

SHENZHEN EXPRESSWAY COMPANY LIMITED



ARTICLES OF ASSOCIATION

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(Passed by special resolution at
the Third Extraordinary General Meeting 2018
held on 13rd November 2018)

* Note: This document is originally prepared in Chinese and this English version is for reference only. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.



Chapter 1 General Provisions

Article 1 In order to protect the legal rights of the Company, the shareholders and the creditors, to regulate the organisations and conducts of Shenzhen Expressway Company Limited (the "Company"), these Articles of Association is formulated in accordance with the Company Law of the Peoples' Republic of China (the " Company Law"), the Securities Law of the Peoples' Republic of China (the "Security Law"), the Special Regulations of the State Council on the Offer of Shares and Listing of Joint Stock Limited Companies Outside the PRC (the "Special Regulations") and other relevant regulations.

Article 2 Pursuant to the Constitution of the Communist Party of China (《中國共產黨章程》) (the "Party Constitution"), the Company Law and other relevant regulations, the Company should establish an organization under the Communist Party of China (the "Party") to set up working institution for the Party, assign working staff for Party affairs, and to commence activities of the Party. The establishment of the Party organization and the staff arrangement shall be included under the Company's administrative organs and arrangement. The Company shall include expenses of the Party organization in the Company's budget, which will be credited as the Company's management fee.

Article 3 The Company is a joint stock limited company established in accordance with the Company Law, the Special Regulations and other relevant laws, regulations of the State.

The Company, as approved under the document "Ti Gai Sheng" [1996] 185 of the State Commission for Restructuring the Economic System, was established by way of promotion by 3 companies, registered with the Administration for Industry and Commerce of Shenzhen Municipality on 30 December 1996 and obtained the business licence of the Company, the business licence number: Shen Si Zi N23624.

The promoters of the Company are Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited), Shenzhen Shen Guang Hui Highway Development Company and Guangdong Roads & Bridges Construction Development Company Limited (currently known as Guangdong Roads and Bridges Construction Development Company).

Article 4 The registered Chinese name of the Company is: 深圳高速公路股份有限公司

English name: SHENZHEN EXPRESSWAY COMPANY LIMITED

Address: Fumin Toll Station, Fucheng Street, Longhua District, Shenzhen, the People's Republic of China

Postal code: 518110

Telephone No.: (86-755) 82853300

Facsimile: (86-755) 82853400

Article 5 All of the Company's assets are divided by equal shares. Shareholders are liable to the liabilities of the Company to the extent of the shares subscribed by them, whereas the Company is liable to the liabilities of the Company out of all the assets of the Company.



Unless otherwise provided in these Articles of Association, the shareholders of the Company, including the shareholders of domestic shares and foreign shares as mentioned in Article 18, shall enjoy equal rights and undertake equal obligations.

Article 6 The chairman of the board of directors shall be the legal representative of the Company.

Article 7 The Company is a perpetually existing joint stock limited company.

Article 8 Unless otherwise provided in the Company Law or other relevant laws and regulations, the provisions in these Articles of Association in accordance with the requirements of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People's Republic of China shall not be amended or repealed.

Article 9 These Articles of Association were passed by special resolution at the shareholders' general meeting of the Company and shall become effective upon approval of the examining and approving authorities of companies authorised by the State Council and registration with the Administration for Industry and Commerce and these Articles of Association and shall entirely replace these Articles of Association of the Company originally registered with the Administration for Industry and Commerce. From the effective date of these Articles of Association, these Articles of Association shall be a legally binding document which regulates the organisations and conducts of the Company, the rights and obligations between the Company and the shareholders and among the shareholders.

Article 10 These Articles of Association shall be binding on the Company, its shareholders, directors, supervisors, presidents and other senior management. All persons mentioned above may claim rights relating to the affairs of the Company in accordance with these Articles of Association.

In accordance with these Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against other shareholders; shareholders may also institute legal proceedings against directors, supervisors, managers and other senior management of the Company.

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

Article 11 Other senior management referred to in these Articles of Association shall include the vice presidents, financial controller, chief engineer, secretary to the board of directors and any person designated or confirmed by the board of directors as the board of directors shall deem necessary from time to time.

Article 12 The Company may invest in other companies with limited liability and joint stock limited liability companies and its liabilities therefor shall be limited to the amount of the capital contribution invested in that company. The Company shall not be the shareholder with unlimited liability of other profit-making organisations.



Chapter 2 Business Objects and Business Scope

- Article 13 The business objectives of the Company are: insisting on market-orientation, utilising the capital market and various resources efficiently, depending on the expressway industry, broadening the business of relevant sectors, ensuring the continued and stable development of the Company, allowing the employees to share the achievement of the development of the Company, realising the reasonable return of the shareholders' investment.
- Article 14 The business scope of the Company shall be the items as approved by the company registration authorities. The business scope of the Company includes investment, construction and management of expressways and roads, operation of import and export business (in accordance with qualification certificate).
- Article 15 Pursuant to the trends in domestic and international markets, its business development requirements both in China and overseas and the development capability of the Company, the Company may make amendments in respect of the policies of investment, its scope of business and form of operation, after approval has been granted by the resolutions in shareholders' meeting and by the relevant government authorities.

Chapter 3 Shares and Registered Capital

- Article 16 The Company shall provide for ordinary shares at all times; pursuant to its requirements and upon the approval granted by the examining and approving authorities of companies authorised by the State Council, the Company may create other classes of shares.
- Article 17 The shares issued by the Company shall have a par value of RMB1 yuan per share.
- Article 18 The Company may issue shares to domestic investors and overseas investors upon the approval granted by the securities supervisory authorities under the State Council.
- Overseas investors referred to in the preceding paragraph shall mean investors in foreign countries and Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company; domestic investors shall mean investors within the People's Republic of China other than the aforesaid regions who subscribe for shares issued by the Company.
- Article 19 The shares issued by the Company to domestic investors and subscribed for in Renminbi shall be called domestic shares. The shares issued by the Company to overseas investors and subscribed for in foreign currencies shall be called foreign shares. Those foreign shares which are listed outside the PRC shall be called overseas listed foreign shares. H Shares refer to those foreign shares listed on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") and subscribed for and traded in Hong Kong dollars.
- Article 20 Upon the approval of the examining and approving authorities of companies authorised by the State Council, the total number of the ordinary shares issued on the incorporation of the Company is 1,268,200,000 shares, which are subscribed by the three promoters in the form of asset injection (including relevant liabilities). 745,780,000 shares were held by Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen))

Company Limited), 457,780,000 shares were held by Shenzhen Shen Guang Hui Highway Development Company and 64,640,000 shares were held by Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited), the abovementioned shares are domestic shares.

On 2 November 2000, in accordance with the approvals of the relevant Ministry of the State, one of the promoters of the Company, Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) and Huajian Transportation and Economic Development Centre (currently known as China Merchants Hua Jian Highway Investment Co., Ltd.) entered into an agreement for transferring 91,000,000 shares to Huajian Transportation and Economic Development Centre (currently known as China Merchants Hua Jian Highway Investment Co., Ltd.).

The Company issued 912,570,326 ordinary shares after the establishment of the Company, where there are 747,500,000 foreign shares listed on the Hong Kong Stock Exchange and 165,070,326 domestic shares listed on the Shanghai Stock Exchange ("SSE").

The structure of the capital shares of the Company is 2,180,770,326 ordinary shares, where the promoter Shenzhen Freeway Development Company (currently known as Xin Tong Chan Development (Shenzhen) Company Limited) holds 654,780,000 shares, Shenzhen Shen Guang Hui Highway Development Company holds 411,459,887 shares and Guangdong Roads & Bridges Construction Development Company (currently known as Guangdong Roads & Bridges Construction Development Company Limited) holds 61,948,790 shares, Huajian Transportation and Economic Development Centre (currently known as China Merchants Hua Jian Highway Investment Co., Ltd.) which is the transferee of the promoter's shares holds 87,211,323 shares, other holders of domestic shares hold 217,870,326 shares, and the holders of H shares hold 747,500,000 shares.

Article 21 Upon the approval of the Company's plan to issue overseas listed foreign shares and domestic shares by the securities supervisory authorities of the State Council, the board of directors of the Company may arrange for the issue of such shares.

The Company's plan to issue overseas listed foreign shares and domestic shares pursuant to the preceding article shall be carried out respectively within 15 months from the date of approval by the securities supervisory and administrative authorities of the State Council.

Article 22 The issue of overseas listed foreign shares and domestic shares within the total number of shares determined under the plan of issue shall respectively be issued and subscribed for in one issue; if this cannot be achieved due to exceptional circumstances, the same may upon the approval of the securities supervisory and administrative authorities of the State Council be issued in separate issues.

Article 23 The registered capital of the Company is RMB2,180,770,326.

Article 24 The Company may increase its capital in accordance with relevant provisions of these Articles of Association in view of the operational and development requirements of the Company.



The Company may increase its capital in the following manners:

1. offer of new shares to unspecified investors;
2. placement of new shares to the existing shareholders;
3. bonus issues of new shares to the existing shareholders;
4. other methods as permitted by laws and regulations.

Upon the approval thereof under the provisions of these Articles of Association, the increase of capital of the Company by way of issuing new shares shall be carried out pursuant to the procedures provided by relevant laws and regulations of the State.

Article 25 Unless otherwise provided by laws and regulations, the shares of the Company shall be freely transferable and free from any lien. No transfer shall be made to an infant or a person of unsound mind or under other legal disability disqualifying such person to be a shareholder of the Company.

The promoters shall not transfer the shares they held within one year since the establishment of the Company. The shares issued prior to the public offer of the Company shall not be transferred within one year since the date when the shares of the Company were listed and traded on the stock exchange.

The Company shall not accept the pledge of its own shares as security.

Directors, supervisors and other senior management of the Company shall report to the Company their shareholdings in the Company and their changes and shall not transfer more than 25% of the total number of shares held by them each year during their terms of service. The shares held by them shall not be transferred within one year from the date when the shares of the Company were listed and traded. The aforesaid personnel shall not transfer their shares in the Company within the half year from the date of departure from their office. Any gains from sale of shares by the directors, supervisors and other senior management of the Company within six months after purchase of the same, and any gains from the purchase of the shares within six months after sale of the same shall be forfeited to the Company and the board of directors of the Company shall recoup the gains.

Chapter 4 Capital Reduction and Repurchase of Shares

Article 26 The Company may reduce its registered capital in accordance with the stipulations of these Articles of Association.

Article 27 Upon the reduction of registered capital, the Company shall prepare a balance sheet and list of assets.

The Company shall notify its creditors within 10 days from the date the resolution for the reduction of capital has been passed and shall publish a notice at least three times in a newspaper within 30 days thereof. The creditors who have received such notice shall, within 30 days thereof, and those creditors who have not received such notice shall within 90 days from the date the notice is first published, be entitled to request the Company to settle the



liabilities or to provide corresponding guarantees on the liabilities thereof.

The registered capital of the Company after the reduction of capital shall not fall below the minimum amount required by law.

Upon reduction of registered capital, the Company shall apply to the company registration authorities to register such changes in accordance with the law.

Article 28 The Company may repurchase its issued shares in accordance with the procedures provided by these Articles of Association after the same having been approved by the relevant supervisory authorities of the PRC in the following circumstances:

1. cancellation of shares for the purpose of reduction of capital of the Company;
2. merger with other companies which hold shares of the Company;
3. other circumstances permitted by laws and regulations.

Article 29 The Company may repurchase its shares upon the approval granted by the relevant supervisory authorities of the PRC in any one of the following manners:

1. to make a repurchase offer to all shareholders in equal proportion to their shareholdings;
2. to repurchase the shares in open trading on a recognised stock exchange;
3. to repurchase the shares by way of agreement other than through a recognised stock exchange;
4. other manners as specified by relevant supervising authorities.

Article 30 Otherwise provided in the laws and regulations, prior approval of shareholders in general meeting in accordance with the provisions of these Articles of Association is required for the repurchase of the Company's shares.

Where the Company repurchases the shares by way of off-market agreements, upon the same prior approval of shareholders in general meeting, the Company may terminate the agreement or modify the agreement, or give up any rights of the agreement. Regarding the repurchase of shares by the Company pursuant to paragraph 1 or 2 of Article 29 of these Articles of Association, the repurchase price shall be limited to the highest price.

The agreement for repurchase of shares referred to in the preceding paragraph shall include but not limited to the agreements relating to the assumption of obligations to repurchase shares and the acquisition of rights to acquire repurchased shares.

The Company shall not assign an agreement for the repurchase of its shares or any of the rights provided therein.

Article 31 The Company shall cancel the shares repurchased within the prescribed time limit under laws and regulations and shall apply to the original company registration authorities for the registration of the alteration of its registered capital.

The registered capital of the Company shall be reduced by the same amount as the total nominal value of the shares so cancelled.



- Article 32 Unless the Company is in liquidation, the repurchase of issued shares by the Company shall be subject to the following provisions:
1. for those shares repurchased at par value, the amount thereof shall be deducted from the balance of the distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares;
 2. for those shares repurchased at a value higher than the par value, the amount equivalent to the par value thereof shall be deducted from the balance of the distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; the exceeding part shall be treated in the following manners:
 - (1) for those repurchased shares which were issued at par value, it shall be deducted from the balance of distributable profits as shown on the accounts of the Company;
 - (2) for those repurchased shares which were issued in excess of the par value, it shall be deducted from the balance of distributable profits as shown on the accounts of the Company or from the proceeds of the issue of new shares for the purpose of repurchasing the old shares; however, the amount deducted from the proceeds of the issue of new shares shall not exceed the total premium received from the issue of such repurchased shares, nor shall it exceed the amount in the Company's premium account at the time of such repurchase (including the amount of premium from the issue of new shares);
 3. The payments made by the Company for the following purposes shall be paid out of the distributable profits of the Company:
 - (1) obtaining rights to repurchase its shares;
 - (2) alteration of any agreement for repurchase of its shares;
 - (3) discharging its obligations under the repurchase agreement.
 4. After the total number of shares has been so repurchased and cancelled through the reduction of the registered capital of the Company pursuant to the relevant provisions, the amount which has been deducted from the distributable profits and which has been used for repurchasing the nominal value of the shares shall be credited to the capital reserve fund account of the Company.

Chapter 5 Financial Assistance for the Purchase of the Company's Shares

- Article 33 The Company or its subsidiaries shall not, at any time or in any manner, provide any financial assistance to any person who acquires or intends to acquire the shares of the Company. The person who acquires the shares of the Company as aforesaid includes the person who assumes, directly or indirectly, obligations as a result of the purchase of the shares of the Company.

The Company or its subsidiaries shall not, at any time or in any manner, provide financial assistance to reduce or discharge a person who assumes such obligations as aforesaid from such obligations.

This Article shall not apply to circumstances as described in Article 35 of this Chapter.



