

Jiangsu Expressway Company Limited

Articles of Association

**(Amended at the Company's the 2009 second extraordinary general meeting on
20 October 2009)**

Articles of Association

Time of Amendment and Adoption

Approved by way of special resolution at the Company's shareholders' general meeting on 2 April 1997

Approved by the State Commission for Restructuring the Economic System on 2 June 1997

Amended by way of special resolution at the Company's shareholders' general meeting on 18 June 1999

Approved by the State Economic and Trade Commission on 26 April 2001

Amended by way of special resolution at the Company's shareholders' general meeting on 28 May 2002

Approved by the State Economic and Trade Commission on 2 July 2002

Amended by way of special resolution at the Company's extraordinary general meeting on 23 March 2004

Approved by the State-owned Assets Supervision and Administration Commission under the State Council on 17 May 2004

Amended by way of special resolution at the Company's shareholders' general meeting on 28 June 2004

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Amended by way of special resolution at the Company's shareholders' general meeting on 18 May 2005

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Amended at the Company's 2005 annual general meeting on 10 June 2006

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Amended at the Company's 2009 first extraordinary general meeting on 11 March 2009

Amended at the Company's 2008 annual general meeting on 17 June 2009

Amended at the Company's 2009 second extraordinary general meeting on 20 October 2009

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Chapter I General Provisions

Article 1.1 These Articles of Association are formulated in accordance with the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law"), and other relevant regulations to safeguard the legitimate rights and interests of the Company, its shareholders and creditors, and to regulate the organization and activities of the Company.

Article 1.2 The Company is a joint stock limited company incorporated pursuant to the Company Law of the People's Republic of China (the "Company Law"), the Special Regulations of the State Council on the Overseas Offer and Listing of Shares by Joint Stock Limited Companies (the "Special Regulations"), and other relevant laws and administrative regulations of the People's Republic of China (the "PRC").

The Company was established by way of promotion with the approval of the Commission for Restructuring the Economic System of Jiangsu Province (江蘇省體制改革委員會), as evidenced by the approval document Su Ti Gai Sheng [1992] No. 151 (蘇體改生[1992]151號文). The Company was registered with the Jiangsu Administration for Industry and Commerce and was granted a business license on 1 August 1992.

Pursuant to the requirements of the Circular of the State Council Concerning the Standardization of Existing Limited Liability Companies and Joint Stock Limited Companies in Accordance with the Company Law of the People's Republic of China, the Company was re-registered on 31 December 1996 and the Company's business license number is: 320000000004194.

The promoters of the Company include the Communications Department of Jiangsu Province (江蘇省交通廳), Jiangsu Provincial Communications Engineering Company (江蘇省交通工程總公司), Jiangsu Roads and Bridges Construction Company (江蘇公路橋樑建設公司) and Jiangsu Automobile Transportation Company (江蘇省汽車運輸公司).

(Mandatory Provision 1)

Article 1.3 As approved by the Securities Commission of the State Council, on 3 June 1997, the Company initially issued 1,222,000,000 H shares to the overseas public which were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 27 June 1997. On 15 December 2000, as approved by the China Securities Regulatory Commission (the “CSRC”), the Company issued 150,000,000 A shares to the domestic public, which were listed on the Shanghai Stock Exchange (the “SSE”) on 16 January 2001.

Article 1.4 The registered Chinese name of the Company: 江蘇寧滬高速公路股份有限公司.

The registered English name of the Company: Jiangsu Expressway Company Limited.

(Mandatory Provision 2)

Article 1.5 The Company’s corporate domicile: 6 Maqun Road, Nanjing, Jiangsu, the PRC

Postcode: 210049

Telephone: (8625) 84204028, 84362700-301835/301836

Facsimile: (8625) 84207788, 84466643

(Mandatory Provision 3)

Article 1.6 The Company's legal representative is the Chairman of the Board of the Company.

(Mandatory Provision 4)

Article 1.7 The Company is a joint stock limited company in perpetual existence.

(Mandatory Provision 5)

Article 1.8 Other senior managements referred to in the Articles of Association include general managers, deputy general managers, Secretary to the Board, and financial controller of the Company.

Article 1.9 Upon adoption by way of passing special resolution at the shareholders' general meeting of the Company, the Articles of Association came into effect on the date of approval by the State Commission for Restructuring the Economic System (國家經濟體制改革委員會), and replaced the original Articles of Association filed with the industry and commerce administration authorities.

Article 1.10 The Articles of Association were formulated mainly in accordance with the Company Law, the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (到境外上市公司章程必備條款) (Zheng Wei Fa [1994] No.21) (證委發[1994]21 號文) (the "Mandatory Provisions") promulgated on 27 August 1994 by the Securities Commission of the State Council and the State Commission for Restructuring the Economic System, the Letter of Opinions on Supplementary Amendment to Articles of Association of Companies to be Listed in Hong Kong (關於到香港上市公司對公司章程作補充修改的意見的函) (Zheng Jian Hai Han [1995] No.1) (證監海函[1995]1 號文) promulgated on 3 April 1995 by the Overseas Listing Department of the CSRC and the Department of Production System under the State Commission for Structural Reform, and the Circular of the CSRC Concerning Issuance of the Guidelines on Articles of Association of Listed Companies (關於發佈<上市公司章程指引>的通知) on 16 December 1997. Any amendment to the Articles of Association involving the Mandatory Provisions shall be handled pursuant to Article 23.2 hereof.

Article 1.11 From the date of the Articles of Association becoming effective, the Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and its shareholders and among the shareholders inter se.

(Mandatory Provision 6)

Article 1.12 The Articles of Association are binding on the Company and its shareholders, directors, supervisors, managers and other senior managements; all of whom may, assert rights regarding the Company's affairs in accordance with the Articles of Association.

A shareholder may take action against the Company pursuant to the Company's Articles of Association, and vice versa. A shareholder may also take action against another shareholder, and may take action against the directors, supervisors, managers and other senior management of the Company pursuant to the Company's Articles of Association.

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

(Mandatory Provision 7)

Article 1.13 All capital of the Company is divided into shares with same par value per share. The liabilities of the shareholders of the Company are limited to the value of the shares held by them, and the Company is liable for its debts to the extent of its entire assets.

Article 1.14 Subject to relevant laws and regulations, the Company has the rights to raise and borrow funds, including but not limited to, the issue of debentures; and to provide guarantee for any third parties. However, the exercise of such rights by the Company shall not be prejudicial or causing revocation to the rights of shareholders of any class.

Article 1.15 The Company is an independent legal person, and shall behave in compliance with the laws and regulations of the PRC and protect the legitimate interest of its shareholders. The Company is governed by, and existing under the protection of, the laws, regulations and other relevant stipulations of the PRC.

Article 1.16 The Company may invest in other limited liability companies and joint stock limited companies, The Company's liabilities to an invested company shall be limited to the amount of its capital contribution to the invested company.

Upon approval of competent authorities authorised by the State Council, the Company may operate as a holding company as prescribed in the Company Law having regard to its operational and management needs.

(Mandatory Provision 8)

Article 1.17 The Company shall not be a shareholder with unlimited liabilities of any other profit-making organizations.

Chapter II Objectives and Scope of Business

Article 2.1 The business objectives of the Company are: to leverage all the beneficial factors to the Company, and utilize domestic and overseas funds for the construction, maintenance and management of roads inside and outside Jiangsu Province and relevant operating projects, implement advanced and scientific management, adapt to market demands, and improve production efficiency so as to secure the optimal economic benefits for all the shareholders of the Company.

(Mandatory Provision 9)

Article 2.2 The Company's scope of business shall be consistent with and subject to the scope of business approved by the authority responsible for the registration of the Company.

The Company's scope of business includes: retail of petroleum products; repairs of automobiles; accommodations, catering, sale of food stuffs; and retail and rental of books and magazines (only by approved branch entities for the above-mentioned businesses). General business items: construction and maintenance of expressways; collection of toll charges from vehicles using the expressways under prescribed regulations; storage; technical consultancy; sales of daily necessities, textiles, groceries, hardware, AC electrical products, chemical products (hazardous chemical products excluded), automobile parts and components, motor parts and components; equipment leasing, property leasing and site leasing.

(Mandatory Provision 10)

Article 2.3 The Company may change its scope of business, subject to amendment to the Articles of Association in accordance with law, and approval by relevant competent departments and authorities, and change of registration with the authorities with which the Company is registered.

Chapter III Shares and Registered Capital

Article 3.1 There must, at all times, be ordinary shares in the Company. The Company may, according to its needs and subject to the approval by the companies' approval authority authorised by the State Council, create other classes of shares.

(Mandatory Provision 11, HK Listing Rules App 3-9)

Article 3.2 Shares of the Company shall be issued in an open, fair and just manner. Shares of the same class shall rank pari passu with each other.

Each of the shares of the same class shall be issued under the same conditions and at the same price in each issuance; for the shares subscribed by any entity or individual under the same offering, the price payable for each of such shares shall be the same.

Article 3.3 The domestic shares issued by the Company shall be centralised and held in custody by the Shanghai Branch of China Securities Depository & Clearing Corporation Limited.

Article 3.4 All shares issued by the Company shall have a par value of RMB1 per share.

(Mandatory Provision 12)

Article 3.5 Subject to the approval of the securities regulatory authority of the State Council, the Company may issue shares to domestic and foreign investors.

The foreign investors referred to in the preceding paragraph mean those investors who are located in foreign countries and the regions of Hong Kong, Macau and Taiwan who subscribe for shares issued by the Company. Domestic investors mean those investors who subscribe for the shares issued by the Company and who are located within the territory of the PRC (excluding investors from the regions referred to in the preceding sentence).

(Mandatory Provision 13)

Article 3.6 Shares issued by the Company to domestic investors for subscription in Renminbi shall be referred to as domestic-invested shares. Shares issued by the Company to foreign investors for subscription in foreign currencies shall be referred to

as foreign-invested shares.

Domestic-invested shares which are listed in the PRC shall be referred to as PRC-listed domestic-invested shares. Foreign-invested shares which are listed outside the PRC shall be referred to as overseas-listed foreign-invested shares.

(Mandatory Provision 14)

Article 3.7 Upon the approval of the Board and relevant government authorities, domestic-invested shares of the Company may be listed on the stock exchanges in the PRC. Overseas-listed foreign-invested shares shall be listed on The Stock Exchange of Hong Kong Limited or other stock exchanges outside the PRC.

Article 3.8 Upon approval by the Jiangsu Provincial Commission for Restructuring the Economic System, the Company issued 653,000,000 shares to the promoters, representing 100% of the total issuable ordinary shares upon establishment of the Company.

(Mandatory Provision 15, HK Listing Rules App 3-9)

Article 3.9 Upon approval by the State Assets Administration Bureau (國有資產管理局), the total share capital of the Company prior to the initial offering of H shares was 3,665,747,500 shares, among which, 3,376,134,600 shares were State-owned shares which were beneficially held by and which shareholders rights were exercisable by Jiangsu Communications Investment Company (江蘇交通投資公司), representing 92.10% of the total issuable ordinary shares of the Company. The Communications Department of Jiangsu Province, one of the Company's original promoters, ceased to be a shareholder of the Company; 3,000,000 shares were state-owned legal person shares which were held by Jiangsu Provincial Communications Engineering Company, Jiangsu Roads and Bridges Construction Company and Jiangsu Automobile Transportation Company, respectively, each with 1,000,000 of the said shares, representing 0.08% of the total issuable ordinary shares of the Company; and 286,612,900 shares were legal person shares, representing 7.82% of the total issuable ordinary shares of the Company.

Article 3.10 Upon approval by the securities regulatory authorities of the State Council, the Company may issue 1,222,000,000 overseas-listed foreign-invested shares and over-allot 10% of such shares (subject to market conditions) and issue 150,000,000 domestic-invested shares to the public subsequent to its establishment.

Upon completion of the aforesaid issue of overseas-listed foreign-invested shares and PRC-listed domestic-invested shares, the Company's share capital structure was as follows: 5,037,747,500 ordinary shares, of which 2,781,743,600 shares were held by Jiangsu Communications Holdings Company Limited, representing 55.22% of the total share capital; 599,471,000 state-owned legal person shares, representing 11.90% of the total share capital (including 1,000,000 shares held by the promoter Jiangsu Provincial Communications Engineering Company and 1,000,000 shares held by Jiangsu Communications Construction Group Co., Ltd. (江蘇交通建設集團有限公司), representing in aggregate 0.04% of the total number of issued ordinary shares); 1,222,000,000 shares are held by holders of the overseas-listed foreign-invested shares, representing 24.25% of the total share capital of the Company; 150,000,000 shares are held by holders of the PRC-listed domestic-invested shares, representing 2.98% of the total share capital of the Company; and 284,532,900 private legal person shares were held by other holders of domestic-invested shares, representing 5.65% of the total share capital of the Company.

(Mandatory Provision 16)

1,000,000 state-owned legal person shares held by Jiangsu Automobile Transportation Company, one of the original promoters of the Company, had been transferred according to law after the Company's issue of H shares. As such, Jiangsu Automobile Transportation Company ceased to be a shareholder of the Company.

Jiangsu Roads and Bridges Construction Company, one of the promoters of the Company, was renamed to Jiangsu Communications Construction Group Co., Ltd. (江蘇交通建設(集團)有限公司) pursuant to the document Su Zheng Fu (1999) No. 109 (蘇政複(1999)109號文) issued by the Jiangsu Provincial People's Government.

Jiangsu Communications Investment Company, one of the promoters of the Company, was renamed to Jiangsu Communications Holdings Company Limited pursuant to the document Su Zheng Fu (2000) No. 132 (蘇政複(2000)132號文) issued by the People's Government of Jiangsu Province.

Upon completion of the equity reform, due to its payment of share consideration and payment of share consideration on behalf of some private legal person shareholders, the total number of shares held by Jiangsu Communications Holdings Company Limited changed. As at 16 May 2006, it held 2,742,333,070 shares of the Company, representing 54.4357% of the total number of the Company's shares. Jiangsu Communications Construction Group Co., Ltd. held 2,072,502 shares, representing 0.0411% of the total number of the Company's shares. 1,222,000,000 shares were held by holders of the overseas-listed foreign-invested shares, representing 24.25% of the total share capital of the Company. 198,000,000 shares are held by holders of the PRC-listed domestic-invested shares, representing 3.93% of the total share capital of the Company. 286,484,900 circulating shares subject to trading restrictions were held by other holders of domestic-invested shares, representing 5.69% of the total share capital of the Company.

Article 3.11 The Company's proposal for the issuance of overseas-listed foreign-invested shares and domestic-invested shares, upon approval by the competent securities regulatory authorities of the State Council, may be implemented by the Board through separate offerings.

(Mandatory Provision 17)

Article 3.12 Where the Company issues overseas-listed foreign-invested shares and domestic-invested shares respectively within the total number of shares as stated in the issuance proposal, the respective shares shall be subscribed for in full at one time. If they cannot be subscribed for in full at one time under special circumstances, these shares may be issued in several offerings subject to the approval of the securities regulatory authority of the State Council.

(Mandatory Provision 18)

Article 3.13 Upon completion of the issue of overseas-listed foreign-invested shares and PRC-listed domestic-invested shares as stated in Article 3.8, the Company's registered capital was RMB5,037,747,500.

(Mandatory Provision 19)

Article 3.14 The Company or its subsidiaries (including subordinate entities under the Company) shall not, by way of gift, advance payment, guarantee, compensation, loans or other means, provide any financial assistance to a person who acquires or proposes to acquire the shares in the Company.

Article 3.15 The Company may, based on its operation and business requirements, approve an increase of its capital in accordance with the relevant provisions of the Articles of Association.

The Company may increase its capital in the following manners:

- (1) offering new shares for subscription to non-specific investors;
- (2) placing new shares to existing shareholders;
- (3) distributing new shares to existing shareholders;
- (4) other methods as permitted by laws and administrative regulations;
- (5) capitalizing its capital reserve;
- (6) other means as approved by the CSRC.

The Company's increase of capital by issuing new shares shall, after being approved pursuant to the provisions of the Articles of Association, be conducted in accordance with the procedures stipulated by the relevant laws and administrative regulations.

Article 3.16 After increase of its capital, the Company shall file the change with relevant authorities for registration and make relevant announcement.

(Mandatory Provision 20)

Article 3.17 Unless otherwise provided by laws and administrative regulations, shares of the Company are freely transferable and are not subject to any lien.

(Mandatory Provision 21, HK Listing Rules App 3-1(2))

Chapter IV Reduction of Capital and Repurchase of Shares

Article 4.1 In accordance with the provisions of the Articles of Association, the Company may reduce its registered capital.

(Mandatory Provision 22)

Article 4.2 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days of the date of the Company's resolution for reduction of registered capital and shall publish an announcement for at least 3 times in newspapers within thirty days from the date of such resolution. A creditor of the Company shall be entitled, within thirty days from the date of receipt of the notice from the Company or, in case of a creditor who has not received such notice, within ninety days from the date of the first announcement, to require the Company to repay its debts or provide a corresponding guarantee for such debt.

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

(Mandatory Provision 23)

Article 4.3 In the following circumstances, the Company may repurchase its issued shares in accordance with the procedures provided in the Articles of Association and with the approval of relevant competent authorities of the State:

- (1) to cancel shares for the purpose of reducing the capital of the Company;
- (2) to merge with other companies which hold shares in the Company;
- (3) other circumstances as permitted by laws and administrative regulations;
- (4) to grant shares to employees of the Company as incentive; or
- (5) to acquire the shares of shareholders (upon their request) who vote against any resolution adopted at any general meetings on the merger or division of the Company.

The Company shall not purchase or sell the Company's shares save and except for the aforesaid conditions.

Where the Company acquire its shares for reasons as set out in the foregoing items (1) to (4), it shall be approved by way of a resolution at the Company's general meeting. Where the Company acquire its shares pursuant to the provisions of this Article, such shares shall be cancelled within ten days from the date of acquisition in case of the circumstances as stated in item (1); and the relevant shares shall be transferred or cancelled within six months in the case of items (2) and (5).

Shares acquired by the Company pursuant to item (4) of this Article shall not exceed 5% of the total number of shares of the Company in issue. The acquisition shall be financed out of the Company's after-tax profit and the shares acquired shall be transferred to its employees within one year.

(Mandatory Provision 24)

Article 4.4 The Company may, with the approval of the relevant competent authority of the State for repurchasing its shares, repurchase Shares in one of the following manners:

- (1) making a general offer of repurchase of shares to all its shareholders on a pro rata basis;
- (2) repurchasing shares through public dealing on a stock exchange;
- (3) repurchasing through an off-market agreement.

