



江蘇寧滬高速公路股份有限公司

Jiangsu Expressway Company Limited

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

Articles of Association

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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

Approved by the State-owned Assets Supervision and Administration Commission under the State Council on 30 July 2004

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

Amended at the Company's 2006 annual general meeting on 13 June 2007

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 Amended at the Company's 2011 annual general

meeting on 19 June 2012 Amended at the Company's 2012 first extraordinary

general meeting on 10 September 2012 Amended at the Company's 2012

second extraordinary general meeting on 26 October 2012

Amended at the Company's 2017 annual general meeting on 21 June 2018

Amended at the Company's 2018 first extraordinary general meeting on 23

August 2018 Amended at the Company's 2018 second extraordinary general

meeting on 25 October 2018

Amended at the Company's 2019 annual general meeting on 23 June 2020

Amended at the Company's 2024 first extraordinary general meeting on 18

April 2024

Amended at the Company's 2025 first general meeting on 18 December 2025

Contents

Chapter	Title
Chapter I	General Provisions
Chapter II	Objectives and Scope of Business
Chapter III	Shares and Registered Capital
Chapter IV	Party Organisation
Chapter V	Repurchase of Shares
Chapter VI	Financial Assistance for the Acquisition of Shares in the Company
Chapter VII	Share Certificates and Register of Shareholders
Chapter VIII	Rights and Obligations of Shareholders
Chapter IX	Obligations of Controlling Shareholders to Other Shareholders
Chapter X	General Meetings
Chapter XI	Special Procedures for Voting by Class Shareholders
Chapter XII	The Board of Directors
Chapter XIII	Independent Director
Chapter XIV	Secretary to the Board of the Company
Chapter XV	Managers of the Company
Chapter XVI	Qualifications and Duties of the Directors and Other Senior Management Members of the Company
Chapter XVII	Financial and Accounting System and Auditing
Chapter XVIII	Profit Distribution
Chapter XIX	Appointment of Accounting Firms
Chapter XX	Labour Management, Employees and Trade Union
Chapter XXI	Merger, Division, Capital Increase and Capital Reduction of the Company
Chapter XXII	Dissolution and Liquidation of the Company
Chapter XXIII	Amendment to the Articles of Association
Chapter XXIV	Notice and Announcement
Chapter XXV	Interpretations

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**”), the Constitution of the Communist Party of China (the “**Party Constitution**”) and other relevant regulations to safeguard the legitimate rights and interests of the Company, its shareholders, employees 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, 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 Circular of the State Council on the Implementation of the System Reform of the “Three-in-one License”, the Company was re-registered on 24 March 2016 with the unified social credit code of 91320000134762764K.

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).

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.

Article 1.5 The Company’s corporate domicile: 6 Xianlin Avenue, Nanjing, Jiangsu, the PRC

Postcode: 210049

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

Facsimile: (8625) 84207788, 84466643

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

Where the Chairman of the Board of the Company resigns, he/she shall be deemed to have resigned as the legal representative at the same time.

If the legal representative resigns, the Company shall appoint a new legal representative within 30 days of resignation of the legal representative.

Article 1.7 The legal consequences of civil acts performed by the legal representative in the name of the Company shall be borne by the Company.

The limitation on the functions and powers of the legal representative contained in the Articles of Association or imposed by the general meeting shall not be asserted against a bona fide counterpart.

Where the legal representative causes damage to any other

person in the performance of his/her duties, the Company shall bear civil liability for such damage. The Company may, after bearing such civil liability, seek indemnification from the legal representative at fault in accordance with laws or the Articles of Association.

Article 1.8 The Company is a joint stock limited company in perpetual existence.

Article 1.9 Senior management member referred to in the Articles of Association includes manager(s), deputy manager(s), Secretary(ies) to the Board, and financial controller(s) of the Company, as well as other person(s) specified in the Articles of Association.

Article 1.10 Upon adoption by way of passing special resolution at the 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 1.11 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.

Article 1.12 The Articles of Association are binding on the Company and its shareholders, directors and senior management members; 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 members pursuant to the Company's Articles of Association, and the Company may take action against the shareholders, directors and senior management

members pursuant to the Company's Articles of Association. A shareholder may also take action against another shareholder, and may take action against the directors and senior management members 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.