Article 34 Financial assistance referred to in this Chapter shall include but not limited to the following forms:

1. gifts;
2. guarantees (including the assumption of obligations by the guarantor or the offering of property by the guarantor to secure the performance of obligations by the obligor), compensation (excluding the compensation arising out of the Company's default), discharge or waiver of rights;
3. provisions of loans or entering into contracts in which the Company has to perform obligations prior to the performance of the other party, changes to loans or to the contracting parties and the assignment of the rights of such loans or contracts;
4. any other forms of financial assistance given by the Company when the Company is unable to pay its debts or has no net assets or when its net assets would be reduced to a material extent.

The obligations referred to in this Chapter shall include the obligations assumed by the obligor due to concluding a contract or making an arrangement (whether such contract or arrangement is enforceable or such obligation undertaken by the obligor individually or jointly with other person) or the obligations undertaken due to the change of financial conditions changed pursuant to any other means.

Article 35 The following acts are not prohibited by the provisions of Article 33 of this Chapter:

1. the granting of relevant financial assistance by the Company where the same is given in good faith in the interests of the Company and the principal purpose of granting such assistance is not for the purchase of the Company's shares, or the assistance so granted is only an incidental part of a certain master plan of the Company;
2. the distribution by the Company of its assets by way of dividends declared in accordance with law;
3. the distribution of dividends by way of bonus shares;
4. reduction of registered capital, repurchase of shares of the Company and restructuring of the shareholding structure in accordance with these Articles of Association;
5. provision of loans by the Company in its normal course of business which falls within its scope of business (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company);
6. provision of funds by the Company for the employee share scheme (but the net assets of the Company shall not be thereby reduced, or if reduced, the said financial assistance shall be made out of the distributable profits of the Company).

Chapter 6 Share Certificates and Register of Shareholders

Article 36 Share certificates are evidence of the shares held by shareholders signed and issued by the Company. The Company shall issue share certificates in book entry form or physical form in accordance with the requirements of the relevant governments and authorities in the locality of issue and listing of the Company's shares.



Article 37 The shares of the Company shall be in registered form. The particulars to be set out in the share certificates of the Company shall, in addition to those required by the Company Law, include other particulars which are required to be included by the stock exchanges where the shares of the Company are listed.

Article 38 Share certificates shall be signed by the chairman of the board of directors. If the stock exchange on which the shares of the Company are listed shall require other senior management to sign thereon, such other senior management so required shall also sign on such certificates. The share certificates shall come into effect upon the seal of the Company having been affixed thereto or being affixed thereto in a printed form. The affixing of the company seal upon the share certificate shall be authorised by the board of directors. The signatures of the chairman of the board of directors or other relevant senior management of the Company on the share certificates may also be made in a printed form.

Article 39 The Company shall have a special securities seal in Hong Kong to be used for authenticating H share certificates. H share certificates issued by the Company shall be authorised by the board of directors and they shall come into effect once they are signed personally by the chairman of the board of directors or in a printed form and affixed with the special securities seal of the Company. The Company shall properly keep the special securities seal of the Company which shall not be used without the prior authorisation of the board of directors.

Article 40 The Company shall have a register of shareholders to register the following particulars:

1. the name (description), address (domicile), occupation or nature (in case of legal person) of each shareholder;
2. class and number of shares held by each shareholder;
3. the amount paid or payable for the shares held by each shareholder;
4. the serial number of the shares held by each shareholder;
5. the date when each shareholder is registered as a shareholder;
6. the date when each shareholder ceased to be a shareholder.

Unless proved to the contrary, the register of shareholders shall be conclusive evidence of the holding of shares by a shareholder.

Article 41 The Company may, in accordance with the mutual understanding and agreements between the securities authority of the State Council and a securities regulatory organisation outside the PRC, maintain outside the PRC the register of shareholders of overseas listed foreign shares and appoint agent(s) outside the PRC to manage the share register. The share register of H Shares shall be maintained in Hong Kong.

A duplicate of the share register shall be maintained at the Company's domicile. The appointed agent(s) outside the PRC shall ensure the consistency of the original and the duplicate of the share register.

If there is any inconsistency of the original and the duplicate of the share register, the original shall prevail.

The Company shall maintain and manage the register of domestic shareholders in accordance with the relevant requirements of the China Securities Regulatory Commission (the "CSRC"), SSE and the Shanghai Branch of China Securities Depository & Clearing Corporation Limited.

Article 42 The Company shall keep a complete register of shareholders.

The register of shareholders shall contain the following parts:

1. the register of shareholders which is kept at the Company's domicile, other than those provided in paragraphs 2 and 3 of this Article;
2. the register of shareholders of the Company's overseas listed foreign shares, the original of which is kept in the locality where the shares are listed;
3. the register of shareholders which is kept at other place(s) as the board of directors deems necessary for listing of the shares of the Company.

Article 43 The various parts of the register of shareholders shall not overlap one another. During the process of the registration of shares in one part of the register, no transfer of such shares shall be registered in the other part of the register.

The holders of H shares shall transfer the shares by the instrument of transfer of general standard or other forms accepted by the board of directors. Such instrument can be signed by hand, and where the transferor or transferee is the clearing house or its nominee which is recognised by the Securities and Futures Ordinance (the Cap 571 of the laws of Hong Kong), such instrument of transfer can be signed under hand or by machine-printed signature. All instrument of transfer shall be kept at the Company's domicile or the address appointed by the board of directors from time to time.

The paid-up H shares may be freely transferred in accordance with these Articles of Association; but the board of directors may refuse to accept any instrument of transfer, without stating any reasons, unless the following conditions are fulfilled:

1. the transfer fee determined by the Hong Kong Stock Exchange or the transfer fee of a lesser amount as may be requested by the board of directors in some other instances has been paid;
2. the instrument of transfer only involves H shares;
3. the stamp duty payable on the instrument of transfer has been paid;
4. if the shares are to be transferred to joint holders, the number of joint holders shall not exceed four;
5. the relevant share certificates together with the evidence to show that the transferor is entitled to transfer the shares as reasonably required by the board of directors are produced; and
6. the relevant shares shall be free of lien of the Company.

Changes or rectification of each part of the register of shareholders shall be carried out in accordance with the laws of the place where such part of the register of shareholders is kept.

Article 44 Within 30 days prior to a shareholders' general meeting or within 5 days prior to the record date on which basis the Company has decided to distribute dividends, no entry shall be made to the register of shareholders to record any changes resulting from any share transfer.



Article 45 In the event that the Company convenes a shareholders' general meeting, distributes dividends, enters into liquidation or carries out other activities necessary for the ascertainment of shareholding, the board of directors shall fix a day for ascertainment of the shareholding and those shareholders who remain on the register upon the close of such day shall be the shareholders of the Company.

Article 46 Any person who disputes the register of shareholders and requests to have his/her name (description) registered thereon, or requests to have his/her name (description) removed therefrom may apply to the court of law having jurisdiction to rectify the register of shareholders.

Article 47 If any shareholder whose name has been registered in the register of shareholders or any person who requests to have his/her name (description) entered into the register of shareholders has lost his/her share certificate(s) ("Original Certificate(s)"), he/she may apply to the Company for the issue of (a) replacement certificate(s) in respect of such shares ("Relevant Shares").

In respect of the loss of certificate(s) by holders of domestic shares, the replacement certificate(s) shall be applied in accordance with relevant requirement under the Company Law.

In respect of the loss of certificate(s) by holders of overseas listed foreign shares, application for replacement shall be made in accordance with the laws, rules of the stock exchange or other relevant provisions of the place where the original register of holders of overseas listed foreign shares is kept.

For applications for replacement of lost share certificate(s) relating to H shares, the replacement of such certificate(s) shall be subject to the following requirements:

1. Applicants shall submit an application in standard form prescribed by the Company together with a notarial certificate or statutory declaration. The notarial certificate or statutory declaration shall include the reason for the application made by the applicant, the circumstances under which the share certificate(s) was/were lost with supporting evidence and a declaration that no other persons may request to be registered as a shareholder in respect of the Relevant Shares.
2. The Company shall not have received any declaration from any person other than the applicant requesting registration as the shareholder of such shares prior to the decision of the Company to issue (a) replacement share certificate(s).
3. If the Company decides to issue (a) replacement share certificate(s) to the applicant, an announcement of the issue of replacement share certificate(s) shall be published in the newspapers designated by the board of directors; the period for such announcement shall be 90 days and such announcement shall be published at least once every 30 days during such period.
4. Prior to publishing the announcement of the issue of (a) replacement certificate(s), the Company shall prepare and submit a copy of such announcement to be published to the stock exchange on which it is listed and the announcement may be published immediately upon the reply of such stock exchange confirming that such announcement has been published at the stock exchange. The period for the display of such announcement at the stock exchange shall be 90 days.



If the consent to the application for (a) replacement certificate(s) has not been obtained from the registered shareholder of the relevant shares, the Company shall send to such shareholder by post a copy of such announcement to be published.

5. Upon the expiry of the 90-day period for the publication and display of the said announcement as provided in paragraphs 3 and 4 of this Article and no objection being received by the Company from any person to the replacement of such certificate(s), (a) replacement share certificate(s) shall be issued pursuant to the applicant's application.
6. When issuing (a) replacement share certificate(s) pursuant to this Article, the Company shall immediately cancel the original certificate(s) and such cancellation and replacement shall be registered in the register of shareholders.
7. All costs incurred by the Company in connection with the cancellation of the original certificates and issuing replacement share certificates shall be borne by the applicant. Unless the applicant provides reasonable security, the Company shall be entitled to refuse to take any action.

Article 48 Upon the issuance by the Company of (a) replacement share certificate(s) pursuant to the provisions of these Articles of Association, the name (description) of a bona fide purchaser who acquired the new share certificate(s) aforesaid or a shareholder who is subsequently registered as the owner of such shares (if a bona fide purchaser) shall not be removed from the register of shareholders.

Article 49 The Company shall assume no liability for any loss suffered by any person as a result of the cancellation of the original certificates or the issuance of replacement share certificates, unless such claimant can prove any fraudulent acts on part of the Company.

Chapter 7 Rights and Obligations of Shareholders

Article 50 A shareholder of the Company is a holder of share(s) of the Company in accordance with relevant laws and whose name (description) is entered in the register of shareholders.

A shareholder shall have rights and shall undertake the obligations in accordance with the class and the number of shares held by him/her; the shareholders of the same class of shares shall have the same rights and shall undertake the same obligations.

Article 51 A holder of ordinary shares of the Company shall enjoy the following rights:

1. to receive dividends and other forms of profit distribution in accordance with the number of shares he/she holds;
2. to require to convene, hold, preside, attend and to vote at shareholders' general meetings in person or by proxy in accordance with laws;
3. to supervise and manage the business and operational activities of the Company, and to make proposals or enquiries in relation thereto;
4. to transfer, donate or pledge shares in accordance with laws and regulations and the provisions of these Articles of Association;
5. to receive information in accordance with provisions of these Articles of Association, including:
 - (1) these Articles of Association upon payment of the cost thereof;



- (2) upon payment of reasonable charges, be entitled to inspect and copy in accordance with laws:
 - (a) all parts of the register of shareholders and the stubs of the debentures of the Company;
 - (b) personal particulars of the directors, supervisors, presidents and other senior management of the Company, including: present and former names and aliases, principal address (residence), nationality, full-time occupation and all other part-time occupations or positions, and identification document and the number thereof.
 - (c) the share capital of the Company;
 - (d) a report on the total nominal value, number, highest and lowest prices and all payments made by the Company in respect of each class of its shares repurchased since the last accounting year;
 - (e) minutes of shareholders' meetings, the resolutions of the board of directors' meetings, the resolutions of the supervisory committee's meetings and the financial statement.
6. to participate in the distribution of the remaining assets in accordance with the number of shares held upon the dissolution or liquidation of the Company;
7. the shareholder who holds the objection opinion to the resolution of merger or division passed in the shareholders' general meeting can require the Company to acquire his/her shares;
8. other rights conferred by laws and regulations and these Articles of Association.

When shareholders request to inspect the relevant information or to obtain materials as mentioned in this Article they shall provide the Company with written proof in relation to the class and number of shares of the Company held by them. The Company shall satisfy such requests upon verification of their identities as shareholders.

Article 52 A holder of ordinary share(s) of the Company shall undertake the following obligations:

1. to observe these Articles of Association;
2. to pay for the subscription price in accordance with the number of shares subscribed and the manner of subscription;
3. other obligations to be undertaken as provided by laws and regulations and these Articles of Association.

Except for the terms agreed by the share subscriber at the time of share subscription, a shareholder shall not be liable for any subsequent increase of capital.

Article 53 The shareholders of the Company shall not abuse their shareholders' rights to damage the interests of the Company or other shareholders, or to take advantage of the Company's independent status or the limited liability of shareholders to damage the interests of the Company's creditors.



Where the abuse of shareholders' rights causes any loss to the Company or other shareholders, such abusive shareholder shall be liable for compensation in accordance with the law. Where shareholders of the Company take advantage of the Company's independent status or the limited liability of shareholders to disregard debts and seriously damage the interests of the Company's creditors, such shareholders shall bear joint and several liability for the debts of the Company.

Article 54 Where the shareholder who holds more than 5% of the Company's shares vested with voting rights pledges his/her shares, such shareholder shall report to the Company regarding to the pledge since the date of the pledge.

Article 55 Save for the obligations required under the laws and regulations or the listing rules of a recognised stock exchange on which the shares of the Company are listed, in exercising its rights as a shareholder, a controlling shareholder shall not exercise his/her voting rights to make the following decisions which would prejudice the interests of all or some of the shareholders:

1. to exempt the directors or supervisors from the obligation to act in good faith in the best interests of the Company;
2. to authorise the directors or supervisors (in the interests of himself/herself or themselves or other persons) to deprive the Company in any manner of its assets, including but not limited to any opportunities beneficial to the Company;
3. to authorise the directors or supervisors (in the interests of himself/herself or themselves or other persons) to deprive the personal rights of other shareholders, including but not limited to any entitlement to distribution or voting rights but excluding a reorganisation of the Company submitted to and passed at a shareholders' general meeting pursuant to these Articles of Association.

Article 56 Controlling shareholders and de facto controllers of the Company shall not prejudice the Company's interests through their connected relationship with the Company. If they violate the stipulations and cause damages to the Company, they shall be liable to pay compensations.

The controlling shareholders of the Company and de facto controllers of the Company shall have fiduciary duties towards the Company and other shareholders of the Company. The controlling shareholders shall exercise their rights as investors strictly in accordance with the laws and shall not make use of connected transaction, profit distribution, assets restructuring, external investment, use of capital, loan and guarantee, etc., which may be prejudicial to the lawful rights of the Company and other shareholders. The controlling shareholders shall not use their privileged position to cause damage to the interests of the Company and other shareholders.

For the transactions involving capital, goods, services, guarantees or other assets between the controlling shareholders or de facto controllers and the connected parties, the Company shall proceed with the decision-making process in strict compliance with relevant requirements and system in relation to connected transactions and adopt effective measures to proactively prevent the controlling shareholders, de facto controllers and their connected parties from misappropriation of the Company's funds and prejudice to the Company's interests. The Company shall establish a mechanism of "freezing upon misappropriation" for the shares held by the controlling shareholders. Directors, supervisors and senior management of the Company have obligations to safeguard the safety of the Company's funds and uphold the Company's interests.