(Mandatory Provision 25)

Article 4.5 Where the Company repurchases its shares through an off-market agreement, it shall seek prior approval of the shareholders at a general meeting in accordance with the Articles of Association. The Company may release or vary a contract so entered into by the Company or waive its rights thereunder with prior approval by shareholders at a general meeting obtained in the same manner.

The contract to repurchase shares as referred to in the preceding paragraph includes, but not limited to, an agreement to become obliged to repurchase or to acquire the right to repurchase shares.

The Company shall not assign a contract to repurchase its shares or any of its right thereunder.

(Mandatory Provision 26)

Article 4.6 Shares repurchased in accordance with the law by the Company shall be cancelled within the period prescribed by laws and administrative regulations, and the Company shall apply to the original company registration authority for registration change of its registered capital.

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

Upon completion of reduction of its registered capital and change of

registration with the company registration authority, the Company shall make the relevant announcement.

(Mandatory Provision 27)

Article 4.7 Unless the Company is in the course of liquidation, it must comply with the following provisions in respect of repurchase of its issued shares:

- (1) where the Company repurchases its shares at par value, payment shall be made out of book balance of the distributable profits of the Company or out of proceeds of a fresh issue of shares made for that purpose;
- (2) where the Company repurchases its shares at a premium to the par value, payment up to the par value shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose; Payment of the portion in excess of the par value shall be effected as follows:
 - (i) if the shares being repurchased were issued at par value, payment shall be made out of the book balance of the distributable profits of the Company;
 - (ii) if the shares being repurchased were issued at a premium to the par value, payment shall be made out of the book balance of the distributable profits of the Company or out of the proceeds of a fresh issue of shares made for that purpose; provided that the amount paid out of the proceeds of the fresh issue shall not exceed the aggregate of premiums received by the Company on the issue of the shares repurchased nor the current amount of the Company's share premium account or capital reserve account (as the case may be) (including the premiums from the fresh issue);
- (3) payment by the Company in consideration of the followings shall be made out of the Company's distributable profits:
 - (i) acquisition of rights to repurchase shares of the Company;
 - (ii) variation of any contract for repurchasing shares of the Company;
 - (iii) release of any of the Company's obligation under any contract

for repurchasing its shares.

- (4) after the Company's registered share capital has been reduced by the total par value of the cancelled shares in accordance with the relevant provisions, the amount deducted from the distributable profits of the Company for payment of the par value of the shares which have been repurchased shall be transferred to the Company's share premium account or capital reserve account (as the case may be).

(Mandatory Provision 28)

Chapter V Financial Assistance for the Acquisition of Shares in the Company

Article 5.1 The Company and its subsidiaries shall not, by any other means at any time, provide any form of financial assistance to a person who is acquiring or is proposing to acquire shares of the Company. The said acquirer of shares of the Company includes a person who directly or indirectly incurs any obligations resulting from the acquisition of shares of the Company.

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

This provision does not apply to the circumstances as stated in Article 5.2 of this Chapter.

(Mandatory Provision 29)

Article 5.2 The financial assistance as referred to in this Chapter includes, but not limited to, the followings:

- (1) gift;
- (2) guarantee (including the assumption of liability by the guarantor or the provision of assets by the guarantor to secure the performance of obligations by the obligor), compensation (other than compensation in respect of the Company's own default) or release or waiver of any rights;
- (3) provision of loan or any other agreement under which the obligations of the Company are to be fulfilled before the obligations

of another party, or a change in the parties to, or the assignment of rights arising under, such loan or agreement;

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

The expression "incurring an obligation" as referred to in this Chapter includes the incurring of obligations by way of contract or by way of arrangement (irrespective of whether such contract or arrangement is enforceable or not, and irrespective of whether such obligations are to be borne solely by the obligor or jointly with other persons), or by any other means which results in a change in the Company's financial position.

(Mandatory Provision 30)

Article 5.3 The following activities shall not be deemed to be activities as prohibited in Article 4.7:

- (1) the provision of financial assistance by the Company where the financial assistance is given in good faith in the interest of the Company, and the principal purpose in giving the financial assistance is not for the acquisition of shares, or the giving of the financial assistance is an incidental part of some larger purpose of the Company;
- (2) the lawful distribution of the Company's assets by way of dividend;
- (3) the allotment of bonus shares as dividends;
- (4) a reduction of registered capital, a repurchase of shares or a reorganization of the share capital structure of the Company effected in accordance with the Articles of Association;
- (5) the lending of money by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are thereby reduced, the financial assistance is provided out of distributable profits of the Company);
- (6) the provision of money by the Company for contributions to employee share schemes (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets

are thereby reduced, the financial assistance is provided out of distributable profits of the Company).

(Mandatory Provision 31)

Chapter VI Share Certificates and Register of Shareholders

Article 6.1 Share certificates of the Company shall be in registered form. A share certificate issued by the Company is the evidence of the share(s) held by a shareholder.

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

(Mandatory Provision 32)

Article 6.2 The share certificates shall be signed by the Chairman of the Board. Where the stock exchange on which the shares of the Company are listed requires other senior managements to sign on the share certificates, the share certificates shall also be signed by such senior managements. The share certificates shall take effect after being affixed, or affixed by imprinting, with the seal of the Company. The share certificates shall only be affixed with the Company's seal under the authorisation of the Board. The signatures of the Chairman of the Company or other relevant senior management members on the share certificates may also be in printed form.

(Mandatory Provision 33, Supplemental Amendment 1-1, HK Listing Rules App 3-2(1))

Article 6.3 The Company shall keep a register of shareholders, which shall contain the following particulars:

- (1) the name (title), address (residential), occupation or nature of each shareholder;
- (2) the class and number of shares held by each shareholder;
- (3) the amount paid-up or payable in respect of shares held by each shareholder;
- (4) the serial numbers of the shares held by each shareholder;
- (5) the date on which a person was entered in the registers as a shareholder; and
- (6) the date on which a person ceases to be a shareholder.

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

(Mandatory Provision 34)

Article 6.4 The Company may, in accordance with the mutual understanding and agreements made between the securities regulatory authority of the State Council and overseas securities regulatory authorities, maintain its register of holders of overseas-listed foreign-invested shares overseas and appoint overseas agent(s) to manage such register of shareholders. The original copy of register of holders of overseas-listed foreign-invested shares listed in Hong Kong shall be maintained in Hong Kong.

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

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

(Mandatory Provision 35, Supplemental Amendment 1-2, HK Listing Rules App 13D-1b)

Article 6.5 The Company shall maintain a complete register of shareholders.

The register of shareholders shall include the following parts:

- (1) the register of shareholders maintained at the Company's corporate domicile (other than those parts as described in items (2) and (3) of this Article);
- (2) the register of shareholders in respect of the holders of overseas-listed foreign-invested shares of the Company maintained at the place where the overseas stock exchange on which the shares are listed is located;
- (3) the register of shareholders maintained at such other place as the Board may consider necessary for the purpose of listing of the Company's shares.

(Mandatory Provision 36)

Article 6.6 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any part of the register shall, during the existence of that registration, be registered in any other part of the register of shareholders.

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

(Mandatory Provision 37)

Article 6.7 (1) All transfers of overseas-listed foreign-invested shares listed in Hong Kong shall be effected by instruments of transfer in writing in an ordinary or usual form or in any other form acceptable to the Board; the instruments of transfer may be signed by hand. All instruments of transfer shall be maintained at the legal address of the Company or such other places as the Board may specify from time to time.

(2) All fully paid-up overseas-listed foreign-invested shares which are listed in Hong Kong are freely transferable pursuant to the Articles of Association; However, the Board may refuse to recognize any instrument of transfer without giving any reason unless such transfer satisfies the following conditions:

(Supplemental Amendment 12, HK Listing Rules App 3-1(2))

- (i) HK\$2.5 or such higher fees as agreed by the Hong Kong Stock Exchange has been paid to the Company to register the instrument of transfer of shares and other documents relating to or which may affect the ownership of such shares;

(HK Listing Rules App 3-1(1))

- (ii) the instrument of transfer involves only the overseas-listed foreign-invested shares listed in Hong Kong;
- (iii) the stamp duty payable on the instrument of transfer has been paid;
- (iv) the relevant share certificates and evidence reasonably required by the Board showing that the transferor has the right to transfer such shares have been provided;
- (v) if the shares are to be transferred to joint holders, the number of such joint holders shall not exceed four; and

(HK Listing Rules App 3-1(3))

(vi) the Company does not have any lien over the relevant shares.

(Supplemental Amendment 12, HK Listing Rules App 3-1(2))

(3) All PRC-listed domestic-invested shares may be legally transferred, but shall be subject to the following requirements:

- (i) The Company does not accept any shares of the Company as the subject of a pledge;
- (ii) Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. The shares issued prior to the public offering of shares by the Company shall not be transferred within one year from the date the shares of the Company were listed on the relevant stock exchange(s);
- (iii) During their tenure in office, the directors, supervisors and senior management members of the Company shall regularly report to the Company their shareholdings and shall not transfer more than 25% of the total number of shares held by them per year. The shares held by them shall not be transferred within one year from the date the shares of the Company being listed and traded on the stock exchange(s). The aforesaid person(s) shall not transfer the shares of the Company held by them within six months commencing from the termination of their service;
- (iv) Any gains from sale of shares in the Company by any directors, supervisors, senior management members or shareholders holding 5% or more of the shares with voting rights in the Company within six months after their purchase of the same, and any gains from purchase of shares in the Company by any of the aforesaid parties within six months after sale of the same shall be disgorged and paid to the Company. The Board of the Company shall forfeit such gains from the abovementioned parties. However, if a securities company holds 5% or more shares by buying the remaining shares subject to sale pursuant to an underwriting arrangement, the six-month limitation for selling the said

shares shall not apply thereunder.

Should the Board do not observe the preceding paragraph, shareholders shall be entitled to request the Board to effect the same within thirty days. Should the Board fail to do so within the said time limit, a shareholder shall have the right to initiate proceedings in the People's Court directly in his own name for the interests of the Company.

Should the Board of the Company fail to comply with the requirements set out herein, the responsible director(s) shall assume joint and several liabilities under laws.

- (v) If a shareholder holding 5% or more of the Company's shares with voting rights pledges any shares in his/her possession, he/she shall report the same to the Company in writing on the day when such pledge occurs.

- (4) Any share shall not be transferred to a minor or those with mental incompetence or those without legal capacity for civil conduct.

Article 6.8 Transfers may not be entered in the register of shareholders within thirty days prior to the date of a shareholders' general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends.

(Mandatory Provision 38)

Article 6.9 When the Company intends to convene a shareholders' general meeting, distribute dividends, liquidate and engage in other activities that involve determination of shareholdings, the Board shall designate a day to be the record date. Shareholders whose names appear in the register of shareholders at the end of the record date are shareholders of the Company.

(Mandatory Provision 39)

Article 6.10 Any person who objects to the register of shareholders and requests to have his name entered in or removed from the register of shareholders may apply to a court of competent jurisdiction for rectification of the register.

(Mandatory Provision 40)

Article 6.11 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may, if his relevant share certificates (the “Original Certificates”) are lost, apply to the Company for a replacement share certificate in respect of such shares (the “Relevant Shares”).

If a holder of the domestic-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.

If a holder of the overseas-listed foreign-invested shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the laws, stock exchange rules or other relevant regulations of the place where the original copy of the Company’s register of holders of overseas-listed foreign-invested shares is maintained.

In the case that the Company listed in Hong Kong, the issue of replacement certificates to holders of overseas-listed foreign-invested shares shall comply with the following requirements:

- (1) the applicant shall submit an application to the Company in prescribed form accompanied by a notarial act or statutory declaration, containing:
 - (i) the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates;
and
 - (ii) the declaration that no any other person is entitled to have his name entered in the registered as the shareholder in respect of the Relevant Shares.
- (2) no statement has been received by the Company from a person other than the applicant declaring that his name shall be entered into the register of shareholders in respect of the Relevant Shares before the Company came to a decision to issue the replacement certificates.
- (3) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board; The announcement shall be made at least once every thirty days in a period of ninety days.
- (4) the Company shall, prior to the publication of its announcement of

intention to issue a replacement certificate, deliver to the stock exchange on which its shares are listed a copy of the announcement to be published. The Company may publish the announcement upon receipt of confirmation from such stock exchange that the announcement has been exhibited at the premises of the stock exchange. The announcement shall be exhibited at the premises of the stock exchange for a period of ninety days.

In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.

- (5) if, upon expiration of the 90-day period referred to in items (3) and (4) of this Article, the Company has not received from any person any objection to issuance of the replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his application.
- (6) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issuance in the register of shareholders accordingly.
- (7) all expenses relating to the cancellation of an Original Certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

(Mandatory Provision 41)

- (8) the newspapers referred to in item (3) of this Article regarding announcement of issuance of replacement certificates shall include at least one Chinese and one English newspaper published in Hong Kong.

Article 6.12 Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who acquires the aforementioned new share certificate or a shareholder who thereafter registers as the

owner of such shares (in the case where he is a bona fide purchaser) shall not be removed from the register of shareholders.

(Mandatory Provision 42)

Article 6.13 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original certificate or the issuance of the replacement certificate, unless the claimant proves that the Company had acted fraudulently.

(Mandatory Provision 43)

Chapter VII Rights and Obligations of Shareholders

Article 7.1 A shareholder of the Company is a person who lawfully holds shares in the Company and whose name is entered in the register of shareholders.

A Shareholder shall enjoy rights and assume obligations according to the class and amount of shares he holds; shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations.

(Mandatory Provision 44)

Article 7.2 Where two or more than two persons are registered as joint holders, they shall be deemed as joint owner and subject to the following restrictions:

- (1) the Company does not need to register more than four persons as joint holders for any shares;
- (2) the joint holders of any shares jointly and severally assume the liability to pay for all amounts of fees payable for the relevant shares;
- (3) in case one of the joint holders has deceased, only the surviving joint holders shall be deemed by the Company to be such persons as having the ownership of the relevant shares. But the Board shall have the right, for the purpose of making amendments to the register of shareholders, to demand a death certificate of such shareholder where it deems appropriate to do so; and
- (4) for joint holding of any shares, only the joint holder whose name appears first in the register of shareholders is entitled to receive the certificate of the relevant shares and the Company's notices, and to

attend and exercise all voting rights at a general meeting of the Company. Any notice serviced to the above person shall be deemed as having been serviced to all joint holders of the relevant shares.

(HK Listing Rules App 3-1(3))

Article 7.3 Holders of ordinary shares of the Company shall be entitled to the following rights:

- (1) the right to receive dividends and other distributions in proportion to the number of shares held;
- (2) the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise the corresponding voting right thereat;
- (3) the right to supervise and manage the Company's business operations, and to present proposals or raise inquiries;
- (4) the right to transfer shares in accordance with laws, administrative regulations and provisions of the Articles of Association;
- (5) the right to obtain relevant information in accordance with the provisions of the Articles of Association, including:
 - (i) the right to obtain a copy of the Articles of Association, subject to payment of the cost of such copy;
 - (ii) the right to inspect and copy, subject to payment of a reasonable charge;
 - (A) all parts of the register of shareholders;
 - (B) personal particulars of the directors, supervisors, managers and other senior management members of the Company, including:
 - (a) present and former names and any aliases;
 - (b) principal address (residential);
 - (c) nationality;
 - (d) primary and all other part-time occupations and duties;
 - (e) identification documents and its number.
 - (C) state of the share capital of the Company;
 - (D) reports stating the aggregate par value, quantity,

maximum and minimum price paid in respect of each class of shares repurchased by the Company since the end of the last accounting year and the aggregate amount incurred by the Company for this purpose;

- (E) minutes of the shareholders' general meetings.
- (6) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining assets of the Company according to the number of shares held;
- (7) other rights conferred by laws, administrative regulations and the Articles of Association;
- (8) the right to propose to convene, preside over and attend shareholders' general meetings and to exercise the corresponding voting right thereat;
- (9) the right to grant or pledge the shares held, in accordance with laws, administrative regulations and the Articles of Association;
- (10) subject to payment of reasonable charges, the right to inspect and copy corporate bond counterfoils, financial reports, resolutions of Board meetings and Supervisory Committee meetings;
- (11) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, the right to demand the Company to acquire the shares held by them;

Shareholders demanding inspection of the relevant information or copies of the materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information as the shareholder requested.

(Mandatory Provision 45)

Article 7.4 If a resolution passed at the Company's general meeting or Board meeting violates relevant laws or administrative regulations, the shareholders shall have the right to submit a petition to the people's court to render the same as invalid.

If the procedures for convening, or the methods of voting at, a shareholders' general meeting or Board meeting violate the laws, administrative

regulations or the Articles of Association, or the contents of a resolution violate the Articles of Association, shareholders shall be entitled to submit a petition to the people's court to rescind such resolutions within sixty days from the date on which such resolution is passed.

Where the Company incurs losses as a result of directors' and senior management members' violation of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, shareholders individually or jointly holding 1% or more of the Company's shares for more than 180 consecutive days shall be entitled to request in writing the Supervisory Committee to initiate proceedings in the people's court.

Where the Company incurs losses as a result of the Supervisory Committee's violation of any provision of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, the shareholders shall be entitled to make a request in writing to the Board to initiate proceedings in the people's court.

In the event that the Supervisory Committee or the Board refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraphs, or fails to initiate such proceedings within thirty days from the date on which such request is received, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, shareholders described in the preceding paragraphs shall have the right to initiate proceedings in the people's court directly in their own names in the interest of the Company.

Shareholders described in the first paragraph of this Article may also initiate proceedings in the people's court in accordance with the preceding two paragraphs in the event that the lawful interests of the Company are infringed upon by any third parties.

Article 7.5 Holders of ordinary shares of the Company shall assume the following obligations:

- (1) to comply with the Articles of Association;
- (2) to pay subscription monies according to the number of shares subscribed and the method of subscription;
- (3) other obligations imposed by laws, administrative regulations and

the Articles of Association;

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

- (4) not to divest the shares except under circumstances prescribed by laws or regulations;
- (5) not to abuse their rights as shareholders to prejudice the interests of the Company or other shareholders; not to abuse the independence of the Company as a legal person and the limited liabilities of shareholders to prejudice the interests of creditors of the Company. Shareholders of the Company who abuse their shareholder's rights and thereby cause losses to the Company or other shareholders shall be liable to indemnify according to the law.