Article 1.13 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 properties.

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.

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.

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.

As registered according to the laws, 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; sales of electromechanical vehicle charging, operation of electric vehicle charging infrastructure, centralized fast charging stations, and sales of new energy vehicle battery swapping facilities.

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 The shares of the Company shall take the form of shares certificates. 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.

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 subscribers, the price payable for each of such shares is 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.

Article 3.5 Upon completion of the registration or filing procedures with CSRC in accordance with the law, 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).

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.

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.

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.

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 (蘇政覆(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 (蘇政覆(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 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 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 CSRC.

Article 3.12 The Company's registered capital is RMB5,037,747,500.

Article 3.13 The Company may, based on its operation and business requirements, in accordance with the relevant laws and regulations, and subject to the respective resolution of the General Meeting of Shareholders, increase its capital by any of the following methods:

- (1) offering of shares to unspecified persons;
- (2) offering of shares to specified persons;
- (3) distributing bonus shares to existing shareholders;
- (4) capitalizing its capital reserve;
- (5) other means as governed by laws, administrative regulations and the CSRC.

Chapter IV Party Organisation

Article 4.1 Pursuant to the requirements under the Party Constitution, the Company shall set up the Communist Party of China Party Committee of Jiangsu Expressway Company Limited (the “**Party Committee**”), consisting of one secretary and certain deputy secretaries and members. The terms of reference and procedures for appointment and dismissal shall be determined by Party organizations at higher levels. The Party Committee of the state-owned enterprise shall play the leadership role, providing direction, managing the overall situation and ensuring implementation. Members of the Party Committee who meet the relevant conditions can serve in the Board and the senior management level after following legal procedures; members of the Board and the senior management who are Party Members can serve in the Party Committee after following relevant regulations and procedures. The working organs of the Party shall be established, equipped with sufficient staff to deal with Party affairs and provided with sufficient funds to operate the Party organization so as to support the Party organization in carrying out its work.

The Company shall set up the Communist Party of China Commission for Discipline Inspection of Jiangsu Expressway Company

Limited (the “**Discipline Inspection Committee**”), which shall consist of one secretary.

Article 4.2 The Party Committee of the Company shall, in accordance with the Party Constitution and other internal rules of the Party, perform the following functions and with the following powers:

(1) To ensure and supervise the Company’s implementation of guidelines and policies of the Party and the State, and implement major strategic decisions of the Central Committee of the Party and the State Council, as well as important work arrangements of the Party organizations at higher levels.

(2) To study the material issues of the Company, study and determine the appointment and dismissal of important personnel of the Company, and consider other matters concerning the “Three Majors and One Large”.

(3) To study material issues in relationship to the reform, development and stability of the Company as well as those concerning interests of the employees, and provide advices and recommendations in this regard.

(4) To undertake main responsibility of comprehensive and strict Party management; to lead the Company’s ideological and political work, the united front work, the spiritual civilization construction, the corporate culture cultivation as well as the work of groups such as the labour union and the Communist Youth League; to lead the construction of the Party’s working style and its clean and honest administration, and support the Discipline Inspection Committee in earnestly performing its supervisory responsibilities.

Chapter V Repurchase of Shares

Article 5.1 The Company may not repurchase shares of the Company except in one of the following circumstances:

- (1) reducing the registered capital of the Company;
- (2) to merge with other companies which hold shares in the Company;
- (3) to use the shares for employees share scheme or for share award;
- (4) 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;
- (5) to use the shares for the purpose of conversion by corporate bonds which are convertible into shares issued by the Company;
- (6) where it is necessary to safeguard the value of the Company and the interests of its shareholders.

Article 5.2 The Company may repurchase its shares by an open and centralized transaction method or other method allowed by the laws and administrative regulations and the CSRC so permit.

Where the Company acquires its shares pursuant to the circumstances as stated in items (3), (5) and (6) of Article 5.1, the repurchase shall be conducted through public and centralized trading.