- Article 57 The controlling shareholder referred to in the preceding Article shall mean a person who meets one of the following conditions:
1. such person alone, or acting in concert with others, may elect half or more of the directors;
 2. such person alone, or acting in concert with others, may exercise 30 per cent or more of the voting rights of the Company or control the exercise of 30 per cent or more of the voting rights of the Company;
 3. such person alone, or acting in concert with others, may hold 30 per cent or more of the issued shares of the Company;
 4. such person alone, or acting in concert with others, may have de facto control of the Company in any other way.

Chapter 8 Shareholders' General Meetings

- Article 58 The shareholders' general meeting is the body conferring authority on the Company and it shall perform its functions in accordance with relevant laws.

- Article 59 The shareholders' general meeting shall exercise the following powers:
1. to determine the business policies and investment plans of the Company;
 2. to elect and replace directors and to determine the remuneration of the directors;
 3. to elect and replace supervisors who represent the shareholders and to determine the remuneration in respect of such supervisors;
 4. to examine and approve the report of the board of directors;
 5. to examine and approve the report of the supervisory committee;
 6. to examine and approve the annual financial budgets and final accounts of the Company;
 7. to examine and approve the plans for profit distribution and making up of losses of the Company;
 8. to adopt resolutions relating to increase or reduction in the registered capital of the Company;
 9. to adopt resolutions on matters such as merger, division, dissolution and liquidation or change of nature of the Company;
 10. to adopt resolutions on the issue of debentures by the Company;
 11. to resolve on the appointment, dismissal or discontinuance of the accounting firm of the Company;
 12. to amend these Articles of Association;
 13. to examine any motion put forward by shareholders representing in aggregate 3 per cent or more of the voting rights of the Company;
 14. to consider and approve the provisions of guarantee which are required in the Listing Rules and these Articles of Association to be approved in shareholders' general meetings;
 15. to consider and approve the acquisition or disposal of material assets which are required in the Listing Rules and these Articles of Association to be approved in shareholders' general meetings;



16. to consider and approve the change of the use of proceeds from fund raising;
17. consider and approve the share option incentive scheme;
18. other matters to be resolved at shareholders' general meeting in accordance with the requirements of laws and regulations and these Articles of Association.

Article 60 The following external guarantees provided by the Company shall be considered and approved by the shareholders' general meeting:

1. any guarantees granted for, where the total amount of external guarantees provided by the Company and its controlling subsidiaries equivalent to 50% or more of the latest audited net assets;
2. any guarantees granted for, where the total amount of external guarantees of the Company equivalent to 30% or more of the latest audited total assets;
3. guarantees provided to a guaranteed party whose debt-to-asset ratio exceeding 70%;
4. a single guarantee which guaranteed amount exceeding 10% of the latest audited net assets;
5. guarantees provided to shareholders, de facto controllers of the Company and their related parties.

Any guarantee provided by the Company shall be counter-guaranteed by the other party and such person shall have actual ability to pay for such counter-guarantee.

Article 61 Except the Company is in a crisis, without the prior approval of special resolution of the shareholders' general meeting, the Company shall not enter into any contract with persons other than a director, supervisor, president or other senior management for the delegation of the management of all or material parts of the business of the Company to such person(s).

Article 62 Shareholders' general meetings shall be classified as annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the board of directors. Annual general meetings shall be convened once every year and be held within six months after the end of the last financial year.

Upon the occurrence of any of the following events, the board of directors shall convene an extraordinary general meeting within two months thereof:

1. the number of directors falls below the number specified under the Company Law or less than two-thirds of the number required by these Articles of Association;
2. the losses of the Company which have not been made up amount to one-third of the total share capital of the Company;
3. shareholders holding an aggregate of 10 per cent or more of the issued voting shares of the Company request in writing to convene an extraordinary general meeting;
4. whenever the board of directors considers it necessary or the supervisory committee proposes to convene the same;
5. when more than one half of the independent non-executive directors (the "independent directors") propose to convene the same.



Article 63 A shareholders' general meeting shall be convened by a written notice to the shareholders registered in the register of shareholders 45 days prior to the meeting specifying the matters to be considered and the time and place of the meeting to be held. Shareholders who intend to attend the shareholders' general meeting shall deliver to the Company a written reply 20 days before the date of the meeting.

Article 64 When the Company convenes an annual general meeting, shareholder(s) who holds in aggregate 3 per cent or more of the voting shares of the Company or the supervisory committee shall be entitled to propose new motions in writing to the Company. The contents of the motions shall be within the scope of power of the shareholders' general meetings, include a clear subject and specific matters to be resolved and comply with the laws and regulations, and relevant requirements in these Articles of Association. The Company shall include those motions falling within the scope of responsibility of the shareholders' general meeting into the agenda of such meeting.

Article 65 Based on the written replies received 20 days prior to the shareholders' general meeting, the Company shall calculate the number of voting shares held by those shareholders who intend to attend the meeting. If the number of voting shares held by those shareholders who intend to attend the meeting is more than one half of the total number of voting shares of the Company, the Company may convene a shareholders' general meeting; otherwise, the Company shall within 5 days thereof give notice again to the shareholders specifying the matters to be transacted and the date and place of the meeting by way of an announcement. After giving such notice, the Company may convene the shareholders' general meeting.

No other business other than that specified in the notice of meeting shall be decided at the extraordinary general meeting.

Article 66 A notice of shareholders' general meeting shall meet the following requirements:

1. it shall be in writing;
2. it shall specify the place, the date and the time of the meeting;
3. it shall state the business to be discussed at the meeting;
4. it shall provide the shareholders with necessary information and explanation so as to enable the shareholders to make a wise decision on the business to be discussed, which shall include (but not limited to) the provision of specific terms and contract (if any) of the proposed transaction together with an earnest explanation of the causes and consequences thereof when the Company proposes a merger, repurchase of its shares, a restructuring of share capital or other form of reorganisation;
5. if any of the directors, supervisors, president and other senior management is materially interested in matters to be discussed, he/she shall disclose the nature and the extent of such interest; if the effect of the matters to be discussed on such director, supervisor, president or senior management as a shareholder differs from other shareholders of the same class, such differences shall be specified;
6. it shall contain the full text of any special resolution proposed to be passed at the meeting;
7. it shall prominently specify in writing that the shareholders entitled to attend and vote at



the meeting shall have the right to appoint one or more than one proxy to attend the meeting in his/her stead and to vote thereat and the proxy or proxies need not be a shareholder;

8. it shall specify the time and place for the delivery of the instrument for appointing proxy to vote at the meeting;
9. it shall specify the record date for shareholders who are entitled to attend in the shareholders' general meeting.

Article 67 Notice of shareholders' general meeting shall be sent to the shareholders (whether vested with voting rights at the shareholders' general meeting or not) by personal delivery or by prepaid post at the address recorded in the register of shareholders. In respect of holders of domestic shares, notice of shareholders' general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published 45 days prior to the date of the meeting in one or several newspapers designated by the securities supervisory authorities of the State Council. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the shareholders' meeting.

Article 68 All shareholders whose names appear in the register of shareholders at the record date and their proxies are entitled to attend the shareholders' general meeting, and exercise voting rights pursuant to the relevant laws and regulations and these Articles of Association.

Any shareholder who is entitled to attend a shareholders' meeting and to vote thereat shall have the right to appoint a person or several persons (whether a shareholder or not) as his/her proxies to attend the meeting and vote thereat on his/her behalf. Such proxy or proxies may exercise the following rights pursuant to the appointment made by the appointing shareholder:

1. the right of such shareholder to speak at the shareholders' general meeting;
2. to demand for a poll by himself/herself or jointly with others;
3. to exercise the right to vote by a show of hands or by poll; however, if there are more than one proxy appointed, such proxies shall only exercise the right to vote on a poll.

Article 69 A shareholder shall appoint his/her proxy in writing and signed by the appointor or an attorney authorised by him/her for such purpose in writing; if the appointor is a legal person, the same shall be affixed with the seal of such legal person, or signed by its directors or a duly authorised representative.

Article 70 An instrument appointing a proxy shall be deposited at least 24 hours prior to the commencement of the relevant meeting at which the proxy is appointed to vote or 24 hours before the time appointed for voting at the registered address of the Company or such other place as the notice of meeting may specify. If the instrument appointing a proxy has been signed by a person authorised by the appointor, the power of attorney or other instruments of authorisation shall be notarised. The power of attorney or other instruments of authorisation so notarised together with the proxy form shall be deposited at the registered address of the Company or such other place as the notice of meeting may specify.



In the event that the appointor is a legal person, such shareholder shall be represented at the shareholders' meeting of the Company by its legal representative or the person authorised by the board of directors or other governing body of such appointor.

Article 71 The instrument delivered to a shareholder by the board of directors of the Company for appointing a proxy shall be in such form so as to enable the shareholder to instruct freely at his/her choice the proxy to vote in favour of or against and to give instruction on each item of the business put to vote at the meeting. Such instrument of proxy shall specify that in default of instruction from the shareholder, the proxy may vote in such a way as he/she thinks fit.

In the event that a shareholder of the Company is a recognised clearing house as defined in the Securities and Futures Ordinance, (Cap 571 of the Laws of Hong Kong) or a clearing house as recognised by the laws of the jurisdiction where the shares of the Company are listed ("Clearing House"), it may appoint a proxy (or proxies) as it considers appropriate to attend any general meeting or class meeting of the Company. If the proxies are more than one, the proxy form to appoint such proxies shall set out the number and class of shares such proxy (or proxies) is (are) authorised for. The person (or persons) so authorised is (are) entitled to exercise the right of and on behalf of the Clearing House (or its nominee) as if such shareholder is an individual shareholder of the Company.

Article 72 Notwithstanding the death or incapacity of the appointor, or the revocation of the appointment or revocation of the authority under which the appointing instrument is signed, or the relevant shares have been transferred before the vote, a vote given by such proxy pursuant to the instrument of appointment shall still be valid provided that no notice in writing in respect of the events mentioned above has been received by the Company prior to the commencement of the relevant meeting.

Article 73 Resolutions of shareholders' general meetings shall be classified as ordinary resolutions and special resolutions.

An ordinary resolution of a shareholders' general meeting shall be passed by more than one half of the voting rights held by the shareholders (including their proxies) who are present at the shareholders' general meeting.

A special resolution of a shareholders' general meeting shall be passed by more than two thirds of the voting rights held by the shareholders (including their proxies) who are present at the shareholders' general meeting.

Article 74 A shareholder (including proxy) may exercise voting rights at the shareholders' general meeting in accordance with the number of shares carrying the right to vote and each share shall have one vote. No shares held by the Company shall be entitled to any voting right nor counted in the total number of shares with voting rights at the shareholders' general meeting.

Chairman of the meeting shall declare the number of shareholders and proxies present at the meeting and the total number of voting shares held by them before voting. The number of shareholders and proxies present at the meeting and the total number of voting shares held by them as recorded in the meeting shall be final.



Article 75 The list of candidates of the directors and supervisors shall be submitted to the shareholders' general meeting to resolve in a form of motion. For the election of directors and supervisors, the cumulative voting system shall be adopted. The independent directors and non-independent directors shall vote respectively.

The cumulative voting system referred in the preceding paragraph means that, during the election of directors and supervisors in the shareholders' general meeting, each share carries the number of voting rights equal to the number of candidates for directors or supervisors. The shareholders may cast all their votes on one candidate.

Other than the cumulative voting system, all motions shall be voted one by one at the shareholders' general meeting, and for the different motions on the same matter, voting will be proceeded according to the time order these motions are put forward. Unless there are special reasons such as force majeure which results in the adjournment of the meeting or making it impossible to pass resolution, any motion proposed at the shareholders' general meeting and the voting of the motions shall not be suspended. When considering a motion at the shareholders' general meeting, such motion shall not be amended; otherwise, the relevant amendment shall be treated as a new motion and shall not be voted at that shareholders' general meeting.

Article 76 Subject to the listing rules of the stock exchange on which the shares of the Company are listed, unless a poll is demanded by the following persons prior to or after a show of hands, at any shareholders' general meeting a resolution shall be decided by a show of hands:

1. chairman of the meeting;
2. at least two shareholders or proxies vested with voting rights;
3. a shareholder or shareholders (including proxy or proxies) who alone or in aggregate hold(s) 10 per cent or more of shares vested with voting rights at such meeting.

Unless a poll is demanded, the declaration by the chairman of the meeting as to the result of the voting on a resolution by a show of hands and the entering of the same into the minutes

book of the meeting shall be the conclusive evidence of the fact without the need to prove the number or proportion of the votes voted in favour of or against such resolution.

The demand for a poll may be withdrawn by the person making such demand.

Article 77 If a poll is demanded for resolving the election of the chairman or the adjournment of the meeting, the same shall be taken immediately; in respect of a poll demanded for other matters, the time for such a poll shall be decided by the chairman of the meeting and other business may be proceeded with at the meeting. The result of such a poll shall still be deemed as a resolution passed at the meeting.

Article 78 The board of directors, independent directors and shareholders qualified under the relevant regulations may collect voting rights at the shareholders' general meetings from the shareholders of the Company. The voting rights shall be collected without any consideration and full disclosure of information shall be made to the collectees.



Article 79 The Company may facilitate the participation of the shareholders in the shareholders' general meeting through all practicable manners and means including providing modern information technological means such as voting platform through internet, provided that the legality and effectiveness of the shareholders' general meeting are ensured. Shareholders are deemed to be present in the shareholders' general meetings through the aforesaid means.

The board of directors and other conveners shall take necessary measures to ensure the normal order of the shareholders' general meeting. For any disturbance to the meeting and acts infringing on the lawful interests of the shareholders, they shall take measures to restrain such disturbance and infringing acts, as well as timely report such to the relevant authorities so as to investigate and deal with the matter.

Article 80 On a poll taken at a meeting, shareholders (including their proxies) who are entitled to two votes or more are not required to cast all their votes in favour of or against a resolution.

Article 81 In the event of equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to cast a second vote.

Article 82 The following matters shall be passed by ordinary resolution at a shareholders' general meeting:

1. the working reports of the board of directors and the supervisory committee;
2. plans for profit distribution and for making up of losses proposed by the board of directors;
3. appointment and removal of the members of the board of directors and the members of the supervisory committee and their remuneration and method of payment;
4. annual budget, statement of final accounts, balance sheet, profit and loss statement and other financial statements of the Company;
5. other matters other than those which shall be passed by special resolution at a shareholders' general meeting as stipulated by laws and regulations or these Articles of Association.

