court all matters arising out of the liquidation.

Article 187 of
Company Law
Article 159 of
the Mandatory
Provisions

Article 262 Following the completion of liquidation, the liquidation committee shall prepare a liquidation report, a statement of income and expenses and financial accounts for the liquidation, which shall be verified by a China registered accountant and submitted to the Shareholders' Meeting or the relevant competent authorities for confirmation.

Article 188 of
Company Law
Article 160 of
the Mandatory
Provisions

The liquidation committee shall, within 30 days of such confirmation, submit the aforementioned documents to the Zhejiang Provincial Administration of Industry and Commerce for an application for a cancellation of registration of the Company, and publish an announcement in respect of the termination of the Company.

Article 263 The members of the liquidation group shall be loyal to their duties and perform their liquidation obligations in accordance with the law. The members of the liquidation group shall not use their power to accept bribes or other illegal income and shall not encroach upon the property of the Company.

If the members of the liquidation group cause losses to the Company or creditors due to intentional or gross negligence, they shall bear the liability for compensation.

Article 264 If the Company is declared bankrupt according to law, the bankruptcy liquidation shall be carried out in accordance with the law on enterprise bankruptcy.

CHAPTER 20 PROCEDURES FOR AMENDING THE ARTICLES OF ASSOCIATION

Article 265 In any of the following circumstances, the Company shall amend the Articles of Association:

- (1) after Company Law or relevant laws and administrative regulations have been amended, the matters stipulated in the Articles of Association are in conflict with the provisions of the revised laws and administrative regulations;
- (2) the circumstances of the Company have changed, which are inconsistent with the matters recorded in the Articles of Association;
- (3) The Shareholders' Meeting decided to amend the Articles of Association.

Article 266 The Company may amend the Articles of Association in accordance with the requirements of laws, administrative regulations and the Articles of Association.

Article 12 of
Company Law
Article 161 of
the Mandatory
Provisions

Article 267 If the amendments to the Articles of Association concerns the Mandatory Provisions, the amendments shall go into effect upon approval by the company administration department authorized by the State Council and the China Securities Regulatory Commission; if the amendments involve matters of company registration, it shall go through registration procedures for changes in accordance with the laws.

Article 12 of
Company Law
Article 162 of
the Mandatory
Provisions

Article 268 The board of directors shall revise the Articles of Association in accordance with the resolutions of the Shareholders' Meeting to amend the Articles of Association and the examination and approval opinions of the relevant competent authorities.

Article 269 If the amendments to the Articles of Association are within the scope of information that must be disclosed as required by laws and regulations, they shall be made public according to the provisions.

CHAPTER 21 NOTICE AND ANNOUNCEMENT

Article 270 The Company's notice shall be given in the following form:

- (1) by hand;
- (2) by mail;
- (3) through public announcement;
- (4) other forms prescribed in the Articles of Association.

Article 271 Any notice sent by the Company through announcement shall be deemed received by all relevant personnel, once announced.

Article 272 Except the context otherwise requires, “announcement” referred to in the Articles of Association, in respect of the announcements issued to the shareholders of domestic shares or the announcements issued in the territory of China in accordance with relevant provisions and the Articles of Association, refer to publishing announcements in relevant newspapers and periodicals in China, and relevant newspapers shall be prescribed by the laws and administrative regulations of the People’s Republic of China or designated by the securities regulatory authority under the State Council; in respect of the announcements issued to the shareholders of foreign shares or the announcements that shall be issued in Hong Kong in accordance with relevant provisions and the Articles of Association, the announcements shall be published in designated newspapers and periodicals in Hong Kong in accordance with the requirements of the Listing Rules.

Article 273 The notice, data or written statement issued by the Company to the shareholders of the overseas listed foreign shares may be served in the manner prescribed in Article 248 of the Articles of Association.

Article 274 Notice of the meeting of the Shareholders’ Meeting shall be served to the shareholders of overseas listed foreign shares in accordance with the provisions of Article 248 of the Articles of Association and to the shareholders of domestic shares by announcement, hand, post, facsimile or e-mail.

Article 275 Notice of the meeting of the board of directors shall be served by hand, post, facsimile or e-mail.

Article 276 Notice of the meeting of the board of supervisors shall be served by hand, post, facsimile or e-mail.