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

(Mandatory Provision 46)

Chapter VIII Obligations of Controlling Shareholders to Other Shareholders

Article 8.1 In addition to the obligations stipulated by laws, administrative regulations and the rules governing the listing of securities of the stock exchange on which the shares of the Company are listed, the Controlling Shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or any shareholders of the Company::

- (1) to relieve a director or supervisor of his duty to act genuinely in the best interests of the Company;
- (2) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the Company's assets in any way, including, but not limited to, any opportunity favourable to the Company;

- (3) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of another person) of the personal rights of other shareholders, including (but not limited to) rights to distributions and voting rights (save pursuant to a restructuring which has been submitted for approval by the shareholders in a general meeting in accordance with the Articles of Association).

(Mandatory Provision 47)

Article 8.2 The term "controlling shareholder" as referred to in the preceding article means a person satisfying any one of the following conditions:

- (1) any person acting on his own or in concert with other parties has the power to elect half or more of the Board members;
- (2) any person acting on his own or in concert with other parties has the power to exercise or control the exercise of 30 per cent or more of the voting rights of the Company;
- (3) any person acting on his own or in concert with other parties holds 30 per cent or more of the outstanding shares of the Company;
- (4) any person acting on his own or in concert with other parties has de facto control of the Company in any other manner.

(Mandatory Provision 48)

Article 8.3 The controlling shareholder or de facto controller of the Company shall not use its connected relationship to prejudice the interests of the Company. Where the Company incurs losses as a result of any violation of such provisions, he/she shall be liable to indemnify thereon.

Article 8.4 The controlling shareholder and the de facto controller of the Company shall bear the duty of good faith towards the Company and its public shareholders. The controlling shareholder shall strictly exercise its rights as a contributor according to law and shall not take advantage of related parties transactions, profit distribution, asset restructuring, external investment, capital appropriation and loan guarantee, to the detriment of the interests of the Company and its public shareholders. Nor shall it take advantage of its controlling position to the detriment of the Company and its public shareholders.

Article 8.5 For transactions in respect of capital, commodities, services, guarantees or other assets between the Company and the controlling shareholder or de facto controller and related parties, the Company shall observe the consideration and approval procedures by the Board and the general meeting in strict compliance with the decision-making policies in relation to related party transactions so as to prevent the misappropriation of assets by the Company's controlling shareholder, de facto controller or related parties.

Article 8.6 The Company's controlling shareholder or de facto controller shall not make use of its controlling position to misappropriate the assets of the Company. The Company shall establish a "freezing upon misappropriation" mechanism against shares held by the controlling shareholder. That is to say, if the controlling shareholder is found to have misappropriated any assets, the Company shall immediately apply for judicial freezing, so that if a compensation in cash is not effected, the misappropriated assets shall be compensated through disposal of equity interests.

CHAPTER IX Shareholders' General Meetings

Article 9.1 The shareholders' general meeting is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

(Mandatory Provision 49)

The Company shall formulate the rules of procedures for general meetings, which stipulate procedures for convening such meetings and voting, including notice, registration, consideration of proposals, vote taking, vote counting, announcement of voting results, formation of meeting resolutions, keeping and signing of meeting minutes, announcement, etc., as well as the authorization principle by the general meeting to the Board and specific powers so authorized. The rules of procedures for general meetings shall constitute an attachment to the Article of Association, which shall be proposed by the Board and approved by the general meeting.

Article 9.2 The shareholders' general meeting shall exercise the following functions and powers:

- (1) to decide on the Company's operating policies and investment

- plans of the Company;
- (2) to elect and replace directors and decide on matters relating to their remuneration;
 - (3) to elect and replace supervisors who are representatives of shareholders and decide on matters relating to the remuneration of supervisors;
 - (4) to consider and approve the reports of the Board;
 - (5) to consider and approve the reports of the Supervisory Committee;
 - (6) to consider and approve the Company's annual financial budgets and final accounts;
 - (7) to consider and approve the Company's plans for profit distribution and loss recovery;
 - (8) to decide on the increase or reduction of the Company's registered capital;
 - (9) to decide on the merger, division, dissolution and liquidation of the Company;
 - (10) to decide on the issue of debentures by the Company;
 - (11) to decide on the appointment, removal or non-reappointment of accounting firms;
 - (12) to amend the Articles of Association;
 - (13) to consider the motions raised by shareholders holding not less than 5% of the Company's shares attached with voting rights;
 - (14) other matters that laws, administrative regulations and the Articles of Association of the Company require to be resolved by the shareholders' general meeting;
 - (15) to elect and replace the directors and supervisors who are not staff representatives and to decide on matters relating to the remuneration of directors and supervisors;
 - (16) to decide on changes to the Company's form;
 - (17) to consider and approve newly-added guarantee items under Article 9.3;
 - (18) to consider the Company's significant acquisition or disposal of material assets with a value exceeding 30% of the latest audited total assets of the Company within one year;

- (19) to consider and approve changes in the use of proceeds raised;
- (20) to consider share incentive schemes.

(Mandatory Provision 50)

Article 9.3 The following guarantees provided to third parties by the Company shall be subject to consideration and approval at general meetings:

- (1) any guarantee provided after the total amount of guarantees provided by the Company and its controlled subsidiaries has reached or exceeded 50% of the Company's latest audited net assets;
- (2) any guarantee provided after the total amount of guarantees provided by the Company has reached or exceeded 30% of the latest audited total assets;
- (3) a guarantee provided to a party whose asset-liability ratio is higher than 70%;
- (4) a single guarantee, the amount of which exceeds 10% of the latest audited net assets;
- (5) a guarantee provided to shareholders, de facto controller and their related parties.

Article 9.4 Unless a prior approval is obtained in a general meeting, the Company shall not enter into any contract with any party other than the directors, supervisors, managers and other senior management members pursuant to which such party shall be in charge of management of the whole or any substantial part of the Company's business.

(Mandatory Provision 51)

Article 9.5 Shareholders' general meetings shall be classified into annual general meetings and extraordinary general meetings. Shareholders' general meetings shall be convened by the Board. Annual general meetings are held once every year and within six months from the close of the preceding financial year.

Under any one of the following circumstances, the Board shall convene an extraordinary general meeting within two months:

- (1) the number of directors is less than the quorum required by the Company Law or less than two-thirds of the number required by the

Articles of Association;

- (2) the accumulated losses of the Company amount to one third of the total amount of its share capital;
- (3) shareholders holding 10% or more of the Company's issued shares with voting rights request in writing to hold an extraordinary general meeting;
- (4) the Board considers it necessary or the Supervisory Committee so request;
- (5) such other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.

(Mandatory Provision 52)

Article 9.6 (1) A forty-five days' prior written notice for convening the shareholders' general meeting shall be given to notify shareholders whose names appear in the register of shareholders of the matters proposed to be considered and the date and place of the meeting. Shareholders who intend to attend the meeting shall serve their written replies on the Company twenty days prior to the date of the meeting.

(2) The notice for convening a general meeting shall be dispatched not more than sixty days prior to the meeting.

(3) The date of the general meeting and the date when the notice is dispatched shall not be included in the calculation of the period for issuing such notice.

(4) For the purpose of the notice mentioned herein, the dispatch date shall be the date on which the Company or the share registrar appointed by the Company delivers relevant notice at post offices for dispatch, instead of the date on which shareholders are deemed to have received the relevant notice as stated in Article 24.1.

(5) The place for holding the Company's general meetings is: [6 Maqun Road, Nanjing, Jiangsu, the PRC;] [*Remarks: subject to Company's confirmation*]

A general meeting shall have a venue where it shall be held in the form of a physical meeting.

The Company will also provide shareholders with online voting method, under circumstances as stated in Article 9.35.

(Mandatory Provision 53)

Article 9.7 The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of shareholders' general meetings and make relevant announcements: whether the procedures relating to the convening and the holding of such meeting comply with laws, administrative regulations and the Articles of Association; the legality and validity of the qualifications of the attendees and the convener; the legality and validity of the voting procedures and voting results; the issuance of legal opinions on other related matters upon request by the Company.

The contents of proposals shall be matters falling within the functions and powers of general meetings, set out specific matters for consideration and resolution, and comply with relevant requirements of laws, administrative regulations and the Articles of Association.

Article 9.8 When the Company convenes an annual general meeting, shareholders holding five per cent or more of the total voting shares shall have the right to propose new motions in writing, and the Company shall place the proposed motions on the meeting agenda if the matters proposed fall within the scope of functions and powers of the general meeting.

(Mandatory Provision 54)

Any such written proposal shall be delivered to the Company within thirty days from the dispatch date of the notice of such meeting.

Save as mentioned above, the convener of a general meeting shall not amend the proposals as set out in the notice of the meeting or add any new proposals subsequent to the issue of the notice of the general meeting.

Article 9.9 The Company shall calculate the number of voting shares represented by shareholders who intend to attend the meeting, based on the written replies it has received from shareholders 20 days before the date of the shareholders' meeting. In the event that the number of voting shares represented by shareholders who intend to attend the meeting is more than half of the total number of the voting shares of the Company, the Company may hold the shareholders' meeting; Otherwise, the Company shall

within 5 days notify the shareholders, by way of announcement, of the matters to be considered at, and the place and date for, the meeting. The Company may then proceed to hold the meeting.

An extraordinary general meeting shall not decide on matters not stated in the notice of such meeting.

(Mandatory Provision 55, HK Listing Rules App3-7(1))

Article 9.10 The notice of a general meeting shall satisfy the following requirements:

- (1) it shall be in written form;
- (2) it shall specify the place, date and time of the meeting;
- (3) it shall set out the matters to be discussed at the meeting;
- (4) it shall provide shareholders with such information and explanation as are necessary for them to make informed decisions in connection with the matters to be discussed. This principle shall include (but shall not be limited to), where the Company proposes to merge with another company, repurchase its shares, restructure share capital or undergo other reorganization, the requirement for the specific terms and contracts (if any) of the proposed transaction shall be provided and the reasons for and effects of the same shall be properly explained;
- (5) it shall contain a disclosure of the nature and extent, if any, of the material interests of any director, supervisor, managers, and other senior management members in the matters to be discussed and the difference of the effect which the matters to be discussed on such director, supervisor, managers and other senior management members in their capacity as shareholders and on that of the other shareholders of the same class
- (6) it shall contain the full text of any special resolution proposed to be passed at the meeting;
- (7) it shall contain a clear statement that a shareholder entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote at the meeting on his behalf and that such proxies need not be shareholders;
- (8) it shall specify the time and place for delivery of the written

- confirmation slip and proxy form for the relevant meeting;
- (9) it shall state the registration date for shareholders who are entitled to attend the general meeting;
 - (10) it shall state the names and telephone numbers of the contact persons in connection with the meeting.

(Mandatory Provision 56)

Article 9.11 The notice of a general meeting shall be served on shareholders (regardless of whether they are entitled to vote at the general meeting) by hand or by prepaid mail. The addresses of the recipients shall be such addresses as shown in the register of shareholders. For holders of domestic-invested shares, such notice of the general meeting may also be given by way of announcement.

The announcement referred to in the preceding paragraph shall be published in one or more newspapers designated by the securities regulatory authorities of the State Council during a period from forty-five to fifty days prior to the date of the general meeting. Once such an announcement is published, all holders of the domestic-invested shares shall be deemed to have received the relevant notice of the general meeting.

(Mandatory Provision 57)

Article 9.12 The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the meeting and the resolutions passed thereat.

(Mandatory Provision 58)

Article 9.13 Where the election of directors and supervisors is to be discussed at a general meeting, the notice of the general meeting shall fully disclose the particulars of the candidates for election as directors and supervisors, which at least shall include the following:

- (1) personal particulars such as educational background, working experience and part-time jobs;
- (2) whether or not they are related to the Company or its controlling shareholders and de facto controllers;
- (3) disclosure of the number of shares held in the Company;

- (4) whether or not they have been subject to penalties imposed by the CSRC and other relevant authorities or any disciplinary action taken by any stock exchange.

Save in the case of the election of directors and supervisors on a cumulative voting basis, a separate resolution shall be proposed for each of the candidates for election as directors or supervisors.

Article 9.14 Once the notice of a general meeting is issued, the meeting shall not be postponed or cancelled and resolutions contained in the notice shall not be withdrawn without proper reasons. Where the meeting has to be postponed or cancelled, the convener shall make an announcement and give reasons therefor at least fourteen days prior to the original date of the meeting.

Article 9.15 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one or more persons (who may not be shareholders) to act as his proxy to attend and vote at the meeting on his behalf. The proxy(ies) so appointed by the shareholder may, pursuant to the instructions of the shareholder, exercise the following rights:

- (1) the right which the shareholder may speak at the meeting;
- (2) the right to demand a poll alone or jointly with others;
- (3) the right to exercise voting rights on a show of hands or on a poll, provided that where more than one proxy is appointed, the proxies may only exercise such voting rights on a poll.

(Mandatory Provision 59)

Article 9.16 The Board of the Company and other conveners shall take the necessary measures to safeguard the proper order of the general meeting. The Board shall take measures to stop and report in a timely manner to the relevant authorities for investigation any acts of disturbing the general meeting, stirring up fights and causing troubles, or infringing upon shareholders' legal rights and interests.

All shareholders whose names appear on the register of shareholders on the registration date or their proxies shall be entitled to attend the general meeting, and exercise their voting rights pursuant to the relevant laws, regulations and the Articles of Association.

Shareholders may attend in person or appoint proxies to attend and vote at general meetings on their behalf.

Article 9.17 Individual shareholders who attend the meeting in person shall present their identity cards together with the shareholding evidence. In the case of attendance by proxies, the proxies shall present valid proof of their identities, the letter of authorisation from shareholders and the shareholding.

Where a shareholder is a legal person, its legal representative or proxy authorized by its legal representative shall attend the meeting on behalf of such legal person. In case of attendance by legal representatives, they shall present their identity cards, valid certificates of their capacities of legal representatives and the shareholding evidence; in the case of attendance by proxies, the proxies shall present their identity cards, the letter of authorisation duly issued by the legal representatives of the legal person and the shareholding evidence.

Article 9.18 The instrument appointing a proxy by shareholders shall be in writing under the hand of the appointer or his attorney duly authorised in writing; where the appointer is a legal person, either under the common seal of such legal person or under the hands of its director or attorney duly authorised.

(Mandatory Provision 60)

Article 9.19 Instruments issued by shareholders appointing others to attend the general meeting shall specify the following:

- (1) the name of the proxy;
- (2) whether or not the proxy is entitled to vote;
- (3) the instructions in relation to voting for or against, or abstaining from voting on each item to be considered at the general meeting;
- (4) whether or not the proxy is entitled to vote on the ad hoc proposals that may be included in the agenda of the general meeting; and if so, specific instructions as to how to vote;
- (5) the date of the issue and the valid term of the letter of authorisation;
- (6) the signature (or seal) of the appointing party. Where the appointing

party is a legal person shareholder, the letter of authorisation shall be affixed with its common seal.

- Article 9.20** (1) The instrument appointing a voting proxy and, if such instrument is signed by a person under a power of attorney or other authority on behalf of the appointer, a notarised certified copy of that power of attorney or other authority shall be deposited at the domicile of the Company or other places specified in the notice of meeting twenty-four hours before the time designated to convene relevant meeting, or twenty-four hours before the designated time of voting. The notarized power of attorney and other authorisation instruments, together with the proxy form, shall be lodged at the domicile of the Company or such other place as specified in the notice to the meeting.
- (2) Where the appointer is a legal person, its legal representative or other persons authorised by the resolutions of the Board or other decision-making organ to act as its representatives may attend the general meeting of the Company as a representative of the appointer.

(Mandatory Provision 61)

Article 9.21 Any form issued to a shareholder by the Board for use by him for appointing a proxy shall allow the shareholder to freely instruct the proxy to cast vote in favour of or against each resolution dealing with the businesses to be transacted at the meeting. Such a form shall contain a statement that, in the absence of instructions by the shareholder, the proxy may vote as he thinks fit.

(Mandatory Provision 62)

Article 9.22 A vote given in accordance with the terms of a proxy shall be valid notwithstanding the death or loss of capacity of the appointor or revocation of the proxy or the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that the Company did not receive any written notice in respect of such matters before the commencement of the relevant meeting.

(Mandatory Provision 63)

- Article 9.23** (1) registration book for attending the general meeting shall be prepared by the Company. The registration book shall set forth the names of attendees (or the attending units), residential address, number of voting shares held or represented, and name of the appointer (or the appointing unit), etc.
- (2) The convener and the lawyers engaged by the Company shall jointly verify the validity of the shareholders' qualifications based on the register of shareholders provided by the securities registration and clearing institution, and shall register the names of the shareholders as well as the number of their voting shares. The registration for a meeting shall end before the chairman of the meeting announces the number of shareholders and proxies attending the meeting and the total number of their voting shares held.
- (3) All directors, supervisors and the Secretary to the Board shall be present at general meetings, and the managers and other senior management members shall be in attendance at the meetings.
- (4) The Company shall formulate the rules of procedures for general meetings, which stipulate procedures for convening general meetings and voting procedures, including the notice, registration, consideration of proposed motions, voting, vote counting, announcement of voting results, formation of meeting resolutions, keeping and signing of meeting minutes, and announcement, as well as the authorisation principle by the general meetings to the Board and the specific powers so authorised. The rules of procedures for general meetings shall constitute an appendix to the Article of Association, which shall be proposed by the Board and approved by the general meeting.

- Article 9.24** (1) There shall be two types of resolutions of shareholders' general meetings, namely ordinary resolutions and special resolutions. An ordinary resolution must be passed by votes representing more than one-half of the voting rights represented by the shareholders

(including proxies) present at the meeting .

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

- (2) As for the preceding article, in the event that any shareholder (or his proxy) abstains from voting or fails to exercise his voting right in respect of a resolution, the voting right involved, for the purpose of such particular resolution, shall not be taken into account when calculating the voting rights of the shareholders present at the general meeting.

(Mandatory Provision 64)

- (3) For matters relating to general meeting resolutions, where any shareholder is required to abstain from voting on any specific resolution, or is restricted to vote only in favour of or only against any specific resolution pursuant to relevant requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote cast by such shareholder or his proxy in violation of such requirements or restrictions shall not be counted in the voting results.

Article 9.25 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights attached to the number of shares represented by him and each share shall have one vote.

(Mandatory Provision 65)

If such shareholder is a recognised clearing house (as defined in the Securities and Futures (Clearing Houses) Ordinance (Chapter 571 of the Laws of Hong Kong)), or a recognised clearing house in the jurisdiction where the securities of the Company are listed, it may authorise such person or persons as it thinks fit to act as its representative(s) at any general meeting or at the meeting of any class of shareholders; However, if one or more person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the rights and powers on behalf of the recognised clearing house (or its nominee) as if such shareholder is an individual shareholder of the Company.