Article 83 The following matters shall be passed by special resolution at the shareholders' general meeting:

1. an increase or reduction of the share capital of the Company, or issue of any class of shares, warrants and other similar securities;
2. an issue of debentures by the Company;
3. the merger, division, dissolution and liquidation of the Company;
4. amendments to these Articles of Association;
5. other matters which are resolved by ordinary resolutions at shareholders' general meeting to be of material effect to the Company or are required by these Articles of Association to be passed by special resolutions.

Article 84 Shareholders who request to convene an extraordinary general meeting or a class shareholders' meeting shall follow the procedures below:



1. Two or more than two shareholder(s) who hold(s) in aggregate 10 per cent or more of the shares vested with voting rights in such a meeting may sign one or several written requisitions in the same form requesting the board of directors to convene an extraordinary general meeting or a class shareholders' meeting, and the subject matter of the meeting shall be specified. Upon receipt of the said written requisitions, the board of directors shall convene an extraordinary general meeting or a class shareholders' meeting as soon as possible. The calculation of the number of shares held as aforesaid shall be made as at the date of the written requisitions.
2. If the board of directors fails to give notice of meeting within 30 days of the receipt of the aforesaid written requisitions, the shareholders making such requests may convene a meeting within four months of the receipt of the said requisitions by the board of directors. The procedures for convening the meeting shall, as far as possible, be the same as those for convening a shareholders' meeting by the board of directors.

All reasonable expenses incurred in convening and holding a meeting by the shareholders as a result of the failure of the board of directors to convene such meeting upon the aforesaid requisitions shall be borne by the Company and the same shall be deducted from outstanding payments due to the directors who are in default.

The supervisory committee and the independent directors are entitled to either propose to the board of directors to convene the extraordinary general meeting or convene the extraordinary general meeting on their own in accordance with laws and regulations and other relevant rules or requirements of these Articles of Association.

Article 85 A shareholders' general meeting shall be convened and presided by the chairman of the board of directors. If the chairman of the board of directors cannot attend the meeting, he/she shall designate a director of the Company to convene and take the chair of the meeting; if no chairman of the meeting has been so designated, shareholders present shall choose one person to be chairman of the meeting. If for any reason the shareholders fail to elect a chairman, the shareholder (including proxy) attending the meeting and holding the largest number of shares vested with voting rights shall be the chairman of the meeting.

Article 86 The chairman of the meeting shall be responsible for deciding whether a resolution of the shareholders' general meeting is passed or not and his/her decision shall be final and the same shall be announced at the meeting and entered into the minutes of the meeting.

Article 87 In the event that the chairman of the meeting has any doubt as to the result of voting on any resolution, he/she may have the votes counted. If the chairman of the meeting does not make a count of such votes but any shareholder or proxy present at the meeting disputes the result announced by the chairman of the meeting, such shareholder or proxy shall be entitled to request counting of the votes immediately after the declaration of the result has been made and the chairman of the meeting shall forthwith proceed with the counting.

Article 88 The proceedings of the shareholders' general meeting shall be recorded in minutes which shall be signed by the directors attending the meeting. In the event a count of the votes has been made at a shareholders' general meeting, the result thereof shall be entered into the minutes of the meeting.

The minutes of the meeting together with the signature book of the shareholders attending the



meeting and the proxy forms shall be kept at the registered address of the Company.

A shareholder shall be entitled to inspect copies of minutes of meeting(s) free of charge during office hours of the Company. Upon the request of any shareholder for a copy of the relevant minutes of meeting, the Company shall send out the copy of the minutes so requested within seven days of the receipt of the reasonable payment therefor.

Article 89 Where a resolution on a connected transaction is put to vote at the shareholders' general meeting, each shareholder involved in the connected transaction shall abstain from voting and the votes represented by such shareholders shall not be counted into the total number of effective voting shares.

Where any shareholder is, under the Listing Rules of the Hong Kong Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

Article 90 The Company shall formulate the Rules of Procedures for the Shareholders' General Meeting in accordance with the laws and regulations and these Articles of Association as the Appendix of these Articles of Association, which provide the procedures for convening the meeting and voting, including the notice, registration, consideration of motions, voting, counting of votes, announcement of the voting results, formation of resolutions, as well as the principle of authorisation to the board of directors by the shareholders' general meeting.

Chapter 9 Special Procedures for the Voting by Class Shareholders

Article 91 Shareholders holding different classes of shares shall be classified as class shareholders.

Class shareholders shall enjoy the rights and shall undertake the obligations pursuant to the provisions of laws and regulations and these Articles of Association.

Article 92 If the Company proposes to vary or revoke the rights of the class shareholders, the same can only be implemented after it has been passed by a special resolution at a shareholders' general meeting and also by the class shareholders so affected at the shareholders' meetings respectively convened in accordance with Articles 94 to 98.

Article 93 The following situations shall be considered as a variation or abrogation of the rights of certain class shareholders:

1. to increase or reduce the number of shares of such class of shares or to increase or reduce the number of shares in a class of shares vested with equal or more rights on voting, distribution or other privileges;
2. to exchange all or part of the shares of such class, or to exchange or grant the rights to exchange of all or part of the shares of another class into the shares of such class;
3. to cancel or reduce the rights of that class of shares to receive dividends declared or accumulated;
4. to reduce or cancel the preferential rights to which that class of shares is entitled to in

receiving dividends or in the distribution of assets upon the liquidation of the Company;

5. to increase, cancel or reduce the conversion rights, options rights, voting rights, rights of transfer, pre-emptive rights and rights to acquire the securities of the Company of such class of shares;
6. to cancel or reduce the rights of that class of shares in receiving the monies payable by the Company in a particular currency;
7. to establish a new class which enjoys equal or more rights on voting, distribution or other privileges than those enjoyed by that class of shares;
8. to restrict or increase the restriction on the transfer or ownership of that class of shares;
9. to issue subscription rights or conversion rights in respect of that class or another class of shares;
10. to increase the rights and privileges of another class of shares;
11. a reorganisation scheme of the Company which would lead to a disproportionate assumption of obligations by different class shareholders;
12. to amend or abrogate the provisions in this Chapter.

Article 94 Whether the class shareholders so affected have voting rights at the shareholders' general meeting or not, they shall have the right to vote at the meeting of class shareholders on the matters provided for in paragraphs 2 to 8 and 11 to 12 of Article 93 of these Articles of Association provided that interested shareholders shall not have the right to vote at the meeting of class shareholders.

The definition of an interested shareholder referred to in the preceding paragraph shall be as follows:

1. in the event that the Company makes a repurchase offer to all shareholders in a proportionate manner in accordance with the provisions of Article 29 of these Articles of Association or repurchases its shares on a stock exchange through public dealing on a stock exchange, "interested shareholder" shall mean the controlling shareholder as defined in Article 57 of these Articles of Association;
2. in the event that the Company repurchases its shares through agreement other than through a stock exchange in accordance with the provisions of Article 29 of these Articles of Association, "interested shareholder" shall mean the shareholder related to such agreement;
3. in a reorganisation scheme of the Company, "interested shareholder" shall mean a shareholder who undertakes obligations to a lesser extent than other shareholders of the same class, or a shareholder who holds interests different from those held by other shareholders of the same class.

Article 95 A resolution of the meeting of class shareholders shall be passed in accordance with Article 94 by more than two-thirds of the shareholders present in the meeting who have rights to vote.

Article 96 If the Company convenes a meeting of class shareholders, it shall issue a written notice 45 days prior to the meeting to all shareholders of such class who are on the register of shareholders, specifying the business to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall deliver to the Company written replies of their intention to attend 20 days prior to the meeting.



If the number of voting shares at such meeting held by those shareholders who intend to attend such meeting shall reach more than one-half of the total number of voting shares at such meeting, the Company may convene such meeting of class shareholders; if this cannot be attained, the Company shall further notify the shareholders by way of public notice within 5 days thereof specifying the business to be transacted and the date and place of the meeting. After giving notice by such public notice, the Company may convene the meeting of class shareholders.

Article 97 Notice of the meeting of class shareholders only needs to be served on the shareholders who are entitled to vote at such meeting.

The procedures of the meeting of class shareholders shall follow as much as possible the procedures of a shareholders' general meeting and the provisions in these Articles of Association relevant to the procedures of a shareholders' general meeting shall apply to the meeting of class shareholders.

Article 98 Apart from the shareholders of other classes of shares, the holders of domestic shares and holders of overseas listed foreign shares are deemed to be different classes of shareholders.

The special procedures for voting by class shareholders shall not apply in the following circumstances:

1. where the Company issues, upon approval by a special resolution at a shareholders' general meeting, domestic shares and overseas listed foreign shares either separately or concurrently at twelve month intervals, and the number of domestic shares and overseas listed foreign shares proposed to be issued does not exceed 20 per cent of the issued domestic shares and overseas listed foreign shares respectively;
2. where the Company's plan to issue domestic shares and overseas listed foreign shares at the time of incorporation is implemented within fifteen months from the date of approval by the securities supervisory and administrative authorities of the State Council.

Chapter 10 Board of Directors

Article 99 The Company shall establish a board of directors. The board of directors shall comprise 12 directors with one chairman.

At least one-third of the members of the board of directors shall be independent directors, and there shall be at least one professional accountant among them.

Article 100 The directors shall be elected at the shareholders' general meeting and their term of office shall be three years. Upon the expiry of the term, a director shall be eligible for re-election and re-appointment. The chairman of the board of directors shall be elected and removed by more than one-half of the directors. The term of office of the chairman is 3 years and he/she is eligible for re-election and re-appointment.

The term of office of a director starts from the date when the director assumes his/ her office and ends on the date when the current session of the board of directors expires. In circumstances where the terms of office of the directors have expired but no directors are

re-elected on time, the original directors should continue to perform their director's duties in accordance with the laws and regulations and these Articles of Association until the newly elected directors assume their offices.

Directors need not hold any shares of the Company.

Article 101 A shareholder is entitled to issue a notice in writing to the Company to nominate a director candidate. The notice in writing regarding the intention to nominate and the indication by the candidate to agree to accept the nomination shall be lodged seven days before the shareholders' general meeting.

Article 102 Subject to compliance with the relevant laws and regulations, any director with an unexpired term of office may be removed by an ordinary resolution of a shareholders' general meeting (but without prejudice to any claim for compensation pursuant to any contract) and the office vacated can be filled by a replacement director appointed by an ordinary resolution.

Article 103 The board of directors shall be accountable to the shareholders' general meeting and shall have the following duties and powers:

1. to be responsible for convening shareholders' general meeting and to report its work to the shareholders' general meeting;
2. to implement the resolutions passed at the shareholders' general meeting;
3. to determine the business plans and investment proposals of the Company;
4. to prepare the annual financial budget and final accounts of the Company;
5. to prepare the plans for profit distribution and recovering losses for the Company;
6. to prepare proposals for increasing or reducing the registered capital of the Company, proposals for the issue of debenture or other securities of the Company and proposals for listing;
7. to draw up proposal for merger, division or dissolution of the Company;
8. to draw up proposal for material acquisition, repurchase of the Company's shares and change the form of the Company;
9. to decide matters such as external investment, acquisition or sale of the assets, pledge assets, external guarantees, entrusted financial management and connected transactions and so on;
10. to decide on the set-up of the internal management structure of the Company;
11. to appoint or dismiss the president and secretary to the board of directors of the Company and to appoint or dismiss other senior management in accordance with the recommendations of the president and to determine their remuneration, reward and punishment matters;
12. to set up the basic management system of the Company;
13. to draw up proposal for amending these Articles of Association;
14. to manage the disclosure of information of the Company;
15. to propose to the shareholders' general meeting on the appointment or dismissal of accountancy firm for the audit of the Company's accounts;
16. to listen to the report of the president of the Company and monitor his/her work performance; and
17. to perform other functions as authorised by shareholders' general meeting and the laws and regulations and these Articles of Association.



Except the resolutions provided for in paragraphs 6, 7 and 13 which require approval of more than two-thirds of the directors, the remaining resolutions on other matters as contained in the preceding paragraphs shall be passed by a simple majority of the directors. Should there be requirements otherwise specified in the laws and regulations of the State or the Listing Rules, the applicable provisions shall prevail.

Article 104 The board of directors shall not dispose of or agree to dispose of any fixed assets of the Company without the prior approval of a shareholders' general meeting if the aggregate of the expected consideration for the proposed disposition and the consideration for any disposal of fixed assets of the Company during a period of 4 months immediately preceding the proposed disposal exceeds 33% of the fixed asset value as shown in the latest balance sheet reviewed by the shareholders' general meeting.

For the purposes of this Article, the disposal of fixed assets shall include an act involving the transfer of certain interests in assets, but shall not include the provision of security against such fixed assets.

The validity of any transactions of the Company to dispose of fixed assets shall not be prejudiced by any violation of the first paragraph of this Article.

Article 105 The board of directors shall ascertain its scope of powers on external investment, acquisition and disposal of assets, charging of assets, provision of external guarantees, entrusted financial management and connected transactions, and formulate stringent monitoring and decision-making procedures, and coordinate with experts and professionals for assessment of material investment proposals and submit the proposals to the shareholders' general meeting for approval.

Article 106 The chairman of the board of directors shall exercise the following functions and powers:

1. to preside over the shareholders' general meetings and to convene and chair the meetings of the board of directors;
2. to review the implementation of the resolutions of the board of directors;
3. to sign debentures issued by the Company;
4. to sign material contracts and other documents of the Company, and to produce powers of attorney entrusting his/her representative to sign the documents;
5. other functions delegated by the board of directors.

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

Article 107 The board of directors shall hold meetings at least four times every year which shall be convened by the chairman of the board of directors and notice of meeting shall be given to all directors 14 days prior to the meeting. Extraordinary board meetings may be convened by serving notice to all the directors five days prior to the date of board meeting.

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



1. when it is deemed necessary by the chairman;
2. proposed jointly by more than one-third of the total number of directors;
3. proposed by the supervisory committee;
4. proposed by the president;
5. proposed by more than one half of the total number of the independent directors;
6. proposed by shareholder(s) with over one-tenth of the voting rights.

Article 108 The notice of the board meeting shall be sent to all directors by way of personal delivery, facsimile, post or other form which is accepted by the director. The notice of a board meeting shall include the date and venue of the meeting, the duration of the meeting, agenda of the meeting and date of issue of the notice of the meeting.

The notice of a board meeting shall be deemed to have been given to a director if he/she attends the meeting without challenging, before or at the meeting, for not having received the notice of meeting.

Article 109 The board meeting may be held by communication means, including but not limited to through telephone, the internet or other similar communication facilities. During the meeting held by communication means, so long as the directors participating in the meeting can clearly hear or understand the opinions of other directors and communicate with each other, all such directors shall be deemed to be present in person at the meeting.

Article 110 Board meetings shall only be held with more than one-half of the directors present at the meeting.

Each director shall have one vote. The resolutions of the board of directors shall only be passed with a simple majority of all the directors.

In the event of equality of votes in favour of or against a resolution, the chairman of the board of directors shall have an additional vote.