Article 277 If a notice of the Company is sent by hand, it shall be signed (or sealed) by the person served on the service receipt, and the date of service of the delivered document shall be the date of service. If a notice of the Company is sent by post, the second business day from the date when it is sent to the postal office shall be the date of service; if a notice is made by way of public announcement, the date on which the notice is published shall be the date of service if a notice of the Company is sent by facsimile, the date when the announcement is published for the first time shall be the date of service; if a notice of the Company is sent by facsimile, the first business day after the date when it is sent shall be the date of service; if a notice of the Company is sent by e-mail, the first business day after the date when it is sent shall be the date of service.

Article 278 If, due to an accidental omission, the notice of a meeting is not served to the person who is entitled to get the notice or such person has not received the notice, the meeting and the resolutions reached at the meeting shall not be invalidated thereof.

CHAPTER 22 RESOLUTION OF DISPUTES

Article 279 The Company shall abide by the following principles for dispute resolution:

Article 163 of
the Mandatory
Provisions
Letter 11 of
Opinions Circular

- (1) Any disputes or claims (i) between the Company and the Directors or members of senior management; and (ii) between holders of foreign shares (including holders of overseas listed foreign shares and holders of non-listed foreign shares) and the Company, between holders of foreign shares (including holders of overseas listed foreign shares and holders of non-listed foreign shares) and the Directors, Supervisors, Manager or other members of senior management, and between holders of non-listed foreign shares and holders of non-listed foreign shares or holders of domestic shares, with respect to any rights or obligations by virtue of the Articles of Association, the Company Law, the Special Provisions and any rights or obligations conferred upon or imposed by any other relevant laws and administrative regulations concerning the affairs of the Company, shall be submitted to arbitration by the parties concerned. When the aforementioned dispute or claim of rights is submitted to arbitration, the entire claim or dispute shall be submitted to arbitration, and all persons whose causes of action were based on the same ground, giving rise to the dispute or claim or whose participation shall be necessary for the resolution of such dispute or claim, shall, where such person is the Company, the Company's shareholders, Directors, Supervisors, Manager, or other members of senior management of the Company, comply with the arbitration. Disputes with respect to the definition of shareholders and disputes concerning the register of shareholders need not be resolved by arbitration.
- (2) A claimant may select an arbitration to be administered either by the China International Economic and Trade Arbitration Commission in accordance with its Rules, or the Hong Kong International Arbitration Center in accordance with its Securities Arbitration Rules.

Once a claimant submits a dispute or claim of rights to arbitration, the other party must submit to the arbitration institution selected by the claimant.

If a claimant selects the Hong Kong International Arbitration Center as the arbitration institution, either party to the dispute or claim may apply for the arbitration venue to be in Shenzhen, in accordance with the Securities Arbitration Rules of the Hong Kong International Arbitration Center.
- (3) Unless laws and regulations specify otherwise, laws and regulations of China are applicable to arbitration of settling the dispute or claim for rights as described in Clause (1) above.
- (4) The award of the arbitration shall be conclusive and binding on all the parties.

CHAPTER 23 SUPPLEMENTARY PROVISIONS

Article 280 Unless otherwise provided in the Articles of Association, notices, data or written statements delivered to H shareholders of the Company shall be sent to each shareholder at the registered address of each shareholder of H shares (including addresses outside Hong Kong) by courier or by mail, and notices to H shareholders shall be sent in Hong Kong as much as possible.

Article 164 of
the Mandatory
Provisions

The newspapers for issuing announcements mentioned in the Articles of Association shall be those specified or required by the relevant laws, administrative regulations of China.

Article 281 For the purpose of the Articles of Association, references to the “accounting firm” shall bear the same meaning as the “auditor”.

Article 165 of
the Mandatory
Provisions

Article 282 The Articles of Association are prepared in both Chinese and English versions. In the case of any discrepancies between these versions, the Chinese version last approved by and registered with the Zhejiang Provincial Administration of Industry and Commerce shall prevail.

Article 283 The right of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company. Any matters unspecified in the Articles of Association shall be submitted by the Board of Directors of the Company to shareholders at the Shareholders’ Meeting for approval.

Article 284 References to “over”, “within” and “no more than” in the Articles of Association include the relevant figures themselves, and References to “exceed”, “less than” and “except” do not include the relevant figures themselves.