Article 5.3 Where the Company acquires its shares pursuant to the circumstances as stated in items (1) and (2) of Article 5.1, it shall be approved by way of a resolution at the Company's general meeting. Where the Company acquires its shares pursuant to circumstances as stated in items (3), (5) and (6) of Article 5.1, it shall obtain approval of more than two-thirds of the directors present at the meeting of the Board by way of a resolution as stipulated in the Articles of Association or authorized by the general meeting.

Where the Company acquires its shares pursuant to Article 5.1, such shares shall be cancelled within 10 days from the date of

acquisition in case of the circumstances as stated in item (1); such shares shall be transferred or cancelled within six months in case of the circumstances as stated in items (2) and (4); in case of the circumstance as stated in items (3),(5) and (6); and where the shares of the Company are held by the Company, such shares shall not exceed 10% of the Company's total issued shares and shall be transferred or cancelled within three years.

Article 5.4 Any subsidiary of the Company shall not acquire the shares of the Company. In case any subsidiary of the Company holds the shares of the Company due to the merger of the company, exercise of pledge right or other reasons, it shall not exercise the voting right corresponding to the shares it holds and timely dispose of the relevant shares of the Company.

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

Article 6.1 The Company or its subsidiaries (including affiliates of the Company) shall not, by way of gift, advance payment, guarantee, compensation or loans, provide any form of assistance to a person who is acquiring shares of the Company or its parent company, except where the Company implements an employee share ownership scheme.

Article 6.2 For the benefits of the Company, the Company may, upon a resolution by the general meeting or by the Board of Directors under the Articles of Association or the authorization of the general meeting, provide financial assistance for others to obtain the shares of the Company or its parent company, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the Board of Directors shall be passed by two-thirds or more of all the directors.

Chapter VII Share Certificates and Register of Shareholders

Article 7.1 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.

Article 7.2 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 senior management members to sign on the share certificates, the share certificates shall also be signed by such senior management members. 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.

Article 7.3 The Company shall keep a register of shareholders based on the evidence provided by the securities registration and clearing institution, 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.

Article 7.4 The Company may, in accordance with the mutual understanding and agreements made between the CSRC 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.

Article 7.5 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.

Article 7.6 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.

Article 7.7 (1) All transfers of overseas-listed foreign-invested shares listed in Hong Kong shall be affected 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 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) 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) The directors and senior management members of the Company shall report to the Company their shareholdings and changes thereof, and shall not transfer more than 25% of the total number of shares of the same class held by them per year during their terms of office as determined when they assume the position. 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, senior management members or shareholders holding 5% or more of the shares in the Company within six months after their purchase of the

same, and any income from purchase of shares in the Company or other securities with the nature of equity 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, and other circumstances stipulated by the CSRC are excluded.

Shares or other securities with an equity nature held by directors, senior management members and natural person shareholders referred to in the preceding clause shall include the shares or other securities with the nature of equity held by their spouses, parents or children, and those held through the accounts of others.

Should the Board do not observe the preceding paragraph, shareholders shall be entitled to request the Board to affect 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.

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

Article 7.8 Transfers may not be entered in the register of shareholders within twenty days prior to the date of a general meeting or within five days before the record date set by the Company for the purpose of distribution of dividends.

If laws, administrative regulations, departmental rules, standard documents and stock exchanges or regulatory authority in the listing place of the Company's shares stipulate the period of closure of the register of members prior to the holding of a general meeting or the record date for the purpose of distribution of dividends, those provisions shall prevail.

Article 7.9 When the Company intends to convene a general meeting, distribute dividends, liquidate and engage in other activities that involve determination of identification of shareholders, the Board or the convener of the general meeting shall determine a record date. Shareholders whose names appear in the register of shareholders after the close of trading of the shares on the record date shall be entitled to the rights and benefits in connection therewith.

Article 7.10 The register of shareholders must be made available for inspection by shareholders. 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 if the company disagrees.

Article 7.11 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.

Chapter VIII Rights and Obligations of Shareholders

Article 8.1 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.

Article 8.2 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.