However, the voting shall be subject to any privileges or restrictions on the voting rights attached then to any class of shares when taking its vote.

Article 9.26 The Board, independent directors and any shareholder(s) solely or jointly holding 5% or more of the Company's shares carrying voting rights are entitled to solicit votes from other shareholders to vote at the shareholders' general meeting. Voting rights shall be solicited without payment and sufficient information shall be disclosed to the target shareholders.

Article 9.27 Voting at a shareholders' meeting shall be taken on a show of hands unless a poll is (before or after any vote by show of hands) demanded by the following persons:

- (1) the chairman of the meeting;
- (2) at least two shareholders entitled to vote in person or proxies with voting rights;
- (3) one or more shareholders (including proxies) individually or jointly holding 10% or more of all shares carrying voting rights at such meeting.

Unless a poll is so demanded, a declaration by the chairman of the meeting that a resolution has on a show of hands been carried, and an entry to that effect in the minutes of the meeting shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolutions at the meeting.

The demand for a poll may be withdrawn by the person who demands the same.

(Mandatory Provision 66)

Article 9.28 A poll demanded on such matters as the election of chairman or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matters shall be taken at such time as the chairman may direct, and the meeting may proceed to discuss other matters, while the results of the poll to be taken shall still be deemed to be a resolution of that meeting.

(Mandatory Provision 67)

The voting results shall be announced as soon as practicable.

Article 9.29 On a poll taken at a meeting, a shareholder (including proxy) entitled to two or more votes need not cast all his votes for or against in the same way.

(Mandatory Provision 68)

Article 9.30 In the case of equality of votes, whether by show of hands or on a poll, the chairman of the meeting shall be entitled to a casting vote.

(Mandatory Provision 69)

Article 9.31 Before a resolution is voted on at a general meeting, two representatives of the shareholders shall be elected to participate in vote counting and scrutinising. Any shareholder who is interested in the matter under consideration and their proxies shall not participate in vote counting or scrutinising.

When the shareholders are voting on the proposals, lawyers, shareholders' representatives and supervisors' representatives shall count and scrutinise the votes jointly, and the voting result shall be announced forthwith. Voting results for the resolutions shall be recorded in the minutes of the meeting.

Shareholders of the Company or their proxies that vote online or by other means shall have the right to check and inspect their voting results through the corresponding voting system.

Article 9.32 In the event that the general meeting adopts on-site voting and online voting:

- (1) The voting right of the same shares shall be exercised only by one of the ways of on-site voting, online voting or other means of voting. In the event that the same voting right has been exercised more than once, the result of the first voting shall prevail.
- (2) The ending time of the physical general meeting shall not be earlier than that of online voting or by other means. The chairman of the meeting shall announce the voting status and results of each proposal, and whether or not the proposals have been passed

accordingly.

- (3) Prior to the official announcement of voting results, the Company, counting officers, scrutinisers, substantial shareholders, network service provider and other relevant parties involved in on-site voting, online voting or other means of the general meeting shall be obliged to keep the voting results confidential.

Article 9.33 Unless a general meeting is suspended or no resolution can be adopted due to force majeure or other special reasons, no proposal shall be set aside or rejected for voting at the general meeting.

Article 9.34 The following matters shall be approved by ordinary resolutions at a general meeting:

- (1) the work reports of the Board and the Supervisory Committee;
- (2) the plans formulated by the Board for profit distribution and loss recovery;
- (3) the removal of members of the Board and the Supervisory Committee and their remuneration and the methods of payment thereof;
- (4) the Company's annual financial budgets and final accounts, balance sheets, income statements and other financial statements;
- (5) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.
- (6) the Company's annual reports.

The remuneration referred to in the foregoing sub-paragraph (3), includes, but not limited to, the compensation receivable by the relevant director and supervisor upon loss of office or retirement.

(Mandatory Provision 70)

Article 9.35 The following matters shall not be implemented or applied for unless they have been approved by the Company's shareholders' general meeting and passed

by more than half of the public shareholders with voting rights present at the general meeting:

- (1) any issue of new shares by the Company to the public (including issue of overseas-listed foreign-invested shares or warrants of other natures), issue of convertible corporate debentures, placing of shares to existing shareholders (except such placing where the controlling shareholders have provided an undertaking to fully subscribe for the shares in cash before the general meeting is convened);
- (2) major asset restructuring in which the total purchase price for the assets is 20% (or more) higher than the audited net book value of such assets;
- (3) repayment of debts due to the Company by any shareholder with his shares in the Company;
- (4) overseas listing of any of the Company's subsidiaries which are material to the Company;
- (5) such other relevant issues which may have a material impact on the interests of the public shareholders during the development of the Company.

Where a general meeting is convened to consider the abovementioned matters, the Company shall provide shareholders with access to online voting.

Article 9.36 In such cases as provided for in the foregoing article, upon servicing notice convening of a general meeting by the Company, such general meeting notice should be published again within three days after the registration date.

Article 9.37 The following matters shall be approved by special resolutions of a general meeting:

- (1) increase and reduction of the Company's share capital, the issue of any class of shares, warrants and other similar securities of the Company;
- (2) issue of corporate bonds;
- (3) division, merger, dissolution and liquidation of the Company;
- (4) amendments to the Articles of Association;
- (5) such other matters, which according to the resolution passed by way

of ordinary resolution at a general meeting, are considered to have material effects on the Company and accordingly require approval by way of special resolution.

- (6) acquisition or disposal of material assets or provision of guarantees by the Company within 1 year, the amount of which exceeds 30% of the Company's latest audited total assets;
- (7) share incentive schemes.

(Mandatory Provision 71)

Article 9.38 Independent directors are entitled to propose to the Board to convene an extraordinary general meeting. In respect of such proposal by the independent directors, the Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to hold an extraordinary general meeting, within ten days upon receipt of such proposal.

If the Board agrees to hold an extraordinary general meeting, a notice of such meeting shall be dispatched within five days after the date of the relevant Board resolution. If the Board refuses to hold an extraordinary general meeting, it shall give an explanation and issue an announcement accordingly.

Article 9.39 The Supervisory Committee is entitled to propose to the Board to convene an extraordinary general meeting in writing. The Board shall, in accordance with laws, administrative regulations and the Articles of Association, response in writing as to whether or not it agrees to convene an extraordinary general meeting, within ten days upon receipt of such proposal.

If the Board agrees to hold an extraordinary general meeting, a notice of such meeting shall be dispatched within five days after the resolution has been adopted by the Board. Changes made to the original proposal in the notice shall be approved by the Supervisory Committee.

If the Board refuses to hold an extraordinary general meeting, or gives no response within ten days upon receipt of such proposal, the Board shall be deemed to be unable or to have failed to perform its duties and responsibilities of convening the general meeting, and the Supervisory Committee may hold and preside over such meeting by itself.

Article 9.40 The following procedures shall be complied with by shareholders requesting for convening of extraordinary general meetings or class meetings:

(1) two or more shareholders holding in aggregate more than 10% of voting shares at such proposed meeting may request the Board to convene an extraordinary general meeting or class meeting by signing and submitting one or more written requisitions with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written requisition. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written requisition.

(2) if the Board fails to dispatch a notice of convening such meeting within thirty days upon receipt of the aforesaid written requisition, the shareholders submitting such request may convene such meeting by themselves within four months of the receipt of such requisition by the Board. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as similar as practicable.

All reasonable expenses incurred by shareholders arising from convening and holding the aforesaid meeting by shareholders due to the Board's failure to hold such meeting in response to the aforesaid requisition shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have neglected their duties.

(3) The Board shall, in accordance with laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting, within ten days upon receipt of such proposal.

If the Board agrees to convene an extraordinary general meeting, a notice of such meeting shall be dispatched within five days after the resolution has been adopted by the Board. Changes made to the original proposal in the notice shall be approved by the relevant shareholders.

(4) If the Board refuses to convene an extraordinary general meeting, or gives no response within ten days upon receipt of such proposal, shareholders holding in aggregate more than 10% of the Company's shares shall be entitled to propose to the Supervisory Committee for convening such meeting, provided that such proposal shall be made in writing.

If the Supervisory Committee agrees to hold an extraordinary general meeting, a notice of such meeting shall be dispatched within five days upon receipt of such request. Changes made to the original proposal in the notice shall be approved by the relevant shareholders.

If the Supervisory Committee fails to give the notice of such meeting within the specified time limit, it shall be deemed to have failed to convene and preside over such meeting, in which case, shareholders holding in aggregate more than 10% of the Company's shares for not less than 90 consecutive days shall have the right to convene and preside over such meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as similar as practicable.

(Mandatory Provision 72)

Article 9.41 Where the Supervisory Committee or shareholders decide(s) to convene the extraordinary general meeting by itself/themselves, it/they shall send out a written notice to the Board, and shall file with the regional office of CSRC at the locality of the Company and the stock exchange.

The shareholding of the convening shareholders shall not be lower than 10% prior to the announcement of the resolutions of the general meeting. The convening shareholder shall submit relevant evidence to the regional office of CSRC at the place where the Company is located and the stock exchange(s) upon the issuance of the notice of general meeting and the announcement of the resolutions of the general meeting.

The Board of directors and the secretary to the Board of directors shall cooperate with respect to matters relating to a general meeting convened by the Supervisory Committee or shareholders at its/their own discretion. The Board shall provide the register of shareholders as of the date of record date.

Necessary expenses arising from convening of a general meeting by the Supervisory

Committee or shareholders shall be born by the Company.

Article 9.42 A general meeting shall be convened and chaired by the Chairman of the Company. If the Chairman of the Board is unable to attend the meeting, then the Chairman may designate a director 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 the chairman of the meeting. If for any reason, the shareholders shall fail to elect a chairman, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall be the chairman of the meeting.
(Mandatory Provision 73)

A general meeting convened by the Supervisory Committee shall be presided over by the chairman of the Supervisory Committee, or the supervisor elected by not less than one-half of the supervisors if the chairman of the Supervisory Committee is unable or fails to perform his duties.

Shareholders may convene the meeting themselves pursuant to the provisions of the Articles of Association and a representative nominated by the convener shall preside over the meeting.

When the general meeting is held and the person presiding over the meeting violates the rules of procedure which makes it impossible for the general meeting to continue, a person may be elected at the general meeting to replace him to preside over the meeting, subject to the approval of more than half of the shareholders having the voting rights who are present at the meeting.

Article 9.43 The person presiding over the meeting should announce the number of shareholders and proxies present at the venue of the meeting and the total shares with voting rights held by them, and the number of shareholders and proxies present at the venue of meeting and the shares with voting rights held by them recorded by the meeting shall be conclusive.

Article 9.44 The convener shall ensure the continuity of the general meeting until the final decision on resolutions is achieved. Where special reasons such as force majeure have led to the suspension of the meeting or no resolution can be reached, necessary measures should be taken to resume the meeting, or to end the meeting directly with a timely announcement. Meanwhile, the convener shall report to the regional office of

the CSRC and the securities exchange in the place where the Company's is located.

Article 9.45 The chairman of the meeting shall be responsible for the determination of whether a resolution is passed. His decision, which is final and conclusive, shall be announced at the meeting and recorded in the minute book.

(Mandatory Provision 74)

Article 9.46 If the chairman of the meeting has any doubt as to the voting results of resolutions put to the vote of the meeting, he may have the votes counted. If the chairman of the meeting fails to have the votes counted, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may demand that the votes be counted immediately after the declaration of the result, the chairman of the meeting shall have the votes counted immediately.

(Mandatory Provision 75)

Article 9.47 If the votes are counted at the general meeting, the counting results shall be recorded into the minutes of the meeting.

The minutes, shareholders' attendance lists and proxy forms shall be kept at the Company's corporate domicile.

(Mandatory Provision 76)

The above minutes, attendance lists and proxy forms shall not be destroyed within ten years.

Article 9.48 Copies of the meeting minutes of any general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests from the Company a copy of such minutes, the Company shall send a copy to him within 7 days following the receipt of reasonable charges.

(Mandatory Provision 77)

Article 9.49 Through various ways and means including making full use of information technology, the Company shall increase the public shareholders' participation into the general meeting, provided that the legibility and validity of such a meeting are ensured.

Article 9.50 The Board of directors, independent directors and eligible shareholders are entitled to solicit votes from other shareholders in respect of the shareholders' general meeting. Voting rights shall be solicited free of charge and sufficient information shall be disclosed to the shareholders subject to soliciting.

Article 9.51 (1) The shareholders' general meeting shall maintain minutes of the meeting, and the secretary to the Board of directors shall be responsible for the minutes. Minutes of the meeting shall include the followings: time, place, agenda of meeting and the name of the convener; names of the chairman of the meeting, directors, supervisors, manager and other senior management present at the meeting; number of shareholders and proxies present at the meeting, total number of the shares with voting rights held by them, and the percentage of shares with voting rights held by them over the total number of shares of the Company; process of consideration for each motion, the salient points of speaking and voting results; reply or explanation to shareholders' questions or recommendations; names of the lawyer, counting officers and the scrutinizer; such other matters as required to be included in the minutes under the Articles of Association.

(2) The convener should also ensure the truthfulness, accuracy and completeness of the minutes of the meeting. The presenting directors, supervisors, the secretary to the Board of Directors, the convener or his representative and the chairman of the meeting shall sign on the minutes of the meeting. The minutes of the meeting should be maintained with the register for signing of attending shareholders and the proxy form of their proxies and valid information on on-line voting and voting in other manners, and the maintaining period shall not be less than 10 years.

Chapter10 Special Procedures for Voting by Class Shareholders

Article 10.1 Shareholders holding different classes of shares are referred to as class shareholders.

A holder of class shares shall, in accordance with laws, administrative regulations and the Articles of Association, enjoy rights and assume obligations.

(Mandatory Provision 78)

Article 10.2 Rights conferred on any class of shareholders may not be varied or abrogated unless approved by a special resolution of shareholders in general meeting and by holders of shares of that class at a separate meeting convened in accordance with Articles 10.3 to 10.7.

(Mandatory Provision 79; HK Listing Rules App 3-6(1))

Article 10.3 The following circumstances shall be deemed to be a variation or abrogation of the rights of holders of certain class shares:

- (1) the increase or decrease of the number of shares of such class, or the increase or decrease of the number of shares of a class having voting rights, distribution rights, or other privileges equal or superior to the shares of such class;
- (2) to effect an exchange of all or part of the shares of such class into shares of another class or to effect an exchange or create a right of exchange of all or part of the shares of another class into shares of such class;
- (3) to abrogate or reduce the rights to accrued dividends or to cumulative dividends attached to shares of such class;
- (4) to reduce or remove a dividend preference or a liquidation preference attached to the shares of such class;
- (5) to add, remove or reduce conversion, options, voting, transfer or pre-emptive rights or rights to acquire securities of the Company attached to shares of such class;
- (6) to remove or reduce rights to obtain payables in any particular currency from the Company attached to shares of such class;
- (7) to create a new class of shares having voting rights, distribution rights or other privileges equal or superior to the shares of such class;
- (8) to restrict the transfer or ownership of shares of such class or impose additional restrictions thereto;
- (9) to issue rights to subscribe for, or convert into, shares of such class or another class;

- (10) to increase the rights or privileges of shares of another class;
- (11) to restructure the Company where the proposed restructuring will result in different class shareholders bearing a disproportionate burden of such proposed restructuring;
- (12) the variation or abrogation of the provisions of this chapter.

(Mandatory Provision 80; HK Listing Rules App 3-6(1))

Article 10.4 Shareholders of the affected class, whether or not otherwise entitled to vote at general meetings, shall nevertheless be entitled to vote at class meetings in respect of matters concerning paragraphs (2) to (8), (11) and (12) of Article 10.2, but interested shareholder(s) shall not be entitled to vote at such class meetings.

"Interested shareholder(s)" as mentioned in the preceding paragraph means:

- (1) in the case of a repurchase of shares by pro rata offers to all shareholders or public dealing on a stock exchange under Article 4.3, a "controlling shareholder" within the meaning of Article 8.1 in these Articles of Association;
- (2) in the case of a repurchase of share by an off-market agreement under Article 4.3, a shareholder to whom the proposed agreement relates; and
- (3) in the case of a restructuring of the Company, a shareholder of a class who bears less than a proportionate burden imposed on that class under the proposed restructuring or who has an interest in the proposed restructuring different from the interest of shareholders of that class.

(Mandatory Provision 81)

Article 10.5 (1) Resolutions of a class meeting shall be passed by votes representing more than two-thirds of the voting rights of shareholders of that class present at the relevant meeting who, according to Article 10.1, are entitled to vote at class meeting.

(Mandatory Provision 82; HK Listing Rules App 3-6(2))

(2) For the purpose of the preceding article, in case that any shareholder (or its proxy) abstains from or fails to exercise his voting right when voting on an proposal, the voting right involved shall not be included, for the purpose of that

proposal, into the calculation of the voting right held by shareholders attending the class meeting.

Article 10.6 A 45 days' written notice convening a class meeting shall be given, to notify shareholders whose names appear in the register of shareholders of such class of shares of the matters proposed to be considered and the date and place of the meeting. The shareholders who intend to attend the meeting shall serve the written reply in respect thereof to the Company twenty (20) days prior to the date of the meeting.

If the number of share carrying voting rights at the meeting represented by the shareholders intending to attend the meeting reaches more than half of the total number of shares of such class carrying voting right at the meeting, the Company may hold the class meeting; if not, the Company shall within five (5) days notify the shareholders by public announcement of the matters to be transacted at, the place and date for, the meeting. The Company may then hold the class meeting after such publication of announcement.

(Mandatory Provision 83)

Article 10.7 Notices of class meetings need only be served on shareholders entitled to vote thereat.

Meetings of any class of shareholders shall be conducted in a manner as similar as possible as general meetings of shareholders. The provisions of the Articles of Association relating to any shareholders' general meeting shall apply to any meeting of a class of shareholders.

(Mandatory Provision 84)

Article 10.8 Apart from holders of other classes of shares, holders of domestic shares and overseas listed foreign-invested shares are deemed to be shareholders of different classes of shares.

(Mandatory Provision 85; HK Listing Rules App 3-9; HK Listing Rules App 13-D-1(f))

Article 10.9 The special voting procedures for class meetings do not apply to the following circumstances:

- (1) where the Company issues, upon the approval by a special resolution of its shareholders in general meeting, either separately or

concurrently once every twelve months, not more than 20 per cent of each of its existing issued domestic invested shares and overseas-listed foreign-invested shares;

- (2) where plans in respect of the issuance of domestic invested shares and overseas-listed foreign-invested shares at the time of establishment of the Company are completed within 15 months commencing from the date of approval by the Securities Commission of the State Council.