Article 111 The board may adopt resolutions in writing in lieu of the board meeting, but the draft of such resolution must be sent by courier, mail or facsimile or other form which is accepted by the director to each of the directors. If the relevant resolution in writing has been sent to all directors, the number of directors who have signed on one or several copies of the draft (in the same form and substance) giving his/ her consent meets the necessary quorum for the relevant decision and the same has been returned to the secretary of the board of directors in any of the above manners, such resolution shall become the resolution of the board and no board meeting is required to be held. Upon the resolutions of the board of directors becoming effective, the Company shall notify all directors and dispatch a copy of the same to the supervisory committee on a timely manner.

The board of directors shall not adopt written resolutions in lieu of a meeting of the board of directors for considering the following matters:



1. the increase or reduction of registered capital of the Company;
2. issue of debentures of the Company;
3. the division, merger, dissolution or winding up of the Company;
4. the amendment of these Articles of Association of the Company;
5. profit distribution and loss make-up plan;
6. the appointment and removal of the members of the board of directors and determination of their remuneration;
7. change of the use of the proceeds;
8. connected transactions that require public disclosure;
9. acquisition or disposal of assets that requires public disclosure;
10. the appointment or change of auditors and the determination of their remuneration;
11. other matters with material effects on the operations of the Company.

Article 112 Meetings of the board of directors shall be attended by the directors himself/herself. If any director is unable to attend for whatever reason, he/she may appoint in writing other directors to attend the meeting of the board of directors on his/her behalf. The instrument of appointment shall specify the scope of the authorisation.

The director attending such a meeting on another's behalf shall exercise the rights of a director within the scope of the authorisation. If a director is absent at a board meeting and has not appointed an alternate to attend on his/her behalf, he/she shall be deemed to have abstained his/her rights to vote at that meeting.

If the director fails to attend two consecutive board meetings and has not appointed any representative to attend such meetings on his/her behalf, he/she shall be deemed to have failed to perform his/her duties. The board of directors shall propose dismissal of the director to the shareholders' general meeting.

Article 113 Directors, who have material interests in the matters of the resolutions considered in the board meeting, or have connected relationship with the enterprise involved or are under other circumstances specified in other laws and regulations, the directors shall not vote nor vote on behalf of other directors on such resolutions. Such directors shall not be counted into the quorum of the relevant board meeting. The quorum of such board meeting shall be more than half of the unconnected directors attending the meeting. The resolutions shall be passed with the consent by over half of the unconnected directors. If the number of unconnected directors who attend the board meeting is less than three, such resolutions shall be submitted to the shareholders' general meeting for approval.

Article 114 The board of directors shall cause the decisions of the matters discussed at the meeting to be recorded on the minutes thereof. The directors present at the meeting and the person recording the minutes shall sign on such minutes. The directors are liable for the resolutions passed at the board meeting. If a resolution of the board meeting contravenes the laws and regulations or these Articles of Association causing a substantial loss to the Company, the directors involved in passing such resolutions shall be liable to indemnify the Company. If a director can prove that he/she made an objection during the voting as recorded in the minutes of the meeting, such director may be discharged from liability.



Article 115 The board of directors shall formulate the Rules of Procedures for the Board of Directors in accordance with laws and regulations and these Articles of Association as the appendix of these Articles of Association which state the qualifications of the directors, the nomination procedures, the functions and authorisation arrangement of the board of directors, the convene and voting procedures of the board meeting etc., to ensure the implementation of the resolutions passed in the shareholders' general meeting, enhance its work efficiency and ensure scientific decision-making.

Chapter 11 Party Committee

Article 116 In accordance with the provisions of the Party Constitution, the Company has established the Party Committee and the Discipline Inspection Commission. The number of posts of the secretary, deputy secretary and members of the Company's Party Committee and Discipline Inspection Commission shall be set up according to the approval of the superior of the Party Committee, and shall be elected or appointed in accordance with the relevant provisions of the Party Constitution.

Article 117 The Company should set up the working departments of the Party Committee and the Discipline Inspection Commission, and at the same time set up mass organizations such as labour union and league committee.

Article 118 The Party Committee shall play a core political role, assume the responsibility of strict Party governance and implement the main responsibility for including integrity and anti-corruption in the overall Party building. The Party Committee mainly exercises the following authorities:

1. ensure the supervision of the Party and the Country's principles and policies, and the implementation of major deployments in the Company;
2. participate in the decision-making of major issues of the Company, support the shareholders' meeting, the board of directors (board of executive directors), the supervisory committee, and the management to exercise their functions and powers according to relevant laws and regulations, and promote the Company to improve efficiency, enhance competitiveness, and realize the preservation and appreciation of state-owned assets;
3. implement the principle of Party management cadres and Party management talents, be responsible for establishing and perfecting the selection and employment mechanism that meets the modern enterprise system and market competition requirements, and to determine standards, standardize procedures, organize inspections, recommend candidates, and build high-quality operating and talented teams;
4. research and allocate the work of Party and mass of the Company, strengthen the self-construction of the Party organization and the construction of the Party members and Party branch teams, lead the ideological and political work, spiritual civilization construction and mass organizations such as the labour union and Communist Youth League;
5. rely on the staff and the masses wholeheartedly and to support the work of the staff congress;
6. research on other matters that should be decided by the Company's Party Committee.

Article 119 The Company's Party Committee shall discuss and decide the followings:

1. study the Party's policy route and the Country's laws and regulations, the important



- meetings, documents, decisions, resolutions and instructions of the superior of the Party Committee and the government, the resolutions and decisions of the Party member congresses of the same level, study, implement and publicize educational measures;
2. strengthen and improve the Party's ideological, organizational, work style, anti-corruption and institutional development;
 3. strengthen the construction of leadership team at all levels, the planning and important measures of talent team construction; the establishment of working organization of the Company's Party Committee, the division of work of the Party Committee, the establishment and election of the Party organization, the appointment and removal of cadres within the scope of the Party Committee's permission, and the arrangements of middle-level personnel candidates and other important personnel arrangement;
 4. important work, documents and requests to be deployed in the name of the Company's Party Committee, and review and approve important matters agreed upon by the subordinate Party organizations;
 5. important matters concerning the annual work ideas, work plans, basic-level Party organizations and Party members' team construction of the Company's Party Committee;
 6. propaganda, commendation and reward for the advanced typical in the Party; the approval of the Party general branch and the develop new Party members; the use of large-scale Party budgets;
 7. the system and regulations for the construction of the Party's work style and anti-corruption work, the deployment of anti-corruption work, the review of the reports of the Discipline Inspection Commission and the investigation and handling of cases, and the registration and investigation as well as disciplinary decisions of major cases within the management permission;
 8. major issues in the construction of the Company's workforce, spiritual civilization, corporate culture, and the maintenance of harmony and stability;
 9. other matters that require the Company's Party Committee to study and decide.

Article 120 The Company's Party Committee shall discuss and approve the following matters:

1. issues submitted by mass organizations such as the labour union, Communist Youth League, volunteer organizations, etc., to the Company's Party Committee for review;
2. work reports of mass organizations such as the labour union, Communist Youth League, volunteer organizations, etc., meeting agendas of work congresses, staff congresses, League congresses, etc., and major issues involving the immediate interests of employees;
3. work plans and important activities, important selections, commendations, recommendations and reporting of various advanced candidates of mass organizations such as the labour union, Communist Youth League, volunteer organizations, etc.;
4. personnel arrangement and the recommendation, addition, adjustment and approval of the major responsible personnel in mass organizations such as the labour union, Communist Youth League, volunteer organizations, etc.

Article 121 The Company's Party Committee shall participate in the decision of the following matters:

1. the Company's implementation of the Party's policy route, national laws and regulations, and superior's major decisions;



2. the merger, division, change, dissolution of the Company and the establishment and adjustment of internal management structure, the establishment and dissolution of affiliated enterprises;
3. the drafting and amendments to the Articles of Association of the Company;
4. the Company's development strategy and med to long-term development plan;
5. the Company's production and operation policy;
6. principles and directional issues in major decisions of the Company, such as major investment and financing, loan and guarantees, asset restructuring, change of property rights, major asset disposal, capital operations, and large donations;
7. formulation and revision of important reform plans of the Company;
8. the adjustment of the internal structure of the Company and the important personnel arrangements to be submitted to the board of directors and the management;
9. important measures taken by the Company in relation to political and social responsibility in terms of safe production and maintenance stability;
10. formulation and revision of the Company's assessment and compensation system;
11. other matters that require the Company's Party Committee to participate and to make decision on.

Article 122 The main procedure of the Party Committee to participate in the decision-making of major issues:

1. the Party Committee shall convene a committee meeting to conduct research and discussion on major issues that the board of directors (board of executive directors) and management intend to make decisions, and provide opinions and suggestions;
2. Party Committee member holding position in the board of directors (board of executive directors) and the management, especially for those holding position as the chairman or president, before the motion is formally submitted to the meeting of the board of directors (the meeting of board of executive directors) or the president's meeting, full communication has to be conducted with the board of directors (board of executive directors) and other members of the management, regarding the relevant opinions and suggestions of the Party Committee;
3. Party Committee member holding position in the board of directors (board of executive directors) and the management shall fully express the opinions and suggestions of the Party Committee in the decision-making of the board of directors (executive board) and management, and report the decision-making to the Party Committee in a timely manner;
4. Party Committee member holding position in the board of directors (board of executive directors) and the management shall revoke or defer comments on proposed decision that is not in line with the Party's policy route and national laws and regulations, or may damage the national and social interests and the legitimate rights and interests of enterprises and employees. After the meeting, Party members shall report to the Party Committee in time, form a clear opinion through the Party Committee and provide feedback to the board of directors (board of executive directors) and management. If it is not rectified, the same shall be reported to the superiors of the Party in time.

Article 123 The Party Committee formulates specific rules of procedure and related supportive working systems to ensure scientific decision-making and efficient operation.



- Article 124 The Discipline Inspection Commission shall implement the supervision responsibility of the Party's work style and anti-corruptive construction, perform the Party's disciplinary review and disciplinary supervision duties, and mainly exercise the following authorities:
1. maintain the Party Constitution and other regulations of the Party;
 2. examine the implementation of the Party's route, guidelines, policies and resolutions;
 3. assisting Party Committee in strengthening Party style construction, organizing and coordinating anti-corruption work, and researching and deploying discipline inspection and supervision;
 4. regularly educate Party members on discipline and make decisions about maintaining discipline of the Party;
 5. supervise the exercise of powers by Party members and leading cadres;
 6. examine and handle cases in which the Party organizations or Party members of the Company violate the Party Constitution or other regulations of the Party;
 7. deal with complaints and claims of Party members;
 8. protect the rights of Party members;
 9. other functions that should be undertaken by the Discipline Inspection Commission.

Chapter 12 Secretary to the Board of Directors of the Company

Article 125 The Company shall have a secretary to the board of directors. The secretary to the board of directors shall be a senior management of the Company and shall be responsible to the Company and the board of directors.

Article 126 The secretary to the board of directors of the Company shall be a natural person who shall have the necessary professional expertise and experience and shall be appointed by the board of directors. The principal duties of the secretary to the board of directors are as follows:

1. to ensure the Company has maintained a complete and well-organised documentation and records;
2. to ensure that the Company prepares and files documents and reports as required by authorities in accordance with laws;
3. to ensure that the register of shareholders of the Company is properly established and to ensure that persons entitled to receive such records and documents shall be provided with the relevant records and documents in time;
4. to undertake the disclosure of the information of the Company and the management affairs of investor relationship; and
5. other duties as stipulated in these Articles of Association of the Company and the listing rules of the stock exchange on which the securities of the Company are listed.

The post of the secretary to the board of directors shall be assumed by one or two natural persons. In case where two persons are appointed jointly, the obligations of the secretary to the board of directors shall be assumed jointly by such two persons. However, in handling external matters as authorised by the board of directors, either one of them shall be entitled to exercise independently all powers of the secretary to the board of directors.



Article 127 Directors or other senior management of the Company may at the same time act as the secretary to the board of directors of the Company. An accountant of the accounting firm and solicitor of the solicitors' firm engaged by the Company shall not at the same time act as the secretary to the board of directors.

In the event that a director acts as the secretary to the board of directors and a certain act has to be performed separately by a director and the secretary to the board of directors, such person who is at the same time the director and the secretary to the board of directors shall not perform such act in both capacities.

Chapter 13 President of the Company

Article 128 The Company shall have one president appointed or dismissed by the board of directors whose term of office shall be 3 years, eligible for re-election and reappointment.

Except for the position of president, the Company shall have certain number of other senior management. Directors may be appointed as presidents, or other senior management provided that the number of directors appointed as presidents or other senior management shall not exceed half of the total number of directors.

Any person who undertakes any position other than a director in the controlling shareholder(s) or the de facto controller(s) of the Company shall not act as the senior management of the Company.

Article 129 The president of the Company shall be accountable to the board of directors and shall perform the following functions:

1. to be in charge of the production and business operation of the Company and to organise the implementation of the resolutions of the board of directors;
2. to organise the implementation of the annual business plan and investment program of the Company;
3. to prepare proposals for the establishment of internal management bodies of the Company;
4. to prepare the basic management systems of the Company;
5. to formulate basic rules and regulations of the Company;
6. to propose for the appointment or dismissal of vice presidents and the officers in charge of financial matters of the Company;
7. to appoint or dismiss principal management staff other than those to be appointed or dismissed by the board of directors;
8. to decide upon the reward, promotion and demotion, increase and reduction of salary, appointment, employment, removal and dismissal of staff and workers of the Company (other than those shall be decided by the board of directors pursuant to the laws);
9. other functions designated by these Articles of Association and the board of directors.

Article 130 The president may attend the board meetings, but the president, not being a director, shall not have the right to vote in the meetings of the board of directors.

Article 131 In performing his/her functions and powers, the president shall not alter the resolutions of the shareholders' general meeting or those of the board of directors or exceed the scope of his/her authority.



Article 132 In performing his/her functions and powers, the president of the Company shall perform faithfully and diligently the obligations pursuant to the provisions of laws and regulations and these Articles of Association.

Article 133 The Company shall formulate working rules and regulations of the president and implement such rules and regulations upon approval of the board of directors. Such rules and regulations shall include the conditions for, the procedures of and the participants of the president's meeting, the respective and specific duties of the president and other senior management as well as their division of labour, the limits of authority in utilising the capital and assets of the Company and executing material contracts, the reporting system to the board of directors and the supervisory committee, and other matters deemed necessary by the board of directors.

Chapter 14 Supervisory Committee

Article 134 The Company shall establish a supervisory committee. The supervisory committee shall be formed by three persons where one of them shall act as the chairman of the supervisory committee.

Article 135 The term of office of the supervisor shall be three years, eligible for re-election and re-appointment. If supervisors are not re-elected on time upon the expiry of their terms of office or supervisors resign during their terms of office resulting that the number of supervisors is less than the statutorily required number of supervisors, then the current supervisors shall continue to perform duties according to the law and regulations and these Articles of Association prior to the assumption of office(s) by the newly elected supervisor(s).