(Mandatory Provision 85; HK Listing Rules App 13-D-1(f))

Chapter XI The Board of Directors

Article 11.1 The Company shall establish a Board of directors. The Board comprises of 11 directors, of which 4 shall be independent directors. The Board shall have one Chairman.

(Mandatory Provision 86)

The Company shall formulate Rules of Proceedings for Board of Directors Meetings, under which the convening and voting procedures of the Board meetings shall be specified, including explicit authorisation principles and contents for authorisation by the Board of directors to Chairman to exercise certain powers of the Board during the intercessional period of the Board. As one of the appendices to the Articles of Association, Rules of Procedure for the Board of directors shall be prepared by the Board and subject to approval at the general meeting of the Company.

The Company shall establish an independent director system and formulate the Detailed Rules for the Operation of Independent Directors which shall be implemented upon approval of general meeting of the Company.

Article 11.2 Candidates for the first session of the Board of directors shall be nominated by the Promoters and elected at the establishment meeting of the Company. The term of office of directors commences from the date of election up to the expiration of the term of office of the Board.

Article 11.3 (1) Directors shall be elected at the shareholders' general meeting. The term of office of the directors is three (3) years. The directors are elected by means

of cumulative voting mechanism. In the director(s) election, the number of votes held by each shareholder shall equal to the product of the number of his/her shares held multiplied by the number of directors he is entitled to elect; each shareholder has right to cast all his/her votes to one, two or more director candidates, or to all director candidates at his/her absolute discretion. The candidate(s) with the most votes shall be elected as director(s). Election for independent directors and non-independent directors shall be voted separately. Upon maturity of the term of office, a director shall be eligible for re-election and reappointment.

(Mandatory Provision 87; Supplemental Amendment 1-4)

(2) Written notice of the intention to nominate director candidates and their consent to accept the nomination shall be lodged with the Company no later than seven days before holding of the general meeting for election of director (s) (but not earlier than one day after giving the notice of the general meeting for election).

(HK Listing Rules App 3-4(4)&HK Listing Rules App 3-4(5))

(3) The Chairman shall be elected and removed by more than half of the directors. The term of office of the Chairman is three (3) years, eligible for re-election and reappointment.

(4) The directors shall not be required to hold shares of the Company.

(5) The shareholders' general meeting may by ordinary resolution remove any director before the expiration of his term of office, including any director holding concurrent position of manager or other management, but without prejudice to such director's right to claim damages under any contract.

(HK Listing Rules App 3-4(3))

(6) Directors may assume the position as manager or other senior management of the Company (other than supervisors).

(7) Prior to the maturity of his term, a director shall not be removed without sake from his office by the general meeting. In the event that the terms of directors fall upon expiration whereas new members of the Board are not re-elected in time, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules of regulatory authorities and the Articles of Association until the re-elected directors assume their office.

(8) The total number of directors who are serving concurrently as manager or other senior management and directors from staff representatives shall not

exceed half of the total number of the Company's directors.

Article 11.4 Directors may resign before expiry of their terms. The directors who resign shall submit to the Board of directors a written report in relation to their resignation. Relevant information shall be disclosed by the Board within two days.

In the event that the resignation of any director during his term of office results in the number of members of the Board of directors falling below the statutory minimum requirement, the existing directors shall continue to perform their duties in accordance with laws, administrative regulations and rules of regulatory authorities and the Articles of Association until the re-elected directors assume their office.

Other than the circumstances referred to in the preceding paragraphs, the resignation of a director shall become effective upon submission of his/her resignation report to the Board.

Article 11.5 On a director's resignation becoming effective or expiration of the tenure of his/her office, the director shall complete all handover procedures, and his/her faithful obligations to the Company and the shareholders shall not cease immediately after the termination of tenure and are still effective within a reasonable period stipulated under the Articles of Association.

Article 11.6 (1) The Board is accountable to general meetings of shareholders and exercises the following functions and powers:

- (i) to be responsible for convening the general meetings and report its work to the general meetings;
- (ii) to implement the resolutions passed by the shareholders at the general meetings;
- (iii) to decide on the Company's business plans and investment plans;
- (iv) to formulate the Company's proposed annual preliminary and final financial budgets;
- (v) to formulate the Company's profit distribution plan and plan for recovery of losses;
- (vi) to formulate proposals for increases or reductions of the Company's registered capital and the issue of corporate debentures;

- (vii) to draw up plans for the merger, division or dissolution of the Company;
 - (viii) to decide on the establishment of the Company's internal management structure;
 - (ix) to appoint or dismiss the Company's manager, and based on the manager's nominations, to appoint or dismiss the deputy managers and financial controller of the Company and decide on their remuneration;
 - (x) to formulate the Company's basic management system;
 - (xi) to formulate proposals for any amendments of the Company's articles of association;
 - (xii) to draw up plans for material acquisition or disposal of the Company;
 - (xiii) subject to relevant requirements of laws, regulations, rules and the Articles of Association, to exercise the rights to raise funds and borrowings for the Company as well as the rights to determine mortgage, leasing, subcontracting or transfer of the assets of the Company and to authorise manager to exercise such rights to some extent;
 - (xiv) to determine the investments, acquisition and disposal of assets, external guarantees, trust asset management and related party transactions of the Company within the authorisation of the general meeting;
 - (xv) to manage the information disclosure of the Company;
 - (xvi) to propose at general meetings the appointment or change of auditing firms for the Company;
 - (xvii) to hear the work reports and inspect the work of the manager of the Company;
 - (xviii) to exercise any other powers specified in laws, administrative regulations, department rules or the Articles of Association; and
- (2) Save for the Board's resolutions in respect of the matters specified in items (vi), (vii), (xi) and (xii) which shall be passed by two-thirds or more of the directors, the Board's resolutions in respect of any other aforesaid matters may be passed by half or more of the directors.

(Mandatory Provision 88)

(3) The Board of directors shall exercise any rights not conferred to the general meeting exclusively by the Articles of Association. The Board of directors shall comply with the provisions of the Articles of Association and the regulations formulated by the general meetings from time to time; however, the regulations formulated by the general meetings shall not invalidate the actions of the Board conducted effectively prior to the of the implementation of such regulations.

Article 11.7 The Board shall explain to the general meeting any non-standard auditors' opinions issued by the certified accountants regarding the financial statements of the Company.

Article 11.8 The Board of directors shall formulate the rules of procedure of the meetings of the Board to ensure that the Board will implement the resolutions approved at the general meeting, work efficiently and be scientific in decision making.

Article 11.9 (1) If the Board proposes to dispose of fixed assets, the expected value of which, when aggregated with the value of fixed assets disposed of within four months before the proposed disposal, exceeds 33% of fixed assets value as set out in the latest balance sheet considered by the general meetings, the Board shall not dispose or consent to dispose of such fixed assets until approved by the general meeting.

(2) The term of "disposal of fixed assets" referred to in this article means (among other things) transferring interests in certain assets, but not including provision of guarantees with the fixed assets.

(3) Validity of transactions regarding fixed assets disposal by the Company will not be affected due to a breach of first paragraph of this article.

(Mandatory Provision 89)

(4) In deciding on participation in high-tech venture projects by the Board, the annual investment shall not exceed 1% of the Company's audited net assets and accumulative investment shall not exceed 5% of the Company's net assets.

(5) The following matters shall be subject to approval by two-thirds or more of the members of the Board of directors by voting and shall be put forward to the general meeting for consideration and approval:

(A) any guarantee as provided after the total amount of guarantees

provided by the Company and its controlled subsidiaries reaches or exceeds 50% of the latest audited net assets;

- (B) any guarantee as provided after the aggregate amount of external guarantees provided by the Company reaches or exceeds 30% of the latest audited total assets;
- (C) any guarantee provided in favour of a guaranteed party with an asset to liability ratio exceeding 70%;
- (D) the amount of a single guarantee exceeds 10 per cent. of the latest audited net assets of the Company;
- (E) any guarantee provided to shareholders, the de facto controller or their respective related parties;

A counter-guarantee shall be provided by the party to which the Company grants a guarantee. The provider of the counter-guarantee shall be competent in discharging the liabilities.

Article 11.10 The Board of directors shall define the authority for investments, acquisition and disposal of assets, mortgage of assets, external guarantees, trust asset management and related party transactions, and establish strict review and decision-making procedures; the Board of directors shall engage relevant experts and professionals to conduct appraisal for major investments and propose it to the shareholders' general meeting for approval.

Article 11.11 The Chairman of the Board is entitled to the following powers:

- (1) to preside over general meetings and to convene and preside over the Board meetings;
- (2) to check on the implementation of resolutions of the Board;
- (3) to sign the securities certificates issued by the Company;
- (4) to sign other important documents issued by the Company or authorise one or more directors by power of attorney to sign other important documents of the Company;
- (5) to exercise any other powers conferred by the Board.

In the event that the Chairman is unable to exercise his power, the Chairman may designate a director to exercise such powers on his behalf.

(Mandatory Provision 90)

(6) to procure the implementing the resolutions of the Board meeting.

Article 11.12 Meetings of the Board of directors shall be held at least twice every year and convened by the Chairman.

In the event of any urgent matters, upon requisition by one-third or more of the directors, or half or more of independent directors or by the manager, an extraordinary meeting of the Board of directors may be convened.

(Mandatory Provision 91)

In case of any urgent matters, when proposed by the shareholders representing 10% or more of the voting rights or by the Supervisory Committee, an extraordinary meeting of the Board of directors may be held.

Article 11.13 (1) If the time and place of a regular Board meeting have been specified by the Board in advance, it can be convened without notice. If the time and venue of Board meetings have not been specified by the Board in advance, the Chairman shall order the Company Secretary to notify all directors and the chairman of the Supervisory Committee the meeting time and place by way of telex, telegram, fax, express mail, registered mail or by hand, no less than 10 days and no more than 30 days prior to such meeting.

(2) When convening an extraordinary Board meeting for urgent matters, the Chairman shall instruct the Company Secretary to notify all directors, manager and the chairman of the Supervisory Committee the meeting time, venue and manner by way of telex, telegram, fax or by hand with no less than 2 days and no more than 10 days prior to the extraordinary Board meeting.

(3) The notice shall be served in Chinese and shall include the agenda and topics of the meeting. The English translation of the notice may be enclosed if necessary.

(4) Should a director attend the meeting, and has not claimed non-receipt of notice of the meeting prior to or at the meeting, such notice shall be deemed as having been served to him/her.

(Mandatory Provision 92)

Article 11.14 The Board meeting may not be held unless half or more of the directors

are present.

Each director has one vote. Without prejudice to the Clause (2) of Article 11.6, resolutions of the Board shall be passed by more than half of all directors.

In case of equivalency between the dissenting votes and affirmative vote, without prejudice to Article 11.6.6, the Chairman has the right to cast one more vote.

(Mandatory Provision 93)

Article 11.15 If any director is associated with the enterprises that are involved in the matters to be resolved at the Board meetings, he/she shall abstain from voting on such matters, including voting on behalf of other directors. Such Board meeting may be convened with the attendance of more than half of non-related directors, and resolutions shall be passed by more than half of non-related directors at the Board meeting. In the event that the number of non-related directors attending the Board meeting is less than three, such matter shall be submitted to the general meeting for consideration.

Article 11.16 The way of voting for resolutions of the Board of directors is voting in writing.

Resolutions of extraordinary meeting of the Board may be resolved by way of circulation and signed by attending directors, provided that each director can fully express his opinions.

Article 11.17 The directors may attend the regular or extraordinary Board meeting by telephone or other telecommunication devices. As long as all the attendees are able to hear the speeches of other participants and can have conversations or communicate with each other over such devices, the directors shall be deemed to have attended the meeting in person.

Article 11.18 (1) A director shall attend Board meetings in person, Where a director is unable to be present for any reason, he/she may appoint other director in writing to attend the meeting on his/her behalf. The scope of authorities shall be specified in the power of attorney.

(2) The director attending the meeting on behalf of the entrusting director shall only exercise the rights within the power of attorney. Should a director

neither attend a Board meeting nor appoint another director to attend on his/her behalf, the said director shall be deemed to have waived his/her voting rights at the meeting.

(3) The appointed proxy shall be a director. When counting the quorum of the Board meeting, the proxy shall be counted separately as on behalf of another director and on behalf of himself; he is not required to cast all his votes as dissenting votes or affirmative votes at the same time. The director who appoints a proxy shall also notify the Company of the termination of the proxy.

(Mandatory Provision 94)

(4) If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his duties, and the Board shall suggest that the general meeting to dismiss and replace the said director.

Article 11.19 Reasonable expenses incurred by directors for attending the Board meeting shall be borne by the Company. Such expenses may include costs for travel to the venue of the meeting (if different from the residential region of directors), accommodation, rental for the meeting venue and local travel during the meeting.

Article 11.20 Minutes shall be maintained for the resolutions passed at the Board meeting, on which directors and the recorder present at the meeting shall sign. The directors shall be liable for the resolutions of the Board. If a resolution of the Board of directors violates the laws, administrative regulations or these Articles of Association and results in serious losses suffered by the Company, the directors who participated in the passing of such resolution are liable to compensate the Company, provided that the director who has expressly objected to the resolution put forward for voting which is recorded in the minutes of the meeting may be released from such liabilities.

(Mandatory Provision 95)

The minutes of Board meetings shall be maintained as corporate archives for a period of not less than 10 years.

Article 11.21 The minutes of resolutions of the Board of directors shall record the following contents:

- (1) the date, venue of the meeting and name of the convener;
- (2) the names of the directors present at the meeting and names of the

directors (proxies) present at the meeting on behalf of other director(s);

- (3) agenda of the meeting;
- (4) key points of speeches made by directors;
- (5) voting method and results on each resolution (the voting result shall state the number of affirmative votes, negative votes, and abstention votes, respectively).

Article 11.22 (1) Written resolutions signed and approved by each director separately shall be deemed as effective as resolutions passed at the Board meeting legally convened. Such written resolution may consist of a document of multiple copies with each copy signed by one or more directors. A resolution signed by a director or with his signature and sent to the Company by telegram, telex, mail, facsimile or by hand, for the purpose of this article, shall be deemed as a document signed by him.

(2) The Board of directors may establish a committee or work team comprising two or more directors from time to time and delegate the committee or work team certain rights, power and discretion of the Board to exercise; such committee or work team shall act within the authorised scope of the Board and shall comply with rules formulated by the Board from time to time. The Board of directors may also decide to dismiss such committee or work team or change its authorised scope at any time.

(3) The quorum of meetings for such committee or work team of the Board of directors is two members of such committee or work team or more than half of its members (which is higher). The rules applicable to the procedures and minutes of Board meetings are also applicable to its committee or work team unless such rules have been replaced by rules as formulated by the Board according to the aforesaid paragraphs.

(4) The Board of directors shall establish four committees, namely the Strategic Committee, Nomination, Remuneration and Appraisal Committee and Audit Committee, and formulate their respective detailed operating rules.

Article 11.23 Unless otherwise required by the Board of directors, the manager, not being a director concurrently, may attend the Board meetings as a non-voting participant and is entitled to receive notices on such meetings and relevant documents,

but shall have no right to vote at the meeting unless they are directors concurrently.

Article 11.24 No directors shall act, in their own names, on behalf of the Company or the Board of directors beyond provisions in these Articles of Association or without appropriate authorisation by the Board of directors. The director(s) shall, when acting in his/her own name, state his/her standings and capacity in advance in case a third party may reasonably believe that the said director is acting on behalf of the Company or the Board of directors.

Article 11.25 Any director who violates any laws, administrative regulations, rules from regulatory authorities or these Articles of Association during the course of performing his duties which causes losses to the Company shall be liable for compensation to any loss caused to the Company.

Chapter XII Independent Director

Article 12.1 Independent directors shall represent 1/3 or more of the Board of directors, including at least one qualified accounting expert. An independent director shall perform his duties faithfully to protect the Company's interests especially the lawful interests of public shareholders from damage.

An independent director shall perform his duties independently and free from the influence of the Company's substantial shareholders, de facto controller or any of entities or individuals that is interested in the Company or its substantial shareholders or de facto controller.

The independent directors shall perform his duties in accordance with laws, administrative regulations and rules of regulatory authorities.

Article 12.2 The Board of directors, Supervisory Committee, or shareholders individually or jointly holding 1% or more of the issued shares of the Company are entitled to nominate candidates for independent directors to be elected at the general meetings.

Article 12.3 Major related party transactions, appointment or dismissal of the accounting firms are subject to prior consent by more than half of the independent

directors before submission for discussion by the Board of directors. Proposal of the independent directors to the Board of directors for convening an extraordinary general meeting and a meeting of the Board of directors, and to publicly solicit voting rights from other shareholders before the convening of general meeting are subject to approval by more than half of the independent directors. Upon their unanimous consent, independent directors may independently engage external auditors and consultants to provide auditing and consultancy services on specific matters at the expenses of the Company.

Article 12.4 Independent directors shall attend meetings of the Board of directors on time, and shall keep themselves informed of the production and operation of the Company and conduct active investigation to obtain the particulars and information required for decision-makings. Independent directors shall submit an annual work report of all independent directors to the annual general meeting of the Company, stating their performance of duties.

Article 12.5 The Company shall establish a operating system for independent directors. The secretary to the Board of directors shall assist and cooperate with independent directors in their discharge of duties. The Company shall undertake that independent directors will enjoy the same right to information as other directors, will be provided with relevant and timely materials and information and will be reported about the operation of the Company regularly and that site visits will be organised for independent directors as necessary.

Article 12.6 The term of office for independent directors shall be the same as other directors of the Company, and they may stand for re-election upon expiry of their term, provided that the term of office of an independent director shall not exceed six years in succession. Before expiry of their term, independent directors shall not be dismissed without proper reasons. In case of an independent director being dismissed before expiry of his or her term, the Company shall disclose it as a special discloseable matter.

Article 12.7 Independent directors may resign before expiry of their term. Independent directors shall submit to the Board of directors a written resignation stating any situation relating to their resignation or which they consider to be necessary to draw

to the attention of the shareholders and creditors of the Company.

Should the resignation of independent directors results in the number of independent directors or members of the Board of directors falling below the statutory or minimum requirement as stipulated in the Articles of Association, the resigning independent directors shall continue to perform their duties in accordance with the laws, administrative regulations and the Articles of Association until the independent directors who are elected in the by-election assume their offices. The Board of directors shall convene a shareholders' general meeting within two months to elect such independent directors to fill the casual vacancy. The resigning independent directors may cease to perform their duties if a shareholders' general meeting is not held within the two months' period.

Chapter XIII Secretary to the Board of the Company

Article 13.1 The Company shall have one secretary to the Board (“Company Secretary”). The Company Secretary is a senior management member of the Company.
(Mandatory Provision 96)

Article 13.2 The Company Secretary shall be a natural person with the requisite professional knowledge and experience, and shall be appointed and dismissed by the Board. His/her primary responsibilities are:

- (1) to ensure that the Company has complete constitutional documents and records;
- (2) to ensure that the Company prepares and delivers reports and documents required by competent authorities (including but not limited to industry and commerce administrations) in accordance with laws;
- (3) the Company's registers of shareholders are duly established and maintained, and that persons entitled to the Company's records and documents access such records and documents without delay;
- (4) performance of other duties of the Company Secretary as stipulated in the Articles of Association (including the reasonable requirements from the Board).

(Mandatory Provision 97)

Article 13.3 Directors or other senior management may also act as the Company Secretary. The accountants of accounting firm appointed by the Company shall not concurrently act as the secretary to the Board.

Where a director concurrently acts as the Company Secretary, and in the event an action should be made by a director and the Company Secretary separately, the person who is both a director and the Company Secretary shall not act in dual capacity.

(Mandatory Provision 98)

Article 13.4 The position of Company Secretary can be assumed by one or jointly by two natural persons. Should the post is shared by two, the duties of the Company Secretary shall also be shared by both of them; while either one is entitled to exercise all the rights of the Company Secretary on his own.

Article 13.5 Work System on Investor Relations Management shall be drafted by the Secretary to the Board and will come into effect upon the approval by the Board; the work is specifically in the charge of the Secretary to the Board.

Chapter XIV Managers of the Company

Article 14.1 The Company shall have one manager, who shall be appointed and dismissed by the Board.

(Mandatory Provision 99)

The Company shall have several deputy managers and one financial controller. The deputy managers and financial controller shall be nominated by the manager, and be appointed or removed by the Board of directors.

The deputy managers and financial controller shall assist the manager in his work and report to the manager.

Article 14.2 Persons assuming offices other than director of the controlling shareholder and of the de facto controller of the Company shall not assume the offices of senior management of the Company.

Article 14.3 The manager has a term of office of 3 years and shall be eligible for

reappointment.

Article 14.4 The manager shall be accountable to the Board and exercise the following functions and powers:

- (1) to be in charge of the production, operation and management of the Company and to implement resolutions of the Board;
- (2) to organise the implementation of the Company's annual business plan and investment plan;
- (3) to draft plans for the establishment of the Company's internal management structure;
- (4) to draft the Company's basic management system;
- (5) to formulate basic rules and regulations for the Company;
- (6) to propose to appoint or dismiss the Company's deputy managers and financial controller;
- (7) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of directors;
- (8) to personally (or appoint a deputy managers to) convene and preside over the business meetings of the manager which the manager, deputy managers and other management members shall attend;
- (9) to determine rewards and punishments, promotion and demotion, increase and decrease of salaries, appointment, employment, termination of employment and dismissal of the staff and workers of the Company;
- (10) to exercise other powers within the authorisation of Articles of Association and the Board.

Article 14.5 The manager shall formulate the detailed rules for the operation of managers, which shall be submitted to the Board of directors for approval before implementation.

Article 14.6 These operating rules include the following:

- (1) the conditions, proceedings and attendants of the managers' meeting;
- (2) duties and respective responsibilities of manager and other senior

- management members;
- (3) fund and assets applications, authorities of execution of material contracts of the Company, and the report mechanism to the Board of directors and Supervisory Committee;
- (4) other matters deemed as necessary by the Board of directors.

Article 14.7 The manager may resign before expiry of his term. The procedures and detailed measures of the said resignations shall be specified in the contracts between manager and the Company.

Article 14.8 Any senior management member who violates any laws, administrative regulations, rules from regulatory authorities or these Articles of Association during the course of performing his duties which causes losses to the Company shall be liable for compensation for any loss suffered by the Company.

Article 14.9 The manager shall be in attendance at meetings of the Board. The manager, if not being a director, shall have no voting right at a Board meeting
(Mandatory Provision 101)

Article 14.10 The manager and deputy managers shall perform their duties in a faithful and due diligent manner under the laws, administrative regulations and the Articles of Association in the exercise of their powers.
(Mandatory Provision 102)

Article 14.11 The manager and deputy managers shall not depart from the resolutions of general meetings and Board meetings and shall act within the scope of his powers in the exercise of their powers,.

Chapter XV Supervisory Committee

Article 15.1 The Company shall establish the Supervisory Committee.

The Supervisory Committee is responsible for supervising the Board, directors, manager and senior management, so as to prevent them from abusing authority and damaging the interests of shareholders, the Company and its staff.

(Mandatory Provision 103)

The Company shall formulate Rules of Procedure for the Supervisory Committee, under which the convening and voting procedures of the Supervisory Committee meetings shall be specified. As one of the appendices to these Articles of Association, Rules of Procedure for the Supervisory Committee shall be formulated by the Supervisory Committee and subject to approval of the general meeting of the Company.

Article 15.2 The Supervisory Committee comprises of 5 supervisors, one of which acts as the chairman of Supervisory Committee. Supervisors shall be elected at the shareholders' general meeting. The term of office of the supervisors is three (3) years. At the expiry of his term of office, the supervisor is eligible for re-election and reappointment. The supervisors are elected by means of cumulative voting mechanism. In the supervisor(s) election, the number of votes held by each shareholder shall equal the product of the number of his/her shares held multiplied by the number of supervisors he is entitled to elect; each shareholder has the right to cast all his/her votes to one, two or more supervisor candidates, or to all supervisor candidates at his/her discretion. The candidate(s) with the most votes shall be elected as supervisor(s).

The appointment and dismissal of the chairman of the Supervisory Committee shall be passed by votes of two-thirds or more of its members.

(Mandatory Provision 104[1995]1-5;HK Listing Rules App 13-D-1(d)(i))

The supervisors may attend Board meetings as non-voting participants, and deliver enquiry or suggestion regarding resolutions at Board meetings.

Article 15.3 The Supervisory Committee shall comprise three representatives of shareholders who shall be elected or removed by the shareholders in general meetings, and two representatives of staff and workers of the Company who shall be elected or removed democratically by the staff and workers.

(Mandatory Provision 105)

Article 15.4 None of the directors, manager, financial and other senior management members (including but not limited to the financial controller of the Company) of the Company may concurrently act as a supervisor.

(Mandatory Provision 106)

Article 15.5 The Supervisory Committee shall hold at least two meetings every year,

which shall be convened by the chairman of Supervisory Committee.

(Mandatory Provision 107)

An extraordinary meeting of the Supervisory Committee may be convened by requisition of supervisors.

Article 15.6 The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers in accordance with law:

- (1) to review the Company's financial position;
- (2) to examine whether the directors, manager and other senior management members act in violation of the laws, administrative regulations and these articles of association;
- (3) to demand rectification from a director, the manager or any other senior management members when the acts of such persons are harmful to the Company's interest;
- (4) to verify the financial information such as the financial report, business report and plans for distribution of profits to be submitted by the Board of directors to the General Meetings and to authorise in the name of the Company the certified public accountants and practising auditors of the Company to assist in the re-examination of such information should any doubt arise in respect thereof;
- (5) to propose the convening of an extraordinary general meeting;
- (6) to negotiate with or to bring an action against a director on behalf of the Company;
- (7) to exercise other functions and powers specified in these Articles of Association.

The supervisors shall attend Board meetings as non-voting participants.

(Mandatory Provision 108)

- (8) to propose removal of directors, manager and other senior management staff from office who have violated the laws, administrative regulations or the Articles of Association in their performance of duties;
- (9) to review and provide a written opinion on reviewing of the regular reports of the Company prepared by the Board of directors;

- (10) to bring legal actions against senior management members pursuant to relevant provisions of the Company Law;
- (11) to convene and preside the general meeting when the Board fails to perform such duties as specified under the Company Law or the Articles of Association;
- (12) to propose resolutions before the general meeting.

Article 15.7 (1) The quorum of meetings of the Supervisory Committee shall be all members of the committee. If, in special circumstances an extraordinary meeting of the Supervisory Committee is to be convened and certain supervisor(s) are not in the territories of the PRC, the quorum of the meeting may be reduced to two-thirds of all members of the Supervisory Committee.

(2) Resolutions of the Supervisory Committee shall be passed by two-thirds or more of its members.

(Mandatory Provision 109; HK Listing Rules App 13-D-1(d); Supplemental Amendment 1-6)

Article 15.8 Minutes shall be kept for the resolutions passed at the meeting of Supervisory Committee, on which supervisors present at the meeting shall sign.

Supervisors are entitled to require certain explanatory recording in respect of their speech at the meeting. Such minutes shall be kept as corporate archives of the Company for at least 10 years.

Article 15.9 Notices of meetings of the Supervisory Committee shall set out the following contents:

- (1) the date, venue, and duration of the meeting;
- (2) subject and proposals of meeting;
- (3) date on which the notice is issued.

Article 15.10 In order to exercise its powers, the Supervisory Committee may employ professionals such as lawyer, public certified accountants and certified auditors at the expense of the Company.

(Mandatory Provision 110)

Reasonable expenses incurred by supervisors for attending meetings of the Supervisory Committee shall be borne by the Company. Such expenses may include

costs for travel to the venue of the meeting (if different from the residential region of supervisors), accommodation, rental for meeting venue and local travel.

Article 15.11 A supervisor shall perform his duties faithfully in accordance with laws, administrative regulations and these Articles of Association.

(Mandatory Provision 111)

The supervisors shall not exploit their relationship to prejudice the Company's interests and shall be liable for indemnity to any loss caused to the Company.

Chapter XVI Qualifications and Duties of the Directors, Supervisors, Managers and Other Senior Management Members of the Company

Article 16.1 A person may not serve as the Company's director, supervisor, manager and other senior management member if any of the following circumstances apply:

- (1) a person who does not have or who has limited capacity for civil conduct;
- (2) a person who has been sentenced for committing corruption, bribery, infringement of property or misappropriation of property or other crimes which destroy the social economic order, and for which not more than five years have lapsed since the sentence was served, or a person who has been deprived of his political rights and not more than five years have lapsed since the sentence was served;
- (3) a person who is a former director, factory manager or president of a company or enterprise which has been dissolved or put into liquidation as a result of mismanagement and who was personally liable for the winding up of such company or enterprise, where no more than three (3) years have elapsed since the date of completion of the insolvent liquidation of the company or enterprise;
- (4) a person who is a former legal representative of a company or enterprise the business licence of which was revoked due to violation of law and who is personally liable for such revocation,

where no more than three (3) years have elapsed since the date of the revocation of the business licence;

- (5) a person who holds a relatively large amount of outstanding debts which have fallen due;
- (6) a person who is currently under investigation by the judicial authorities for violation of criminal law, and the legal procedures are pending;
- (7) a person who, according to laws and administrative regulations, cannot act as a leader of an enterprise;
- (8) a person other than a natural person;
- (9) a person who has been convicted by the competent authority for violation of relevant securities regulations and such conviction involves a finding that such person has acted fraudulently or dishonestly, where not more than five (5) years have lapsed from the date of such conviction; and

(Mandatory Provision 112)

- (10) any civil servants unless permitted by the laws and administrative regulations;
- (11) a person who has been prohibited from entering the market by CSRC, where such prohibition has not been removed;
- (12) other circumstances specified by laws, administrative regulations and rules from regulatory authorities.

Should the election or appointment of directors, supervisors, manager and other senior management contravene the stipulations set out in this Article, such election or appointment shall be invalid. Where the aforesaid persons fall into the circumstances set out in this Article in their performance of duties, the Company shall remove them from office.

Article 16.2 The validity of an act of a director, manager or any other senior management member on behalf of the Company shall not, vis-à-vis, a bona fide third party, be affected by any irregularity in his office, election or any defect in his qualification.

(Mandatory Provision 113)

Article 16.3 In addition to obligations imposed by laws, administrative regulations or required by the stock exchange on which shares of the Company are listed, each of the Company's directors, supervisors, manager and other senior management members owes a duty to each shareholder, in the exercise of the functions and powers of the Company entrusted to him:

- (1) not to cause the Company to conduct business exceeding the scope of the business stipulated in its business licence;
- (2) to act honestly and in the best interests of the Company;
- (3) not to expropriate the Company's properties by any means, including (but not limited to) seizing business opportunities in the interests of the Company;
- (4) not to expropriate shareholder's individual interests, including (without limitation to) distribution rights and voting rights, except for the restructuring of the Company submitted to general meeting according to the Articles of Association.

(Mandatory Provision 114)

Article 16.4 Each of the Company's directors, supervisors, manager and other senior management member owes the duty that in the exercise of his/her powers and discharge of his/her obligations, to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

(Mandatory Provision 115)

The directors shall comply with the laws, administrative regulations and these Articles of Association and shall perform their due diligence obligations to the Company as follows:

- (1) to exercise the rights conferred by the Company in cautious, serious and due diligent manners so as to ensure the commercial behaviors of the Company in compliance with the laws, administrative regulations and economic policies of the PRC, and the commercial activities not exceeding the scope of business stipulated in the business license;
- (2) to treat all shareholders fairly;
- (3) to keep informed of the trade and financial position of the Company on a timely basis;

- (4) to confirm the written opinion on regular reports of the Company by hand and guarantee truthfulness, accuracy and completeness of the information disclosed by the Company;
- (5) to provide true information and data to the Supervisory Committee, and not to interfere with the Supervisory Committee or supervisors in their exercise of powers;
- (6) to perform other diligence obligations imposed by laws, regulations and the Articles of Association.

Article 16.5 Each of the Company's directors, supervisors, manager and other senior management members shall exercise his powers or perform his duties in accordance with the fiduciary principle, and shall not put himself in a position where his duty and his interests may conflict. This principle includes (without limitation to) discharging the following obligations:

- (1) to act genuinely in the best interests of the Company;
- (2) to act within the scope of his powers and no ultra vires;
- (3) to exercise the discretion vested in him personally and not to allow himself to act under the control of any other party and, unless and to the extent permitted by laws, administrative regulations or with the informed consent of shareholders given in a general meeting, not to delegate his discretion to other parties;
- (4) to treat shareholders of the same class equally and to treat shareholders of different classes fairly;
- (5) unless otherwise provided for in the Articles of Association or except with the informed consent of the shareholders given at a general meeting, not to enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his own benefit, without the informed consent of the shareholders given in a general meeting;
- (7) not to exploit his position to accept bribes or other illegal income or expropriate the Company's property in any way, including (but not limited to) any opportunity which may benefit the Company;
- (8) not to accept commissions in connection with the Company's transactions, without the informed consent of the shareholders

given in a general meeting;

- (9) to comply with the Company's Articles of Association, by these and to perform his responsibilities and obligations faithfully to safeguard the interests of the Company, and not to exploit their positions and powers in the Company to advance their own private interests;
- (10) not to compete with the Company in any way, save with the informed consent of the shareholders given in a general meeting;
- (11) not to misappropriate the Company's funds or to lend such funds to any other person, not to use the Company's assets to set up deposit accounts in his own name or in the any other name, nor to use such assets to guarantee the debts of a shareholder of the Company or any other personal liabilities;
- (12) not to disclose any confidential information which he has obtained during his term of office, without the informed consent of the shareholders in a general meeting; nor shall he use such information otherwise than for the Company's benefit, unless disclosure of such information to the court or other governmental authorities is made in the following circumstances:
 - (i) disclosure as required by laws;
 - (ii) public interests so warrants;
 - (iii) the interests of the relevant director, supervisor, manager, or other senior management member so requires;

(Mandatory Provision 116)

Article 16.6 Each director, supervisor, manager or other senior management member of the Company shall not direct the following persons or institutions ("associates") to do what he is prohibited from doing so:

- (1) the spouse or minor child of that director, supervisor, manager and other senior management member;
- (2) a person acting in the capacity of trustee of that director, supervisor, manager or other senior management member or any person referred to in sub-paragraph (1) of this Article;
- (3) a person acting in the capacity of partner of that director, supervisor,

manager or other senior management member or any person referred to in sub-paragraphs (1) and (2) of this Article;

- (4) a company in which that director, supervisor, manager or other senior management member, alone or jointly with one or more persons referred to in sub-paragraphs (1), (2) and (3) above or other directors, supervisors, manager and other senior management members of the Company have a de facto controlling interest;
- (5) the directors, supervisors, manager and other senior management members of the controlled company referred to in sub-paragraph (4) of this Article.

(Mandatory Provision 117)

Article 16.7 The fiduciary duties of the directors, supervisors, manager and other senior management members of the Company do not necessarily cease with the termination of their tenure, and their obligation of confidentiality in respect of trade secrets of the Company shall subsist after the termination of their tenure. The duration of the rest of obligations shall be decided based on the principle of fairness, the time lapse between the said expiration and the occurrence, and the circumstances under which the relationships with the Company are terminated.

(Mandatory Provision 118)

Article 16.8 Save for circumstances prescribed in Article 16.16 of the Articles of Association, a director, supervisor, manager and other senior management member of the Company may be relieved of liability for specific breaches of his duty by the informed consent of shareholders given at a general meeting.

(Mandatory Provision 119)

Article 16.9 Where a director, supervisor, manager or other senior management member of the Company is in any way, directly or indirectly, materially interested in a contract, transaction or arrangement or proposed contract, transaction or arrangement (other than his contract of service with the Company) with the Company, he shall declare the nature and extent of his interests to the Board at the earliest opportunity, whether or not the contract, transaction or arrangement or proposal thereof is otherwise

subject to the approval of the Board.

Unless the interested director, supervisor, manager or other senior management member of the Company discloses his interests in accordance with the preceding sub-paragraphs of this Article and the contract, transaction or arrangement is approved by the Board at a meeting in which the interested director, supervisor, manager or other senior management member of the Company is not counted as part of the quorum and abstain from voting, the contract, transaction or arrangement in which that director, supervisor, manager or other senior management member is materially interested is voidable at the instance of the Company except as against a bona fide party thereto who does not have notice of the breach of duty by the interested senior officer.

For the purposes of this Article, a director, supervisor, manager or other senior management member of the Company is deemed to be interested in a contract, transaction or arrangement in which his associate is interested.