The appointment or removal of the chairman of the supervisory committee shall only be made by a resolution passed by two-thirds or more of the members of the supervisory committee.

Article 136 The supervisory committee shall be formed by two representatives of the shareholders and one representative of the staff and workers of the Company. The representatives of the shareholders shall be elected and removed in the shareholders' general meeting; whereas the representative of the staff and workers shall be democratically elected and removed by the staff and workers of the Company.

Article 137 The Company's directors, the president and other senior management shall not at the same time act as supervisors.

Article 138 The supervisory committee shall convene at least four meetings every year and the same shall be convened by the chairman of the supervisory committee. The supervisors may propose to convene extraordinary meetings of the supervisory committee.

The notice of meeting of the supervisory committee shall include date and venue of the meeting, duration of the meeting, and agenda of the meeting and date of issue of the notice of the meeting.

The supervisory committee shall prepare the minutes of meeting regarding the decision made on the matters considered thereat and the attending supervisors shall sign on the minutes of meeting.



Article 139 If the supervisor is unable to attend in person for the supervisory committee meetings for two consecutive times, he/she shall be deemed to have failed to perform his/her duties and shall be dismissed and replaced by the shareholders' general meeting and the worker representatives' meeting.

Article 140 The supervisory committee shall be accountable to the shareholders' general meeting and shall carry out the following duties and powers in accordance with laws:

1. to inspect the finances of the Company;
2. to supervise the acts of the directors, president and other senior management of the Company who have contravened the laws and regulations or these Articles of Association in carrying out their duties of the Company and propose to dismiss directors and senior management who breach laws and regulations, these Articles of Association of the Company or resolutions of the shareholders' general meetings;
3. to request the directors, president and other senior management of the Company to rectify their acts which have prejudiced the interests of the Company;
4. to review and advise in writing the periodical reports prepared by the board of directors; review the financial information such as financial reports, business reports and profit distribution proposal to be submitted by the board of directors to the shareholders' general meeting; if any queries arise, the supervisors may, in the name of the Company, require a re-examination by the accounting firm; inquire where there is anything unusual is found; and instruct professional bodies to assist when necessary;
5. to investigate the Company if there are abnormal situations in the operation of the Company, and to engage the professional institutions to assist their work;
6. to propose the convening of a shareholders' extraordinary meeting or to propose motions to the shareholders' general meetings;
7. to represent the Company in negotiating with or in instituting legal proceedings against the directors;
8. other functions and powers provided in these Articles of Association.

The supervisors have the right to observe the board meetings to make inquiry or suggestions to the resolutions of the board of directors.

Article 141 A resolution of the supervisory committee shall be passed by two-thirds or more of the members of the supervisory committee.

Article 142 The reasonable expenses of the supervisory committee incurred in engaging professional institutions such as law firm, accounting firm, etc., or professionals in the course of carrying out the duties of the supervisory committee shall be borne by the Company.

Article 143 The supervisors shall faithfully perform their supervisory responsibilities in accordance with the provisions of laws and regulations and these Articles of Association.

Article 144 The supervisory committee shall formulate the Rules of Procedures for the Supervisory Committee in accordance with laws and regulations and these Articles of Association as the appendix of these Articles of Association which state the qualifications of the supervisors, the nomination procedures, the convene of the supervisory committee's meeting and the voting procedures, etc., in order to ensure the work efficiency and scientific decision-making of the supervisory committee.

Chapter 15 Qualifications and Obligations of the Directors, Supervisors, President and Other Senior Management of the Company

Article 145 None of the following person shall act as a director, supervisor, president or other senior management of the Company:

1. persons lacking capacity for civil acts or such capacity being restricted;
2. persons being convicted of committing corruption, bribery, misappropriation or embezzlement of properties or violating social and economic order, and not more than 5 years have elapsed since the expiration of the enforcement of the punishment; or being deprived of political rights due to conviction and not more than 5 years have elapsed since the expiration of the enforcement period;
3. a director or factory manager, manager of a company or enterprise being liquidated as a result of improper operation and management of which he/ she shall be personally liable for such liquidation and not more than three years have elapsed since the date of completion of the liquidation of such company or enterprise;
4. the legal representative of a company or enterprise of which the business licence has been cancelled as a result of the contravention of the laws and in which he/she shall be personally liable and not more than three years have elapsed since the date of cancellation of the business licence of such company or enterprise;
5. persons having relatively large amount of personal indebtedness which has become due but have not yet been settled;
6. persons being under investigation by the judicial authorities in respect of contravention of criminal laws, and such investigation has not yet been finalised;
7. persons being prohibited by laws and regulations to act as leader of an enterprise;
8. not being a natural person;
9. persons being convicted by the relevant supervisory authorities of contravention of the provisions of relevant securities regulations which involved fraud or dishonest acts and not more than five years have lapsed since the date of such conviction.

Any election, appointment or hiring of directors, supervisors, the president or other senior management that is in breach of this Article will be void. Any directors, supervisors, the president or other senior management who fall within one of the above categories during their terms of service shall be removed by the Company.

Article 146 The validity of an act undertaken by a director, president and other senior management of the Company acting on behalf of the Company towards a bona fide third party shall not be affected by the irregularities in the appointment, election or qualification of such person.

Article 147 In addition to the obligations required by laws and regulations or the listing rules of any stock exchange on which the shares of the Company are listed, a director, supervisor, president and other senior management of the Company shall also be responsible to each shareholder in respect of the following obligations in performing the duties and exercising the powers given to him/her by the Company:

1. not to cause the Company to exceed the scope of business stipulated in its business licence;
2. to act faithfully in the best interests of the Company;



3. not to deprive by any means the Company of its assets, including (but not limited to) opportunities beneficial to the Company;
4. not to deprive the personal interests of the shareholders including (but not limited to) the rights to distribution and voting rights but excluding corporate reorganisation schemes submitted to and passed at a shareholders' general meeting in accordance with these Articles of Association.

Article 148 In exercising his/her rights or performing his/her obligations, the director, supervisor, president and other senior management of the Company shall have the responsibility to exercise the prudence, diligence and skill of a reasonable and prudent person acting under similar circumstances.

Article 149 In performing his/her duties, a director, supervisor, president and other senior management of the Company shall observe the fiduciary principle and shall not put himself/herself in a position where his/her personal interests and the obligations undertaken may conflict. Such principle shall include (but not limited to) the undertaking of the following obligations:

1. to act honestly in the best interests of the Company;
2. to exercise powers within, and not to exceed the scope of, his/her authority;
3. to exercise the discretionary power vested in him/her personally and not to be manipulated by others; no discretionary powers shall be transferred to other persons without the permission of laws and regulations or the informed consent of the shareholders' general meeting;
4. when the board of directors decides on major issues of the Company, it should consider the opinions of the Company's Party Committee in advance;
5. to treat the shareholders of the same class equally and to be fair to the shareholders of different classes;
6. unless otherwise provided in these Articles of Association or with the approval granted with the informed consent of the shareholders' general meeting, no contract, transaction or arrangement shall be entered into with the Company;
7. no property of the Company shall be used in any manner for private benefit without the informed consent of the shareholders' general meeting;
8. not to use his/her authority to accept bribes or other unlawful income and not to deprive the Company in any manner of its property, including (but not limited to) opportunities beneficial to the Company;
9. not to accept commission in connection with the transactions of the Company without the informed consent of the shareholders' general meeting;
10. to observe these Articles of Association, to perform his/her duties faithfully, to protect the interests of the Company, and not to obtain personal benefits by using his/her position and authority in the Company;
11. not to compete in any way with the Company without the informed consent of the shareholders' general meeting;
12. not to embezzle the funds of the Company or to lend the funds of the Company to others; not to deposit the assets of the Company in accounts opened under his/her own name or the name of other persons; not to use the assets of the Company as security for the liabilities of the shareholders of the Company or other personal liabilities;



13. unless otherwise permitted by informed consent of the shareholders' general meeting, no confidential information of the Company acquired during his/her term of office shall be disclosed; unless the objective is serving the interests of the Company, no such information shall be used; however, such information may be disclosed to a court of law or other governmental supervisory authorities under the following situations:
- (1) disclosure is provided under the law;
 - (2) disclosure is required in the public interest;
 - (3) disclosure is required in the interests of such director, supervisor, president and other senior management.

Article 150 A director, supervisor, president and other senior management of the Company shall not instruct the following persons or bodies ("related persons") to do such acts which such director, supervisor, president and other senior management are prohibited from doing:

1. the spouse or minor children of a director, supervisor, president and other senior management of the Company;
2. the trustee of a director, supervisor, president and other senior management of the Company or of the persons mentioned in paragraph 1 of this Article;
3. the partner of a director, supervisor, president and other senior management of the Company or of the persons mentioned in paragraphs 1 and 2 of this Article;
4. companies actually and solely controlled by a director, supervisor, president, and other senior management of the Company, or companies actually and jointly controlled with the persons referred to in paragraphs 1, 2 and 3 of this Article or other directors, supervisors, president, vice president and other senior management of the Company;
5. the director, supervisor, president and other senior management of a company being controlled as mentioned in paragraph 4 of this Article.

Article 151 The directors shall not be removed before expiry of their term without cause, except being prohibited to be qualified as directors under the Company Law and CSRC.

A director, supervisor or president of the Company may resign prior to expiry of his/her term of office. Where a director or president resigns, he/she shall report to the board of directors, and where a supervisor resigns, he/she shall report to the supervisory committee.

Directors shall duly complete the handover procedures with the board of directors when their resignation takes effect or their terms expire. The fiduciary duties of a director, supervisor, president and other senior management of the Company do not necessarily cease upon the expiry of his/her term of office. The obligations to keep the commercial secrets of the Company confidential shall survive the expiry of his/her term of office. The continuance of the other obligations shall be determined on a fair basis depending on the length of the time between its occurrence and his/her departure from office and the circumstances and conditions under which the relationship with the Company was terminated.

Article 152 The liability of a director, supervisor, president and other senior management of the Company in respect of the breach of certain substantive obligations may be discharged with full disclosure in the shareholders' general meeting except for the circumstances provided in Article 55 of these Articles of Association.



Article 153 Without the legal authorisation of these Articles of Association or the board of directors, no directors shall be allowed to act on behalf of the Company or the board of directors in their personal capacities. If any third parties reasonably believe that a director who is acting in his/her personal capacity is acting on behalf of the Company or the board of directors, then the director should clarify his/her position and capacity in advance.

Article 154 In the event that a director, supervisor, president and other senior management of the Company are interested materially, directly or indirectly, in a contract, transaction or arrangement made or contemplated to be made with the Company (except for the service contract of the director, supervisor, president and other senior management with the Company), he/she shall disclose to the board of directors as soon as possible the nature and extent of his/her interest regardless of whether the relevant matter needs to be approved or consented to by the board of directors in normal circumstances.

Unless the director, supervisor, president and other senior management of the Company so interested have made a disclosure of such interest to the board of directors as required in the preceding paragraph of this Article and the board of directors has approved the same in a meeting in which he/she has not been counted in the quorum nor has he/she voted at the meeting which approved such matter, the Company shall have the right to revoke such contract, transaction or arrangement unless the other party is a bona fide party without knowledge of the breach of the obligations of such director, supervisor, president and other senior management.

If the related persons of a director, supervisor, president and other senior management of the Company are interested in certain contracts, transactions or arrangements, such director, supervisor, president and other senior management shall also be deemed as interested in the same.

Article 155 In the event that a director, supervisor, president or other senior management of the Company notifies the board of directors in writing and makes a representation that on the basis of contents of the notice, he/she will be interested in the contract, transaction or arrangement to be entered into by the Company before the Company firstly considers the relevant contract, transaction or arrangement, the relevant director, supervisor, president or other senior management shall be deemed to have made a disclosure as required in the preceding Article.

Article 156 The Company shall not in any manner pay tax on behalf of any of its directors, supervisors, president and other senior management.

Article 157 No loans or guarantees for loans shall be provided, directly or indirectly, by the Company to a director, supervisor, president and other senior management of the Company and those of its parent company, nor shall such loans or guarantee for loans be provided to the related persons of the above-mentioned persons.

The foregoing provisions shall not apply to the following situations:



1. the Company provides loans or guarantee for loans to its subsidiaries;
2. the Company provides to a director, supervisor, president and other senior management of the Company, pursuant to the employment contract approved in the shareholders' general meeting, loans or guarantees for loans or other payments to enable them to pay the expenses incurred for the purpose of the Company or in the course of performing their duties;
3. if the normal scope of business of the Company includes the provision of loans and guarantees for loans, the Company may provide loans or guarantees for loans to the relevant director, supervisor, president and other senior management and their related persons provided that the terms of such loans or guarantees for loans shall be on normal commercial terms.

Article 158 If the provision of a loan made by the Company is in breach of the provisions of the preceding Article, the recipient of the sum of money shall repay the same forthwith regardless the terms of such loan.

Article 159 Guarantees for loans provided by the Company in contravention of the provisions of paragraph 1 of Article 157 of these Articles of Association shall be unenforceable against the Company except under the following situations:

1. in providing loans to the related persons of a director, supervisor, president and other senior management of the Company or those of its parent company, the person who has provided the loan has no knowledge of the contravention;
2. the security provided by the Company has been sold legally by the person who has provided the loan to a bona fide purchaser.

Article 160 The guarantee referred to in the preceding Article shall include the assumption of obligations by the guarantor or the provision of property to secure the performance of obligations by the obligor.

Article 161 In the event that a director, supervisor, president and any other senior management of the Company shall be in breach of his/her obligations to the Company, the Company shall be entitled to take the following measures apart from the various rights and remedies provided by laws and regulations:

1. to demand the relevant director, supervisor, president and other senior management indemnify the losses sustained by the Company as a result of the dereliction of duties on his/her part;
2. to revoke any contract or transaction made between the Company and the relevant director, supervisor, president and other senior management and a contract or transaction made between the Company and a third party (if such third party knows or should have known that the director, supervisor, president and other senior management representing the Company are in breach of the obligations to the Company);
3. to demand the relevant director, supervisor, president and other senior management to return the benefit received as a result of the breach of the obligations;
4. to recover from the relevant director, supervisor, president and other senior management the moneys including (but not limited to) commission accepted by them which should have been received by the Company;



5. to demand the relevant director, supervisor, president and other senior management to return the interest earned or that may be earned from the moneys which should have been payable to the Company.

Article 162 The Company shall enter into a contract in writing with directors and supervisors of the Company in respect of remuneration, the terms of which shall have obtained the prior approval at a shareholders' general meeting. The terms of the remuneration matters as aforesaid shall include:

1. the remuneration for acting as a director, supervisor or other senior management of the Company;
2. the remuneration for acting as a director, supervisor or other senior management of a subsidiary of the Company;
3. the remuneration for provision of other services in the management of the Company and its subsidiaries;
4. the payment for compensation for loss of office or retirement of such directors or supervisors.

Except pursuant to the contract aforesaid, no legal proceedings shall be instituted by a director or supervisor in respect of benefits receivable by him/her in respect of the aforesaid matters.