(Mandatory Provision 120; HK Listing Rules App 3-4(1))

Article 16.10 Where a director, supervisor, manager or other senior management member of the Company gives to the Board a notice in writing stating that, by reason of the facts specified in the notice, he is interested in contracts, transactions or arrangements of which may subsequently be entered by the Company, such notice shall be deemed for the purposes of the preceding paragraphs of this Article to be a sufficient declaration of his interests, so far as the content stated in such notice is concerned, provided that such notice shall have been given before the date on which the question of entering into the relevant contract, transaction or arrangement is first taken into consideration on behalf of the Company.

(Mandatory Provision 121)

Article 16.11 The Company shall not in any manner pay taxes for or on behalf of its directors, supervisors, manager or other senior management members.

(Mandatory Provision 122)

Article 16.12 The Company shall not directly or indirectly make a loan to, or provide any guarantee in connection with, the making of a loan to a director, supervisor, manager or other senior management member of the Company or of the Company's parent company or any of their respective associates.

However, the following transactions are not subject to such prohibition:

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

its subsidiary;

- (2) the provision by the Company of a loan or a guarantee in connection with the making of a loan or any other funds to any of its directors, supervisors, manager or other senior management members to meet expenditure incurred or to be incurred by him for the purposes of the Company or for the purpose of enabling him to perform his duties properly, in accordance with the terms of a service contract approved by the shareholders in general meeting;
- (3) the Company may make a loan or provide a guarantee in connection with the making of a loan to any of the relevant directors, supervisors, manager or other senior management members or their respective associates in the ordinary course of its business on normal commercial terms, provided that the ordinary course of business of the Company includes the lending of money or the giving of guarantees.

(Mandatory Provision 123)

Article 16.13 A loan made by the Company in breach of the above provisions shall be forthwith repayable by the recipient of the loan regardless of the terms of the loan.

(Mandatory Provision 124)

Article 16.14 A loan guarantee provided by the Company in breach of Article 16.12 (1) shall be unenforceable against the Company, provided that:

- (1) the lender failed to acknowledge of the circumstance that he provided a loan to the directors, supervisors, manager and other senior management of the Company or its parent company; or
- (2) the collateral provided by the Company has been lawfully disposed of by the lender to a bona fide purchaser.

(Mandatory Provision 125)

Article 16.15 For the purposes of the foregoing provisions of this Chapter, a guarantee includes an undertaking of liabilities or property provided to secure the performance of obligations by the obligor.

(Mandatory Provision 126)

Article 16.16 In addition to any rights and remedies provided by the laws and

administrative regulations, where a director, supervisor, manager and other senior management members of the Company is in breach of his duties to the Company, the Company is entitled to:

- (1) claim damages against the director, supervisor, manager and other senior management members in compensation for losses sustained by the Company as a result of such breach;
- (2) rescind any contract or transaction entered into by the Company with the director, supervisor, manager and other senior management members or with a third party (where such third party knows or should know that such director, supervisor, manager and other senior management members have breached their duties);
- (3) demand the director, supervisor, manager and other senior management members to surrender the profits made by him in breach of his duties;
- (4) recover any monies received by the director, supervisor, manager and other senior management members which should have been otherwise received by the Company, including (without limitation) commissions; and
- (5) demand payment of the interest earned or which may have been earned by the director, supervisor, manager and other senior management members on the monies that should have been paid to the Company.

(Mandatory Provision 127)

- (6) take legal proceedings to claim the properties arising from the breach of duties by the director, supervisor, manager and other senior management staff.

Article 16.17 The Company shall, with the prior approval of shareholders in general meeting, enter into a contract in writing with a director or supervisor wherein his remuneration are stipulated, including;

- (1) remuneration in respect of his service as director, supervisor or senior management member of the Company;
- (2) remuneration in respect of his service as director, supervisor or

- senior management member of any subsidiary of the Company;
- (3) remuneration for providing management services for the Company and its subsidiaries;
 - (4) compensation for loss of office, or as consideration for or in connection with his retirement from office.

Except pursuant to a contract entered into mentioned above, no proceedings may be brought by a director or supervisor against the Company for any benefits in respect of the matters mentioned in this Article.

(Mandatory Provision 128)

Article 16.18 The contract concerning remuneration entered into between the Company and its directors or supervisors should provide that in the event of a takeover of the Company, the Company's directors and supervisors shall, subject to the prior approval of the shareholders in general meeting, have the right to receive compensation or other payment for loss of office or retirement. A takeover of the Company as referred to above means:

- (1) a takeover offer made by any person to all shareholders; or
- (2) an offer made by any person with a view to becoming a "controlling shareholder" as defined in Article 8.2.

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

(Mandatory Provision 129)

Article 16.19 The Company's directors, supervisors and senior management members have statutory obligations of ensuring the safety of the Company's capital. The Company's directors, supervisors and senior management members are the responsible officers of the "freezing upon misappropriation" mechanism. The Company's directors, supervisors, senior management members and other relevant informed parties shall report to the Company's chairman and secretary to the Board on the day they learn about the misappropriation of the Company's assets by the Company's controlling shareholder or de facto controller and its subsidiaries. The secretary to the Board shall

inform all directors and other relevant parties of the Company on the same day and immediately initiate the following procedures:

- (1) On the day the secretary to the Board receives the report on the misappropriation of the Company's assets by the Company's controlling shareholder or de facto controller or its subsidiaries, he/she shall immediately notify and ask the audit committee to conduct an audit on the misappropriation of the Company's assets by the Company's controlling shareholder or de facto controller or its subsidiaries. The audit committee shall verify the misappropriation of the Company's assets by the Company's controlling shareholder or de facto controller or its subsidiaries on the same day, including the misappropriated amount and the responsible parties. If it is found that the Company's directors or senior management members have assisted in or connived at the misappropriation of the Company's assets by the controlling shareholder or its subsidiaries, the audit committee shall specify in the report the names of the directors or senior management members involved as well as the details of how they have assisted in or connived at the misappropriation of the Company's assets by the controlling shareholder or its subsidiaries.
- (2) After receiving the reports from the Company's directors, supervisors, senior management members or other relevant informed parties and the verification report from the audit committee, the Chairman of the Board shall immediately call and convene a Board meeting. The Board shall consider and approve a resolution including but not limited to the following content:
 - (i) to confirm the fact of misappropriation and the responsible parties;
 - (ii) the Company shall request the controlling shareholder to make full repayment within two days from the date of the discovery of the misappropriation;
 - (iii) the Company shall authorise the secretary to the Board to apply to the relevant judicial authority for freezing the equity interests held by the controlling shareholder in the Company

within two days from the date of the discovery of the misappropriation by the controlling shareholder;

- (iv) if full repayment is not made by the controlling shareholder within the above deadline, the Company shall authorize the secretary to the Board to apply to the relevant judicial authority for the realization of the shares on hold to compensate for the misappropriated assets;
- (v) directors or senior management members who are held responsible shall be issued warnings or demoted and a monetary penalty equivalent to 0.5%-1% of the amount of the misappropriated assets shall be imposed;
- (vi) a proposal shall be made to the general meeting to remove directors taking significant responsibilities from their office.

For directors or senior management members not doing their best in execution, they shall be subject to punishment with reference to the penalties imposed on those directors or senior management members who are responsible.

- (3) The secretary to the Board shall disclose information in accordance with the “Administrative Measures for the Disclosure of Information” and report to the securities regulatory authorities in a timely manner.

Chapter XVII Financial and Accounting System and Auditing

Article 17.1 The Company shall establish its own financial and accounting system in accordance with laws, administrative regulations and PRC accounting standards formulated by the finance regulatory authority of the State Council.

(Mandatory Provision 130)

Article 17.2 At the end of each financial year, the Company shall prepare a financial report which shall be examined and verified in accordance with laws.

(Mandatory Provision 131)

Article 17.3 The fiscal year of the Company shall coincide with the calendar year, i.e. from January 1 to December 31 on the Gregorian calendar.

Article 17.4 The Company shall adopt Renminbi as the standard accounting currency. The accounts shall be prepared in Chinese.

Article 17.5 The Board shall place before the shareholders at every annual general meeting such financial reports as are required by any laws, administrative regulations or directives promulgated by competent regional and central governmental authorities to be prepared by the Company.

(Mandatory Provision 132)

Article 17.6 The Company's financial reports should be available for shareholder's inspection at the Company 20 days before the annual general meeting. Each shareholder shall be entitled to receive such financial reports mentioned in the Chapter.

(Mandatory Provision 133)

The Company should post the above-mentioned reports to the shareholders of overseas listed foreign invested shares with prepaid mail at least 21 days before the annual general meeting; addressed to the address set out in the register of shareholders.

(HK Listing Rules App 3-5; Supplemental Amendments 7)

Article 17.7 The financial statements of the Company shall, in addition to being prepared in accordance with PRC accounting standards and regulations, be prepared in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed. If there is any material difference between the financial statements prepared respectively in accordance with the two accounting standards, explanations shall be made in the financial statements. When the Company is to distribute its after-tax profits, the lower of the after-tax profits shown in the two financial statements shall be adopted.

(Mandatory Provision 134)

Article 17.8 Any quarterly reports, interim results, annual results or financial information published or disclosed by the Company shall be prepared in accordance with PRC accounting standards and regulations, and also in accordance with either international accounting standards or that of the overseas place where the Company's shares are listed.

(Mandatory Provision 135)

Article 17.9 The Company shall publish four financial reports every accounting year. Quarterly reports shall be published within thirty (30) days of the end of the first and third quarters, an interim report shall be published within sixty (60) days from the end of the first six (6) months of the accounting year and the annual report shall be published within one hundred and twenty (120) days from the end of the accounting year.

(Mandatory Provision 136)

Article 17.10 The Company shall not keep accounts other than those provided by law. The accounting accounts of the Company are available to directors and supervisors for inspection.

(Mandatory Provision 137)

Article 17.11 (1) The quarterly, interim and annual financial reports of the Company shall, upon finalisation, proceed with formalities and announcements pursuant to relevant securities laws and administrative regulations of PRC, and regulations of the stock exchange where the Company's shares are listed.

(2) For the holders of H share, if holders of H shares ("agreeing holders of H shares ") agree to discharge the Company from its obligation of serving relevant documents by publishing the financial reports on the Company's website, then for every agreeing holder of H shares, the Company's publishing relevant financial reports on the Company's website according to relevant provisions shall be deemed as discharging the Company from its obligation under the preceding Paragraph (1).

Article 17.12 wThe Company shall implement an internal auditing system, and have in place internal auditing staff, supervising over the Company's income and expenses and other economic activities.

Article 17.13 The internal audit system and duties of the internal auditors of the Company shall be implemented upon approval by the Board of directors. The auditor in charge shall be accountable and report to the Board of directors.

Chapter XVIII Profit Distribution

Article 18.1 The after-tax profits of the Company shall be distributed in the following order:

- (1) to make up losses;
- (2) to make allocations to the statutory reserve fund;
- (3) to make allocations to the statutory public welfare fund;
- (4) to make allocations to discretionary reserve fund;
- (5) to pay dividends on ordinary shares.

The proportion in each year in respect of paragraphs (4) and (5) of this Article shall be proposed by the Board of directors in accordance with the operational conditions and development requirements of the Company and shall be approved by the shareholders in general meeting.

(HK Listing Rules App 3-9)

Article 18.2 The Company shall not distribute dividends before it has made up for losses and made allocations to the statutory reserve fund and the statutory public welfare fund. The Company shall not pay any interest to shareholders in respect of dividends, except those dividends which are due and payable but not yet paid by the Company.

Article 18.3 The Company shall allocate 10 percent of its after-tax profits for the Company's statutory reserve fund. When the aggregate amount of the statutory reserve fund has reached 50% of the Company's registered capital, further appropriations is not required.

If the general meeting has, in violation of the preceding paragraph, distributed profit to shareholders before the Company has made up the losses and allocated statutory reserve fund, the shareholders shall return to the Company the profit distributed in violation of regulations.

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

Article 18.4 The Company may also appropriate discretionary reserve fund from the profit after taxation upon approval of a general meeting.

Article 18.5 Capital reserve fund includes the following items:

- (1) premium received when shares are issued above their par value;
- (2) any other income required to be included in the capital reserve fund by the finance regulatory authority of the State Council.

(Mandatory Provision 138)

Article 18.6 The reserve funds of the Company includes statutory reserve fund, discretionary reserve fund and capital reserve fund. The reserve funds shall only be used for the following purposes:

- (1) making up losses;
- (2) expansion of the production and operation of the Company; and
- (3) capitalisation into additional share capital of the Company. With the approval of the shareholders by way of a special resolution in general meeting, the Company may capitalise the reserve fund into share capital, and issue bonus shares to shareholders pro rata to their existing shareholdings or increase the par value of the shares. However, when the statutory reserve fund is capitalised into share capital, the amount remaining in such statutory reserve fund shall not be less than 25% of the registered capital of the Company.

Article 18.7 Subject to the restrictions imposed by Articles 18.3, 18.4 and 18.6, annual dividends shall be distributed in proportion to the shareholding of each Shareholder, within 6 months after the end of each financial year. Annual dividends are subject to approval of general meetings.

After the profit distribution plan has been resolved at the general meeting, the Board of directors shall complete the dividend (or share) distribution within 2 months after the date of the general meeting.

Article 18.8 The Company may distribute certain dividends by way of cash or bonus shares (or a combination of both) each year.

(Mandatory Provision 139; HK Listing Rules App 3-9)

Dividends or other distributions for ordinary shares shall be declared and denominated in Renminbi.

Dividends or other cash distributions for domestic-invested shares shall be paid in Renminbi.

Article 18.9 Unless otherwise resolved by the shareholders in general meeting, the Board may decide to distribute interim dividends.

The accumulative profits distribution in cash in the recent three years shall be no less than 30% of the average annual distributable profits in the same period.

Article 18.10 In distributing profit to shareholders, the Company shall withhold taxes payable on dividends income of shareholders in accordance with the tax laws of the PRC.

Article 18.11 The Company shall appoint a receiving agent for holders of overseas-listed foreign-invested shares. The receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas-listed foreign-invested shares.

(Mandatory Provision 140)

The receiving agent appointed by the Company shall satisfy the requirements under the laws of the jurisdiction where the Company's shares are listed or the rules of such stock exchange. The receiving agent appointed by the Company for holders of overseas-listed foreign-invested shares listed in Hong Kong shall be a trust company registered under the Trustee Ordinance of Hong Kong.

(HK Listing Rules App 13-D-1(c); Supplemental Amendments 8)

Article 18.12 (1) Subject to compliance with the relevant laws and administrative regulations of the PRC, the Company may exercise its right to forfeit the dividends which are not claimed by anyone but such right can not be exercised before the expiration of the applicable statute of limitation or six years after the date of announcement of dividends, whichever is the later.

(HK Listing Rules App 3-3(2))

(2) The Company is entitled to terminate the despatch of dividend warrants to holders of overseas-listed foreign-invested shares by post, provided that such entitlement shall not be exercised until the dividend warrants have not been cashed for two consecutive occasions. However, where the dividend warrant is undelivered to the addressee and returned, the Company may also exercise such right.

(HK Listing Rules App 3-13(1)) (3) The Company has the right to sell, in such

manner as the Board thinks fit, any overseas-listed foreign-invested shares held by a shareholder who is untraceable, subject to and conditional upon: the Company has distributed dividends for at least 3 times to such shares within 12 years, but none of such dividends was claimed; and

the Company, after the termination of the aforesaid 12-year period, has made a public announcement on the newspaper(s) at the jurisdiction where the Company is listed, stating its intention to sell such shares, and has notified the stock exchange on which such shares were listed.

(HK Listing Rules App 3-13(2))

Chapter XIX Appointment of Accounting Firms

Article 19.1 The Company shall appoint an independent firm of certified public accountants which is qualified under the relevant regulations of the State to audit the Company's annual financial reports and review the Company's other financial reports.

The first firm of certified public accountants of the Company may be appointed at the inaugural meeting of the Company before the first annual general meeting and the certified public accountants 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 paragraphs, those powers shall be exercised by the Board of directors.

(Mandatory Provision 141)

Article 19.2 The certified public accountants firm appointed by the Company shall hold office from the conclusion of the annual general meeting of shareholders at which the appointment is made until the conclusion of the next annual general meeting.

(Mandatory Provision 142)

Article 19.3 The certified public accountants firm appointed by the Company shall have the following rights:

- (1) a right to inspect at any time the books, records and vouchers of the Company, and to require the directors, manager and other senior management members of the Company to provide any relevant information and explanation thereof;
- (2) a right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as are

necessary for the performance of duties of such certified public accountants firm; and

- (3) a right to attend shareholders' general meetings and to receive all notices of, and other communications relating to, any shareholders' general meeting which any shareholder is entitled to receive, and to be heard at any shareholders' general meeting in relation to matters concerning its role as the certified public accountants firm of the Company.

(Mandatory Provision 143)

Article 19.4 Before the convening of the shareholders' general meeting, the Board may fill any casual vacancy in the office of the certified public accountants firm, but while any such vacancy continues, the surviving or continuing firm, if any, may act.

(Mandatory Provision 144)

Article 19.5 The shareholders in general meeting may, by ordinary resolution, remove a certified public accountants firm before the expiration of its office, notwithstanding the terms of the contract between the Company and the firm, but without prejudice to the firm's right to claim, if any, for damages in respect of such removal.

(Mandatory Provision 145)

Article 19.6 The remuneration of a certified public accountants firm or the manner in which such firm is to be remunerated shall be determined by the shareholders in general meeting. The remuneration of a certified public accountants firm appointed by the Board shall be determined by the Board.

(Mandatory Provision 146)

Article 19.7 The Company's appointment of, removal of and non-reappointment of a certified public accountants firm shall be resolved by shareholders in general meeting. The resolution of the shareholders at general meeting shall be filed with the securities regulating authority of the State Council.

(Mandatory Provision 147)

Where any resolution is proposed to be passed by shareholders at general meeting concerning the appointment of a certified public accountants firm which is not an incumbent firm to fill a casual vacancy in the office of certified public accountants firm, the re-appointment of a certified public accountants firm which was appointed by the Board of directors of the Company to fill a casual vacancy, or the removal of a certified public accountants firm before the expiration of its terms of office, the following provisions shall apply:

- (1) a copy of the proposal shall be sent before notice of the meeting is given to the shareholders to the firm proposed to be appointed or proposing to leave its post or the firm which has left its post in the relevant accounting year.

Leaving includes leaving by removal, resignation and retirement.

- (2) if the certified public accountants firm leaving its post makes representations in writing and requests the Company to notify such representations to the shareholders, the Company shall (unless the representations are received too late):

- (i) in any notice given to shareholders for the purpose of approving the resolution, state the fact that the representations had been made;

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

- (3) If the certified public accountants firm's representations are not sent in accordance with item (2) of this Article, the relevant certified public accountants firm may require that the representations be read out at the meeting and may lodge further complaints.

- (4) A certified public accountants firm which is leaving its post shall be entitled to attend:

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

- (ii) any shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal;

- (iii) any shareholders' general meeting convened on its resignation;

and to receive all notices of, and other communications relating to, any such meetings, and to speak at any such meetings in relation to matters concerning its capacity as the

former certified public accountants firm of the Company.

(Supplemental Amendments 9; HK Listing Rules App 13-D-1(e)(i))

Article 19.8 (1) Prior to the removal or the non-renewal of the appointment of a certified public accountants firm, notice of such removal or non-renewal shall be given to the certified public accountants firm concerned in advance and such firm shall be entitled to make representation at the shareholders' general meeting. Where the certified public accountants firm resigns from its post, it shall make clear to the shareholders' general meeting whether there has been any impropriety on the part of the Company.

(Mandatory Provision 148)

(2) The certified public accountants firm may resign from its position by way of serving written resignation notice at the Company's legal address. The notice should come into effect as at the date when it was placed at the Company's legal address or a later date as indicated therein. The notice should include the following statements:

- (I) a declaration stating its resigns does not involve any circumstances which need to be brought to the attention of the shareholders or creditors of the Company; or
- (II) a statement containing circumstances which need to be brought to the attention of the shareholders or creditors of the Company.

(HK Listing Rules App 13-D-1e(ii))

(3) After receipt of the written notice under the preceding paragraph, the Company shall within fourteen (14) days send a copy of the notice to the competent authority. If the notice contains a statement referred to in sub-paragraph (II) above, a copy of such statement shall be available at the Company for shareholders' inspection. The Company shall also send a copy of such statement to every holder of overseas-listed foreign-invested shares by prepaid mail, addressed to the address set out in the register of members.

(HK Listing Rules App 13-D-1e(iii))

(4) Where the notice of resignation of a certified public accountants firm contains a statement of any matters of which an account should be given, the certified public accountants firm may require the Board to convene a shareholders'

extraordinary general meeting for the purpose of giving an explanation of the circumstances relevant with its resignation.

(Supplemental Amendments 10; HK Listing Rules App 13-D-1e(iv))

Chapter XX Labour Management, Employees and Trade Union

Article 20.1 The Company shall formulate the labour management, personnel management, wages and benefits and social insurance systems in accordance with the laws, regulations and relevant administrative regulations of the PRC.

Article 20.2 The Company shall adopt the appointment system for management at all levels and the contract system for employees. The Company may decide personnel arrangement at its own discretion and is entitled to recruit, at its own discretion, and dismiss the management members and employees in accordance with the provisions of laws, regulations and the contract.

Article 20.3 The Company is entitled to decide, at its own discretion, the wage incomes and benefits for management members at all levels and various types of employees of the Company based on its own economic benefits and within the scope stipulated in relevant administrative regulations.

Article 20.4 The Company shall purchase medical insurance, retirement insurance and unemployment insurance for the management members and employees of the Company in accordance with relevant administrative regulations of the central and local government of the PRC, and comply the requirements of the laws, regulations and relevant provisions concerning labour insurance for retired and temporarily laid-off employees.

Article 20.5 The staff of the Company may organize a trade union in accordance with laws, which shall conduct union activities and safeguard the lawful rights and interests of the workers. The Company shall provide the necessary conditions and appropriate trade union fund according to relevant laws of the PRC for its labor union to conduct its activities.

Chapter XXI Merger, Division, Capital Increase and Capital Reduction of the Company

Article 21.1 In the event of the merger or division of the Company, a plan shall be proposed by the Board of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association and the relevant examining and approving formalities shall be processed as required by law. Shareholders who object the plan of merger or division of the Company shall have the right to request that the Company or the shareholders who consent to such plan purchase their shares at a fair price. A special document of the Company's resolution on the merger or division should be prepared for inspection by the shareholders.

For holders of the overseas-listed foreign-invested shares listed in Hong Kong, the aforesaid document shall also be sent by post.

(Mandatory Provision 149)

Article 21.2 Companies may be merged through merger by absorption or through the establishment of a newly merged entity.

Where there is a merger, the parties to the merger shall enter into a merger agreement, and prepare balance sheets and lists of property. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the merger and make at least three newspaper announcements of the merger within 30 days of that date.

After the merger, claims and liabilities of parties to the merger shall be borne by the continuing company or the newly established company.

(Mandatory Provision 150)

Article 21.3 When the Company is divided, its assets shall be split up accordingly.

Where there is a division, the parties to the division shall enter into a division agreement, and prepare its balance sheet and list of properties. The Company shall notify its creditors within a period of 10 days from the date of the resolution approving the division and make at least three newspaper announcements of the division within 30 days of that date.

Liabilities prior to the division shall be borne by the post-division

companies pursuant to relevant agreement.

(Mandatory Provision 151)

Article 21.4 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the companies registration authority in accordance with the laws. When the Company dissolves, the Company shall be deregistered in accordance with the laws. When a new company is established, its establishment shall be registered in accordance with the laws.

(Mandatory Provision 152)

Article 21.5 The post-division companies shall have joint liabilities for the debts of the Company prior to the division, unless otherwise agreed by the Company and creditors on settling liabilities in writing prior to such division.

Article 21.6 The Company shall prepare a balance sheet and an inventory of assets when it reduces its registered capital.

The Company shall notify its creditors within ten days from the date of the Company's resolution on reduction of registered capital and shall publish an announcement in the newspaper at least three times within thirty days from the date of such resolution. A creditor has the right, within thirty days of receiving the notice from the Company or, in the case of a creditor who does not receive the notice, within forty-five days from the date of the announcement, to require the Company to repay its debt or provide a corresponding guarantee for such debt.

The Company's registered capital after the capital reduction shall not be less than the minimum statutory amount.

In respect of the increase or decrease of the registered capital, the Company shall register the change in its registered capital with companies registration authority.

Chapter XXII Dissolution and Liquidation of the Company

Article 22.1 The Company shall be dissolved and liquidated in accordance with relevant laws in the case of any of the following circumstances:

- (1) the shareholders' meeting resolves to dissolve the Company;

- (2) dissolution is necessary as a result of a merger or division of the Company;
- (3) the Company is announced bankrupt according to laws due to its failure to settle liabilities in due;
- (4) the Company is lawfully ordered to close down due to its violation of laws or administrative regulations;

(Mandatory Provision 153)

- (5) the operating term provided by the Articles of Association expires or other dissolution facts provided by the Articles of Association occur;
- (6) the Company has experienced difficulties in business operation and management, and the continuous operation would cause substantial loss to the interest of its shareholders. In the event that this cannot be solved by other methods, shareholders representing 10% or more of the voting rights of the total shareholders of the Company may request the people's court to dissolve the Company.

Article 22.2 Where the Company is dissolved under subparagraphs (1) and (2) of the preceding Article, a liquidation committee shall be set up within fifteen (15) days of the occurrence of the dissolution events, and its members shall be determined by shareholders at a general meeting by way of ordinary resolution.

Where the Company is dissolved pursuant to subparagraph (3) of the preceding Article, the people's court shall, according to the relevant laws, organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.

Where the Company is dissolved pursuant to subparagraph (4) of the preceding Article, the competent authority shall organise to form a liquidation committee comprising the shareholders, relevant authorities and relevant professionals to carry out liquidation procedures.

(Mandatory Provision 154)

Where the Company is dissolved under item (5) and (6) of the preceding Article, the liquidation committee shall consist of persons as determined by the Board or the shareholders' general meeting.

Article 22.3 Where the Board proposes to liquidate the Company (other than due to

that the Company has declared its bankruptcy), the Board shall include a statement in its notice convening a shareholders' general meeting for such purpose to the effect that, after making full inquiry into the affairs of the Company, the Board is of the opinion that the Company will be able to pay its debts in full within twelve (12) months from the commencement of the liquidation.

Upon the passing of the resolution by the shareholders in general meeting for the liquidation of the Company, all functions and powers of the Board shall cease immediately.

The liquidation committee shall act in accordance with the instructions of the shareholders' general meeting to make a report at least once every year to the shareholders' general meeting on the committee's receipts and payments, the business of the Company and the progress of the liquidation and to present a final report to the shareholders' general meeting upon completion of the liquidation.

(Mandatory Provision 155)

Article 22.4 The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make at least three newspaper announcements of the liquidation within 60 days of that date. Claims of creditors shall be registered by the liquidation committee.

(Mandatory Provision 156)

Article 22.5 During the liquidation period, the liquidation committee shall exercise the following functions and duties:

- (1) to ascertain the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to notify creditors by sending notice or by announcement;
- (3) to deal with and settle the Company's outstanding business deals in relation to the liquidation;
- (4) to settle outstanding taxes;
- (5) to ascertain and settle all claims and debts;
- (6) to dispose of the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

(Mandatory Provision 157)

Article 22.6 After the completion of ascertaining assets of the Company and the preparation of the balance sheets and a list of assets, the liquidation committee shall prepare a liquidation proposal and submit the same to the general meeting or relevant competent authorities for their approval.

(Mandatory Provision 158)

Article 22.7 The liquidation fee, including the remuneration for members of the liquidation committee and advisers, shall be appropriated from the Company's assets prior to settling liabilities of other creditors.

Article 22.8 After the shareholders' meeting resolves to dissolve the Company or the Company is lawfully announced bankrupt or ordered to close down, no one is allowed to dispose the Company's assets without the permit of liquidation committee. During the liquidation, the Company shall not carry out new operating activities.

Upon being paid the liquidation fee in priority, the liquidation committee shall repay with the Company's assets by the following order:

- (1) outstanding wages, labour insurance premiums and statutory compensation;
- (2) outstanding tax;
- (3) the debts of the Company;

As for any assets remaining after repayment of debts, the liquidation committee shall distribute them to the shareholders of the Company in accordance with the class and proportion of shares held by them by the following order:

- (1) to distribute to the holders of preferred shares in accordance with the par value of preferred shares; or, if it is insufficient to repay the preferred shares on a full amount basis, to distribute in proportion to the shares held by the holders of preferred shares;
- (2) to distribute to holders of ordinary shares of the Company in accordance with the proportion of shares held by them.

Article 22.9 Members of the liquidation committee shall perform their duties faithfully and carry out the liquidation honestly and in compliance with the laws.

Members of the liquidation committee shall not take advantage of their

position to receive bribes or other illegal income, or misappropriate the assets of the Company.

If members of the liquidation committee cause loss to the Company or its creditors, either willfully or due to gross negligence, they shall be liable for compensation.

Article 22.10 In the event of Company's liquidation is as a result of dissolution, if the liquidation committee, after ascertaining the Company's assets and preparing a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to repay its debts, it shall immediately apply to the people's court for a declaration of bankruptcy.

After the Company is declared bankrupt by a ruling of the people's court, the liquidation committee shall transfer the liquidation matters to the people's court.

(Mandatory Provision 159)

Article 22.11 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, a statement of the receipts and payments and a financial account, which shall be verified by a PRC certified public accountant and submitted to the general meeting or relevant competent authorities for confirmation.

The liquidation committee shall within thirty days after such confirmation by the general meeting or relevant competent authorities, submit the documents mentioned above to the companies registration authority and apply for deregistration of the Company and publish an announcement in respect of the termination of the Company.

(Mandatory Provision 160)

Article 22.12 Where a company is declared bankrupt according to law, it shall carry out a bankruptcy liquidation in accordance with the laws concerning enterprise bankruptcy.

Chapter XXIII Amendment to the Articles of Association

Article 23.1 The Company may amend the Articles of Association in accordance with the laws, administrative laws and the Articles of Association.

(Mandatory Provision 161)

The Company shall amend the Articles of Association under any of the following situations:

- (1) there are conflicts between the provisions of the Articles of Association and those of laws and administrative regulations as a result of the amendment to the Company Law or relevant laws and administrative regulations;
- (2) The situation of the Company changes which leads to inconsistency with matters as set out in the Articles of Association;
- (3) the shareholders' general meeting resolves to amend the Articles of Association.

Article 23.2 Any amendment to the Articles of Association involving anything set out in the Mandatory Provisions shall become effective upon approval by the department in charge of companies approval affairs authorised by the State Council and by the Securities Commission of the State Council. If there is any changes relating to the registered particulars of the Company, application shall be made for registration of the changes in accordance with the laws.

(Mandatory Provision 162)

Chapter XXIV Notice and Announcement

Article 24.1 (1) Unless otherwise provided herein, notices, information or written statement issued by the Company to the holders of the overseas-listed foreign-invested shares in Hong Kong shall be delivered by hand or by prepaid mail to the registered address of each of such shareholders.

(2) For shareholders providing no registered addresses, they shall be deemed to have received the relevant notice after the same being displayed and maintained at the legal address of the Company for 24 hours.

(3) Notice issued to holders of domestic shares shall be published in one or more newspapers designated by the competent securities authority of the State, and the holders of domestic shares shall be deemed to have received the relevant notice.

(4) Unless the context otherwise requires, the "announcements" referred to herein are announcements published on newspapers in the PRC or at the place where the overseas stock exchange on which the shares are listed is located which

are designated or recommended under the local laws, regulations or rules or by relevant securities regulatory authorities;

(HK Listing Rules App 3-7)

Article 24.2 Should the notice is delivered through post, it shall be mailed in a prepaid envelope that is clearly addressed and specified with the name of recipient. Such notice shall be deemed as having been served after twenty-four hours of posting.

Article 24.3 Any notice, documents, materials or written statements sent by shareholders, directors and supervisors to the Company shall be sent to the legal address of the Company by hand or by registered mail or to the registered agent of the Company by hand or by registered mail (save where otherwise expressly stated in relevant article of the Articles of Association).

To prove the delivery of notice, documents, materials or written statements, shareholders, directors and supervisors shall produce relevant evidence on the delivery of such notice, documents, materials or written statements in an ordinary manner or by prepaid mail to the correct address.

Article 24.4 Notice convening the shareholders' general meeting of the Company shall be dispatched to the holders of foreign-invested shares by hand or by mail; and notify holders of domestic shares by announcement.

Article 24.5 Notice convening the Board meeting shall be sent by fax.

Article 24.6 Notice convening the meeting of the Supervisory Committee shall be sent by fax.

Article 24.7 Where notice is sent by hand, receiver shall sign (or seal) on reply slip, and such signing date shall be the serving date; for notice sent by mail, the first business day from the notice is deposited at the post office shall be the serving date; for notice served by announcement, the date when the announcements is first published shall be the serving date.

Article 24.8 The accidental omission to give notice of a meeting to, or the

non-receipt of notice of a meeting by, any person entitled to receive notice shall not invalidate the meeting and the resolutions passed at the meeting.

Article 24.9 The Company designates websites of The Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange, the Company, and media permitted by CSRC and The Stock Exchange of Hong Kong Limited as the media for publishing the Company's announcement and other discloseable information.

Chapter XXV Settlement of Disputes

Article 25.1 The Company and its shareholders, directors, supervisors, manager or other senior management members shall act according to the following principles to settle disputes:

- (1) Whenever any disputes or claims arise between holders of the overseas-listed foreign-invested shares or holders of domestic-invested shares and the Company, holders of the overseas-listed foreign-invested shares or holders of domestic-invested shares and the Company's directors, supervisors, manager or other senior management members, or holders of the overseas-listed foreign-invested shares and holders of domestic-invested shares, based on the Articles of Association or any rights or obligations conferred or imposed by the PRC Company Law or any other relevant laws and administrative regulations concerning the affairs of the Company, such disputes or claims shall be referred by the relevant parties to arbitration.
- (2) A claimant may elect arbitration at either the China International Economic and Trade Arbitration Commission in accordance with its rules or the Hong Kong International Arbitration Centre in accordance with its Securities Arbitration Rules. Once a claimant refers a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects arbitration at Hong Kong International Arbitration Centre, any party to the dispute or claim may apply for a hearing to be held in Shenzhen in accordance with the Securities Arbitration

Rules of the Hong Kong International Arbitration Centre. (3) If any disputes or claims of rights prescribed in subparagraph (1) above are referred to arbitration, the laws of the People's Republic of China shall apply, save as otherwise provided in laws and administrative regulations.

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

(Mandatory Provision 163)

Chapter XXVI Interpretations

Article 26.1 These Articles of Association are written in Chinese and English versions. Should there be discrepancy between the two versions, the latest Chinese version as approved for registration by Jiangsu Administration for Industry and Commerce shall prevail.

The Board of directors can establish detailed rules of the Articles of Association in accordance with the provisions of thereof. There shall not be discrepancy between the detailed rules and the Articles of Association.

These Articles of Association shall be interpreted by the Board of the Company.

The appendix to these Articles of Association includes Rules of Proceedings for General Meetings, Rules of Proceedings for Board of Directors Meetings, and Rules of Proceedings for Supervisory Committee Meetings.

Article 26.2 In these Articles of Association, unless the context otherwise requires, the following terms and expressions have the meanings set out below:

“Articles of Association ”	the Articles of Association of the Company
“Board”	the board of directors of the Company
“Chairman”	Chairman of the Board
“director(s)”	directors of the Company
“legal address”	corporate domicile of the Company described in Article 1.5 of these Articles of Association
“manager”	the general manager of the Company
“Renminbi”	the lawful currency of the PRC

“Company Secretary”	Secretary to the Company appointed by the Board of Directors
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
the “State or PRC”	The People's Republic of China
“supervisor”	supervisors of the Company
“Supervisory Committee”	the Supervisory Committee of the Company
“newspaper”	newspaper designated by China Securities Regulatory Commission and the Stock Exchange for information disclosure.
“CSRC”	China Securities Regulatory Commission

Article 26.3 In these Articles of Association, the meaning of a certified public accountants firm is the same as that of "auditor".

(Mandatory Provision 165)

"Controlling shareholder" refer to shareholder who holds 50% or more of the Company's share capital or shares (though below 50%) carrying voting right which have significant influence on the resolution of the shareholders' meeting.

"De facto controller" refers to a person who is not the Company's shareholder but can have de facto control on the Company through investment, agreement or other arrangement.

Related party relationship refers to the relationship between the Company's controlling shareholders, de facto controllers, directors, supervisors, the senior management and enterprises controlled directly or indirectly by them, as well as other relationship which may lead to a transfer of the Company's benefits or interest. However, state-controlled enterprises have no related party relationship by virtue of being under common control of the State.

In these Articles of Association, the meaning of “not less than” , "within", "not more than" includes the underlying number, while "less than", "beyond", "lower than", "more than" does not include the underlying number.