Article 163 There shall be a provision in the contract in relation to remuneration made between the Company and a director or supervisor of the Company that the director or the supervisor of the Company shall be entitled to the compensation or other payments as a result of loss of office or retirement when the Company is to be taken over, provided that prior approval shall have been obtained at a shareholders' general meeting. A takeover of the Company referred to above shall mean one of the following situations:

1. a takeover offer to all shareholders has been made by any person;
2. a takeover offer has been made by any person to enable the offer or to become the controlling shareholder. The meaning of "controlling shareholder" is the same as that defined in Article 57 of these Articles of Association.

In the event that the relevant director or supervisor does not comply with the provisions of this Article, any moneys received by him/her shall belong to the persons who accept the said offer to sell their shares; the expenses incurred as a result of proportional distribution of such moneys shall be borne by such director or supervisor and such expenses shall not be deducted from such moneys.

Chapter 16 Financial Accounting System and Distribution of Profits

Article 164 The Company shall set up the financial accounting system of the Company in accordance with laws and regulations and the provisions of the PRC accounting standards formulated by the financial supervisory authorities under the State Council.

Article 165 The Company shall prepare a financial report at the end of each accounting year and the same shall be audited in accordance with law.

The accounting year of the Company shall adopt the Gregorian calendar year system, i.e. from 1 January to 31 December on the Gregorian calendar. The Company shall adopt Renminbi as its bookkeeping base currency.

Article 166 The financial report prepared by the Company in accordance with the relevant laws and regulations and regulatory documents issued by local government or supervisory authorities shall be submitted by the board of directors of the Company to the shareholders at each annual general meeting.

Article 167 The Company's financial statements shall be made available at the Company's domicile twenty days before the date of every annual general meeting for shareholders' inspection. Each shareholder shall be entitled to obtain a copy of the financial statements referred to in this chapter.

In respect of overseas listed foreign shareholders, the Company shall at least deliver or send to each shareholder by prepaid mail the aforesaid financial statements not later than twenty-one days before the date of every annual general meeting. The address of the addressee shall be those as recorded in the register of shareholders. In respect of domestic shareholders, the Company shall place the aforesaid documents in their designated website(s) for inspection by domestic shareholders within the period required by the regulations of the CSRC and/or the SSE.

Article 168 The financial report of the Company shall be prepared in accordance with PRC accounting standards and legal regulations, and shall also be prepared in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC. If there are any material discrepancies in the financial report prepared in accordance with the two sets of accounting standards, such discrepancies shall be expressly stated in the notes to the financial report. For the purpose of the distribution of profits of the Company for the relevant accounting year, the lesser amount of profit after taxation stated in the said two financial reports shall prevail. If the applicable laws and/or listing rules of the place of listing outside the PRC allow the financial statements prepared in accordance with the PRC accounting standards, it is not necessary for the Company to prepare its financial statements in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC.

Article 169 Interim results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and legal regulations as well as international accounting standards or the accounting standards of the place of listing outside the PRC. If the applicable laws and/or listing rules of the place of overseas listing allow the interim results or financial information prepared in accordance with the PRC accounting standards, it is not necessary for the Company to prepare its interim results or financial information in accordance with international accounting standards or the accounting standards of the place of listing outside the PRC.

Article 170 The Company shall announce two financial reports in each accounting year. The interim report shall be announced within 60 days after the first six months of an accounting year and the annual financial report shall be announced within 120 days after the end of the accounting year.

Article 171 No books of account other than those provided under the law may be established by the Company.



Article 172 The capital reserve fund shall include the following sums of money:

1. premium received in excess of the par value of the shares issued;
2. other revenue required to be transferred to capital reserve fund by the financial supervisory authorities under the State Council.

Article 173 The common reserve fund of the Company shall be used only for the following purposes:

1. making up losses (the capital reserve fund shall not be used to make up the loss of the Company);
2. expansion of the production and operation of the Company; or
3. conversion into additional share capital. Pursuant to resolution passed at shareholders' general meeting, the Company may convert the statutory common reserve fund into share capital, and issue new shares to shareholders proportional to their existing shareholdings or increase the par value of the shares. However, when the statutory common reserve fund is converted into share capital, the amount remaining in such common reserve fund shall not be less than 25 per cent of the registered capital of the Company before the conversion.

Article 174 In the event there is a distributable profit, the Company shall implement a proactive cash dividend policy with an emphasis on providing shareholders with reasonable investment return as well as meeting sustainable operation and development of the Company in accordance with the relevant laws and administrative regulations. The continuity and stability of the profit distribution policy shall be maintained.

The profit of the Company shall be distributed in the following order of priority after payment of relevant taxes:

1. making up losses;
2. allocation to the statutory common reserve fund;
3. allocation to the discretionary common reserve fund;
4. payment of dividends on ordinary shares.

The Company shall allocate 10 per cent of the profit after taxation to the statutory common reserve fund. It needs not allocate further amount if the accumulated amount of the statutory common reserve fund has reached 50 per cent of registered capital. Allocation to the discretionary common reserve fund shall be made separately from the profit of the Company after the allocation to statutory common reserve fund is made, in accordance with the resolution of the shareholders' general meeting. The after-tax profit subsequent to making up loss of the Company and making provisions for the common reserve fund may be distributed to shareholders ratably in accordance with their shareholdings, except for the non-pro rata distributions as required by the Articles of Association.

If the shareholders' general meeting violates the previous Article and distributes profit before making up loss of the Company and making provisions for the statutory common reserve fund, shareholders shall return to the Company the amount of profit distributed which is in violation of the provisions of the previous paragraph.

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



Article 175 Dividends may be distributed in cash, in shares or in a combination of both cash and shares or as otherwise permitted by the laws and regulations.

The Company should distribute dividends in cash provided that the following conditions are satisfied:

1. the distributable profit realized by the Company for the year is positive and the cash flow is sufficient, and the payment of cash dividends will not affect the subsequent continuing operation of the Company;
2. the audit firm issues an unqualified auditor's report in respect of the financial report of the Company for the year.

The Company should distribute dividends in cash each year provided that the cash dividend conditions are satisfied. The Company may distribute interim cash dividend. The profit distributed by cash by the Company for the year shall not be less than 20% of the distributable profit for the year, and the profit distributed by cash by the Company for three consecutive years in aggregate shall not be less than 30% of the distributable profit for the three years. Provided that the financial standing and cash flow of the Company are sound and there is no substantial investment or cash outflow, the Company shall endeavor to increase the cash dividend ratio.

Depending on the profitability and business growth for the year, the Company may distribute dividends by way of shares to match share capital expansion with business growth provided the above cash dividend payout ratio and an optimal shareholding structure and share capital base are maintained.

Article 176 The board of directors formulates the profit distribution proposal in accordance with the regulations of the Articles of Association, taking into account the shareholders' return plan, the operational performance and the need for development of the Company. The profit distribution proposal passed by the board of directors shall be submitted to the shareholders' general meeting for approval by an ordinary resolution. In formulating the profit distribution proposal, the board of directors shall consider and illustrate the timing, condition, minimum ratio, conditions of adjustment and decision-making procedures of cash dividend. In case if there is special circumstance such as the Company obtain substantial special earnings during the year but there is no corresponding cash inflow, with detailed illustration and explanation, the board of directors could submit a dividend distribution proposal which offers lower ratio of dividend than that required by the Articles of Association, and such proposal is subject to shareholders' approval in general meeting by a special resolution. Independent directors and the supervisory committee shall give opinions on profit distribution proposal.

In the event that the Company needs to adjust the profit distribution policy due to the reasons such as material changes in laws and regulations and the operational environments or performance of the Company, the board of directors shall protect the interest of the shareholders and formulate adjusted policy with detailed illustration and submit the amendments of the Articles of Association accordingly for shareholders' approval in general meeting by a special resolution. Independent directors and the supervisory committee shall give opinions on the adjustment on profit distribution policy.

When profit distribution proposal or adjustment on profit distribution policy is submitted for shareholders' approval in general meeting, the Company shall establish various communication channels with the shareholders, especially the public shareholders, to solicit their view and opinion, address the concern of shareholders and take concrete steps to protect shareholders' rights of participation in the shareholders' general meeting.

Independent directors and the supervisory committee shall supervise the implementation and the decision-making procedures of the profit distribution policy and proposal. In case there are circumstances such as the board of directors does not formulate the profit distribution proposal in accordance with the Articles of Association, or such proposal violates the profit distribution policy, or the decision-making process breaches the procedures, or the implementation of the profit distribution proposal is inconsistent with the shareholders' resolutions in general meeting, independent directors and supervisory committee shall give specific opinions and explanations.

Article 177 When distributing dividends, the Company shall withhold on behalf of the shareholders the tax payable on dividend income in accordance with PRC tax law.

The dividends in cash and other distributions for the domestic shares shall be paid in Renminbi. The dividends in cash and other distributions for H shares shall be announced in Renminbi and shall be paid in Hong Kong dollars in accordance with the relevant provisions on foreign exchange management.

Article 178 The board of directors may decide on its proposal to distribute interim or special dividends of the Company as authorised by the shareholders' general meeting.

Article 179 The Company shall appoint receiving agents on behalf of the shareholders of overseas listed foreign shares. Receiving agents shall receive on behalf of the relevant shareholders dividends distributed and other monies payable by the Company in respect of overseas listed foreign shares.

The receiving agent appointed by the Company shall meet the relevant requirements provided by the laws of the place or of the stock exchange where the shares may be listed.

The receiving agent which the Company appoints for the holders of H shares shall be a trust company registered in accordance with the Trustee Ordinance of Hong Kong.

Chapter 17 Audit

Article 180 The Company shall implement its internal audit system with professional auditors to carry out internal audit supervision to the financial and economic activities of the Company.

The system of the internal audit and the duties of such auditors shall be implemented after the approval of the board of directors. The responsible auditor shall be responsible and report to the board of directors.



Article 181 The Company shall appoint an independent accounting firm which shall meet the relevant requirements of the PRC to audit the annual financial report and to review other financial reports of the Company.

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

If the inaugural meeting fails to exercise its powers under the preceding paragraph, those powers shall be exercised by the board of directors.

Article 182 The accounting firm appointed by the Company shall hold office from the conclusion of that shareholders' general meeting to the conclusion of the next shareholders' general meeting.

Article 183 The accounting firm appointed by the Company shall enjoy the following rights:

1. to inspect the books and account, records or evidence of the Company at any time and has the right to require directors, presidents or other senior management of the Company to provide the relevant information and explanation;
2. to require the Company to adopt all reasonable measures to obtain from its subsidiaries information and explanation which are requisite for such accounting firm to carry out its duties;
3. to attend meetings of shareholders and receive notice of meeting and other information related to such meeting which any shareholder is entitled to receive and speak at any meeting of shareholders about the matters related to its being the accounting firm of the Company.

The Company guarantees that the accounting evidence, accounting books, financial report and other accounting information provided to the accounting firm engaged are true and complete without refusal, withholding or false information.

Article 184 If the office of the accounting firm becomes vacant, the board of directors shall have the right to appoint an accounting firm to fill such vacancy prior to the convening of the shareholders' general meeting. However, in case there is another accounting firm in office for the Company during the continuance of the vacancy, such accounting firm may perform the duties.

Article 185 Any accounting firm can be dismissed prior to the expiry of its term of office by ordinary resolution passed in a shareholders' general meeting regardless of the provisions of the terms of the contract entered into by the accounting firm and the Company. If the relevant accounting firm is entitled to claim compensation against the Company due to the dismissal, such right shall not be affected.

Article 186 The remuneration or the manner to determine the remuneration of the accounting firm shall be decided at the shareholders' general meeting. The remuneration of the accounting firm appointed by the board of directors shall be determined by the board of directors.



Article 187 The decisions of the Company to appoint, dismiss or not to re-appoint an accounting firm shall be made at the shareholders' general meeting and shall be filed with the securities supervisory authorities under the State Council.

Where a resolution is proposed to be passed at a shareholders' general meeting to appoint a firm other than an incumbent accounting firm to fill any vacant office of accounting firm, or to re-appoint an accounting firm who has been appointed by the board of directors to fill a vacancy, or to dismiss an accounting firm before the expiration of its term of office, the following requirements shall be met:

1. The relevant motion shall be sent to the accounting firm proposed to be appointed or the accounting firm which intends to vacate its office or the accounting firm who has vacated from its office in the relevant accounting year, before the notice of the shareholders' general meeting is issued to the shareholders. Vacating the office shall include leaving by removal, resignation or retirement.
2. If the accounting firm which is vacating its office makes a statement in writing and requests the Company to notify the shareholders of that statement, the Company shall, unless the written statement is received too late, take the following measures:
 - (1) to state in the notice given in respect of the resolution, the fact that the accounting firm which is vacating the office has made a statement;
 - (2) to send a copy of the statement to shareholders who are entitled to receive notice of shareholders' meeting.
3. If the statement of the relevant accounting firm has not been sent in accordance with paragraph 2 of this Article, such accounting firm may request the representation be read at the meeting of shareholders and may make further complaint.
4. An accounting firm which is vacating its office shall be entitled to attend the following meetings:
 - (1) the shareholders' general meeting at which its term of office will expire;
 - (2) the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
 - (3) the shareholders' general meeting convened due to its resignation;

The accounting firm vacating its office shall be entitled to receive all notices or other relevant information of the said meetings, and speak at the said meetings in respect of the affairs in which it is involved as a former accounting firm of the Company.

Article 188 When the Company dismisses or does not re-appoint an accounting firm, it shall give advance notice to the accounting firm. The accounting firm shall have the right to present its views at the shareholders' general meeting. The Company shall serve the circular which contains the proposals to dismiss the accounting firm and any statement in writing of the accounting firm to the holders of overseas listed foreign shares 10 business days prior to the convene of the shareholders' general meeting. The Company shall allow the accounting firm to be present at the shareholders' general meeting and it shall make statement in such meeting.

Where the accounting firm resigns, it shall state in the shareholders' general meeting as to whether or not there are irregularities in the Company. An accounting firm may resign by leaving a written notice of resignation at the legal address of the Company. The notice shall be



effective on the date when the notice is left at the registered address of the Company or a later date specified in the notice. Such notice shall contain the following statements:

1. a declaration to the effect that there are no circumstances connected with its resignation which it considers should be accounted for to the shareholders or creditors of the Company; or
2. a statement of any circumstances which should be accounted for.

When the Company receives the notice referred to in the preceding Article, it shall within 14 days send a copy of the notice to the supervisory authorities. If the notice contains the statement mentioned in paragraph 2 of this Article, a copy of the notice shall be kept by the Company at the registered address of the Company for the inspection by the shareholders. The Company shall also post a copy of the aforesaid representation to each shareholder of overseas listed foreign shares by prepaid post. The address of the recipient shall be the one recorded in the register of shareholders.

When the notice of resignation of the accounting firm contains a statement that has to be accounted for, the accounting firm may request the board of directors to convene an extraordinary general meeting for the purpose of hearing the explanation of the circumstances connected with its resignation.

Chapter 18 Labour Management and the Organisation of Labour Union

- Article 189 The Company shall establish such systems of labour management, personnel management, wages welfare and social insurance according to the laws, legal regulations and the relevant administrative regulations of the PRC.
- Article 190 The Company shall operate an appointment system with each level of management staff, and a contract system with the general staff of the Company. The Company may of its own accord decide on the allocation of staff, and shall have the right to recruit of its own accord and dismiss management staff and general staff in accordance with the provisions of legal regulations and contract.
- Article 191 The Company shall have the right to determine the salary and welfare benefits of each level of management staff and each type of staff of the Company according to its own economic efficiency, and within the scope provided by the relevant regulations.
- Article 192 The Company shall arrange for medical insurance, retirement insurance and unemployment insurance for the management and staff of the Company in accordance with the relevant regulations of the State and local government, and implement the provisions relating to labour insurance of retired and unemployed workers according to relevant laws and regulations.
- Article 193 The staff and workers of the Company shall have the right to establish labour unions and carry out labour union activities in accordance with the Labour Union Law of the People's Republic of China. The activities of the labour union shall be carried out outside normal working hours unless the board of directors determines otherwise.



Chapter 19 Merger and Division of the Company

Article 194 A proposal for merger or division of the Company shall be proposed by the board of directors of the Company. After the same has been passed according to the procedures provided in these Articles of Association, the relevant application procedures for approval shall be completed according to law. When the Company merges or divides, the board of directors of the Company shall adopt necessary procedures to protect the legal interests of the shareholders who oppose to the merger and division of the Company. Shareholders who object to the proposal for merger or division of the Company shall be entitled to demand that the Company or the shareholders who consent to the proposal for merger or division of the Company purchase their shares at a fair price. The content of the resolution on the merger or division of the Company shall be compiled as a special document for inspection by the shareholders.

The document mentioned above shall be delivered by post to the shareholders of H shares.

Article 195 The merger of the Company may take the two forms of merger by absorption and merger by formation of a new corporation.

For a merger by absorption, a company absorbs any other company and the absorbed company is dissolved; for a merger by formation of a new corporation, two or more companies combine together for the establishment of a new one, and the existing ones are dissolved.

In the event of merger of the Company, the parties involved in the merger shall execute a merger agreement and prepare a balance sheet and a list of assets. The Company shall notify the creditors within 10 days from the date of the merger resolution and shall make announcement in newspapers at least three times within 30 days thereof. The creditors shall, within 30 days after receipt of notice or within 45 days of the first announcement of any merger in the case of creditors that have not received notice, be entitled to demand repayment in full or a guarantee by the Company.

After completion of the merger, the rights and obligations of loans of the parties involved in the merger shall be assumed by the company surviving the merger or the new company formed after the merger.

Article 196 In the event of a division of the Company, its assets shall be divided accordingly.

In the event of a division of the Company, the parties involved shall execute a division agreement and prepare the balance sheet and list of assets. The Company shall notify the creditors within 10 days from the date of the division resolution and shall make an announcement in newspapers at least three times within 30 days thereof. The creditors shall, within 30 days after receipt of notice or within 45 days of the first announcement of any division in the case of creditors that have not received notice, be entitled to demand repayment in full or an appropriate guarantee from the Company.

The liabilities of the Company prior to the division shall be undertaken by the companies after such division in accordance with the agreement entered into.



Article 197 In the event of a merger or division of the Company, alterations in the registered matters of the Company shall be registered at the company registration authorities in accordance with law; in the event of a dissolution of the Company, the cancellation of registration shall be made in accordance with law; in the event of the setting up of a new company, the registration of incorporation thereof shall be made in accordance with law.

Chapter 20 Dissolution and Liquidation of the Company

Article 198 The Company shall dissolve and proceed with liquidation in accordance with law upon occurrence of any one of the following events:

1. the expiry of the term of business operation;
2. the shareholders' general meeting resolves to dissolve the Company;
3. dissolution of the Company is required for the merger or division of the Company;
4. the Company is pronounced insolvent in accordance with law as a result of its inability to pay debts when due;
5. closure of the Company in accordance with law as a result of its contravention of laws and regulations.

Article 199 In the event that the Company is dissolved under the provisions of paragraphs 1 and 2 of the preceding Article, it shall set up within 15 days a liquidation committee, the members of which shall be determined by way of ordinary resolution passed in shareholders' general meeting.

In the event that the Company is dissolved under the provisions of paragraph 4 of the preceding Article, the People's Court shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

In the event that the Company is dissolved under the provisions of paragraph 5 of the preceding Article, the relevant supervisory authorities shall form a liquidation committee comprised of the shareholders, personnel from the relevant authorities and relevant professionals in accordance with law to proceed with the liquidation.

Article 200 In the event that the board of directors decides to liquidate the Company (except for liquidation as a result of the pronouncement of insolvency by the Company), it shall specify in the notice convening the shareholders' general meeting for such purpose that the board of directors has made a full inquiry of the affairs of the Company and considers that the Company may settle all the Company's debts within 12 months upon commencement of liquidation.

Upon the passing of the liquidation resolution at the shareholders' general meeting, the duties of the board of directors of the Company shall cease forthwith.

The liquidation committee shall comply with the directions of the shareholders' general meeting and report to the shareholders' general meeting at least once every year the income and expenditure, the business of the Company and the progress of liquidation and submit a final report to the shareholders' general meeting upon the completion of liquidation.



Article 201 The liquidation committee shall notify the creditors within 10 days of its establishment and announce the same in newspapers at least three times within 60 days. The liquidation committee shall register any claims for payment of debt.

The creditors shall claim their creditors' rights to the liquidation committee within 30 days after the date of their receipt of the notice, or for those who did not receive the notice, within 45 days after the date of the announcement. The creditors who claim their creditors' rights shall explain the relevant matters in relation to their rights and provide evidence. During the reporting period of the creditors' rights, the liquidation committee shall not repay the creditors.

Article 202 The liquidation committee shall during the liquidation process perform the following functions and powers:

1. to dispose of the properties of the Company, to prepare a balance sheet and list of assets respectively;
2. to give notice or make announcement to creditors;
3. to deal with and liquidate the uncompleted business of the Company related to the liquidation;
4. to effect payment of all taxes due;
5. to sort out the Company's right to and liability for debts;
6. to deal with the remaining assets after settlement of debts by the Company;
7. to represent the Company to participate in civil proceedings.

The members of the liquidation committee shall devote themselves to their duties and perform their obligations of liquidation according to the law. No member of the liquidation committee may take advantage of his/her position to accept bribes or other illegal proceeds, nor may he/she misappropriate properties of the Company. Where members of the liquidation committee cause any loss to the Company or any creditor due to the deliberate acts or gross negligence of such members, they shall be liable to pay compensations.

Article 203 After disposal of the assets of the Company and the preparation of the balance sheet and a list of assets has been completed, the liquidation committee shall draw up a liquidation programme for submission to the shareholders' general meeting or the relevant supervisory authorities for their confirmation.

The assets of the Company shall be used in accordance with the following priority:

1. to pay liquidation expenses;
2. to pay all wages due to the staff and workers of the Company and labour insurance expenses;
3. to effect payment of taxes due;
4. to settle the debts of the Company.

The remaining assets of the Company after settlement in accordance with the provisions aforesaid shall be distributed to the shareholders of the Company in accordance with the class and proportion of shares held by them. The assets of the Company shall not be distributed to the shareholders before the repayment is made in accordance with the above provision.

During the liquidation process, no new business activities shall be commenced by the Company.



Article 204 If the liquidation committee discovers that, in the case of a liquidation of the Company due to dissolution and after the disposal of the assets of the Company and preparation of the balance sheet and list of assets, the assets of the Company are insufficient to settle the debts, it shall forthwith make an application to the People's Court for a declaration of insolvency.

After the declaration of insolvency by the People's Court, the liquidation committee shall pass the liquidation matters to the People's Court.

If the Company is legally pronounced bankrupt, the Company shall be subject to bankruptcy liquidation according to the relevant laws on enterprise bankruptcy.

Article 205 Upon the completion of the liquidation of the Company, the liquidation committee shall prepare a liquidation report and statement of income and expenditure and the financial accounts for the liquidation which, upon being certified by an accountant registered in China, shall be submitted to the shareholders' general meeting or relevant supervisory authorities for confirmation.

The liquidation committee shall submit within 30 days after the confirmation by the shareholders' general meeting or relevant supervisory authorities the documents mentioned above to the company registration authorities and apply for the cancellation of the registration of the Company and announce the termination of the Company.

Chapter 21 Procedures for Amending Articles of Association of the Company

Article 206 The Company may amend these Articles of Association pursuant to the laws and regulations and the provisions of these Articles of Association.

Article 207 The procedures for amending these Articles of Association shall be as follows:

1. after passing resolutions pursuant to these Articles of Association, the board of directors shall propose to the shareholders' general meeting to amend these Articles of Association and draw up the amendment proposal;
2. notify the shareholders of the amendment proposal and convene the shareholders' general meeting for voting;
3. the amendments submitted to the shareholders' general meeting for voting shall be passed by special resolutions.

Article 208 The amendments to these Articles of Association which should be approved by the supervising authority of the Company shall be submitted to the original approval supervising authority for approval. The amendments which involve the contents of the Mandatory Provisions for the Articles of Association of Companies Seeking a Listing Outside the People's Republic of China shall be effective upon the approval by the examining and approving authorities of companies authorised by the State Council and the Securities Commission of the State Council; if the amendments involve company registration matters, alteration of the registration shall be made in accordance with law.

Chapter 22 Resolution of Disputes

Article 209 The Company shall comply with the following rules of dispute resolution:



1. In respect of disputes and claims for rights relating to the affairs of the Company that arise from the rights and obligations provided for in these Articles of Association, the Company Law and other relevant laws and regulations, between the shareholders of overseas listed foreign shares and the Company, between the shareholders of overseas listed foreign shares and the directors, supervisors, president or other senior management of the Company, between the shareholders of overseas listed foreign shares and shareholders of domestic shares, the parties involved shall refer these types of disputes or claims for rights to arbitration for settlement.

The disputes or claims for rights mentioned above which are submitted for arbitration refer to the whole of the claims or the entire dispute; if the identities of persons having the same cause of action or parties whose participation are necessary for the settlement of the disputes or the claims for rights involve the Company, the shareholders of the Company, directors, supervisors, president or other senior management of the Company, they shall submit themselves to such arbitration.

Disputes involving the definition of a shareholder or register of shareholders need not be settled by arbitration.

2. The party applying for arbitration may choose either the China International Economic and Trade Arbitration Committee to proceed with the arbitration pursuant to its arbitration rules or the Hong Kong International Arbitration Centre to proceed with the arbitration pursuant to its securities arbitration rules. After the disputes or claims for rights have been referred to arbitration by the claimant, the other party shall proceed the same with the arbitration institution chosen by such applicant.

If the applicant chooses the Hong Kong International Arbitration Centre to proceed with the arbitration, either party may request to proceed with the same in Shenzhen in accordance with the provisions of the securities arbitration rules of Hong Kong International Arbitration Centre.

3. The laws of the People's Republic of China shall be applicable to the settlement of the disputes and claims for rights mentioned in paragraph 1 of this Article by way of arbitration unless the laws and regulations provide otherwise.
4. The ruling given by the arbitration institution shall be final and binding on the parties involved.

Chapter 23 Notices and Announcements

Article 210 The notice of the Company shall be issued by means of:

1. delivery by hand;
2. mail;
3. announcement;
4. other means required in these Articles of Association or recognised by the securities supervising authorities where the shares of the Company are listed.



Notices, information or written statements sent by the Company to holders of H shares, shall be delivered by hand to the holders of H shares or by post to the address of such holder of H shares set out in the register of shareholders, or by other means recognised by the Hong Kong Stock Exchange.

Unless otherwise required under laws and regulations and listing rules, the notice that is required to be despatched to the shareholders and other information that is required to be disclosed shall be published or announced by way of announcement in one or more newspapers or on the designated website designated by the securities supervisory authorities and once it is announced, all the shareholders shall be deemed to have received or knowledge on the relevant notice and other information that is required to be disclosed.

Article 211 For the notice of the Company delivered by hand, the addressee shall sign (or stamp) on the receipt of the delivery, and the date of delivery refers to the date when the addressee signs the acknowledgement receipt; for the notice of the Company sent by mail, the date of delivery refers to the second working day from the date when the notice is delivered to the post office; for the notice of the Company made by announcement, the date of delivery refers to the date when the announcement is published or announced in the designated newspaper(s) or website(s).

Article 212 Accidental omission to serve a notice on, or non-receipt of any such notice by, such person who is entitled to receive the same shall not invalidate the meeting and the resolutions passed at the meeting.

Article 213 Any notices, documents, information or written statements served on the Company by shareholders or the directors shall be delivered to the legal address of the Company by personal delivery or by registered post.

Article 214 In proving service of notices, documents, information or written statements by the shareholders or directors to the Company, it shall be sufficient if it is proved that the relevant notice, document, information or written statement has been served within the time of service specified by the methods provided for in Article 213 of these Articles of Association. In proving service of the same by personal delivery, it shall be sufficient if it is proved that the same has been served by producing the acknowledgment of receipt by the Company. In proving service of the same by registered post, it shall be sufficient if it is proved that the same has been served by delivering to the correct address by way of prepaid post.

Chapter 24 Supplementary Provisions

Article 215 The word “above” in these Articles of Association includes the figure itself, “exceed”, “higher than”, “more than” or “less than” does not include the figure itself.

The securities regulatory authorities referred in these Articles of Association include the security regulatory authority where the shares of the Company listed and the stock exchange includes but not limited to the CSRC and its dispatched institutions, the SSE and Hong Kong Stock Exchange etc.



In these Articles of Association, “accounting firm” shall have the same meaning as “auditor”.

- Article 216 These Articles of Association shall be interpreted by the board of directors.
- Article 217 The Company shall formulate schedules to these Articles of Association, including the Rules of Procedures for the Shareholders’ General Meeting, the Rules of Procedures for the Board of Directors and the Rules of Procedures for the Supervisory Committee in accordance with laws and regulations and these Articles of Association, that shall be effective upon the approval of the shareholders’ general meeting. The rules shall not contradict with these Articles of Association. In case of inconsistency, these Articles of Association shall prevail.
- Article 218 The board of directors of the Company shall be responsible for amendment and interpretation of the Rules of Procedures for the Shareholders’ General Meeting the Rules of Procedures for the Board of Directors. The Supervisory Committee shall be responsible for amendment and interpretation of the Rules of Procedures for the Supervisory Committee. Amendments of the aforesaid rules shall be conducted in accordance with the requirements of Chapter 21 of these Articles of Association and become effective upon the approval of the shareholders’ general meeting.
- Article 219 These Articles of Association are written in both Chinese and English languages and the Chinese version shall prevail.