Article 8.3 Holders of ordinary shares of the Company shall be entitled to the following rights:

(1) the right to obtain dividends and other distributions in proportion to the number of shares held;

(2) the right to request to hold, convene, preside over, attend or appoint a proxy to attend general meetings and to exercise the corresponding voting right and the right to speak at general meetings in accordance with laws;

(3) the right to supervise the Company's operations, and to present proposals or raise inquiries;

(4) the right to transfer, grant or pledge shares held by him/her in accordance with laws, administrative regulations and provisions of the Articles of Association;

(5) the right to inspect and copy the Articles of Association, register of shareholders, minutes of general meetings, resolutions of the meetings of the Board of Directors, and financial reports, and to inspect the Company's accounting books and accounting documents (for shareholders who meet the requirements);

(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) the shareholders disagreeing with the merger or separation resolution passed at the general meeting are entitled to demand the Company to acquire their shares;

(8) other rights conferred by laws, administrative regulations, departmental rules and the Articles of Association.

Shareholders demanding inspection and copy of the relevant materials of the Company shall comply with the provisions of laws and administrative regulations including the Company Law and the Securities Law and 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.

Article 8.4 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 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. However, this does not apply if such procedures for convening the general meeting and the Board meeting, or the voting thereat, have only minor flaws that have no substantial impact on the resolution.

Where the Board of Directors, shareholders and other stakeholders dispute the validity of a resolution of a general meeting, they shall promptly file a lawsuit with the People's Court. Before the People's Court makes a judgement or ruling, such as a cancellation of a resolution, the stakeholders shall execute the resolution of the general meeting. The Company, its directors and senior management shall perform their duties diligently to ensure the normal operation of the Company.

Where the People's Court makes a judgement or ruling on the relevant matter, the Company shall fulfil its obligations to disclose the information in accordance with laws, administrative regulations, the CSRC and stock exchanges, fully explain the impact of the judgement or ruling, and actively cooperate with the authorities in the enforcement of the judgement or ruling after it has come into effect. Where previous matters need to be corrected, the Company shall handle the correction in a timely manner and fulfil its obligations to disclose the information accordingly.

Article 8.5 A resolution of the general meeting or Board meeting of the Company shall not be valid under any of the following circumstances:

(1) no general meeting or Board meeting has been convened to pass the resolution;

(2) the resolution is not voted on at the general meeting or Board meeting;

(3) the number of persons attending the meeting or the number of voting rights held by them does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association;

(4) the number of persons or the number of voting rights held by them voting for the resolution does not reach the number of persons or the number of voting rights held as stipulated in the Company Law or these Articles of Association.

Article 8.6 Where the Company incurs losses as a result of directors' and senior management members' (other than the Audit Committee 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 Audit Committee to initiate proceedings in the people's court.

Where the Company incurs losses as a result of the Audit 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 Audit 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.

In the event the directors and senior management members of a wholly-owned subsidiary of the Company violate the law, administrative regulations or the provisions of the Articles of Association in performing their

duties, and incur a loss to the Company, or in the event the legal interests of a wholly-owned subsidiary of the Company are violated by other parties and a loss is incurred, shareholders, either individually or jointly holding more than 1% of the Company's shares for more than 180 consecutive days may, in accordance with the provisions of the Company Law, submit a written request to the board of directors of the wholly-owned subsidiary for commencing legal proceedings in the People's Court, or directly file a lawsuit with the People's Court in their own name.

Article 8.7 Holders of ordinary shares of the Company shall assume the following obligations:

(1) to comply with laws, administrative regulations and the Articles of Association;

(2) to pay subscription amounts according to the number of shares subscribed and the method of subscription;

(3) not to withdraw the share capital except under circumstances prescribed by laws or regulations;

(4) 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;

(5) 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.

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.

Chapter IX Obligations of Controlling Shareholders to Other Shareholders

Article 9.1 The controlling shareholders and de facto controllers of the Company shall exercise their rights and fulfil their obligations in accordance with laws, administrative regulations, the requirements of the CSRC and stock exchanges to safeguard the interests of the Company.

Article 9.2 Controlling shareholders and de facto controllers of the Company shall comply with the following provisions:

(1) to exercise their rights as shareholders in accordance with the law and not to abuse their control power or use their connected relationship to prejudice the legitimate interests of the Company or other shareholders;

(2) to strictly fulfil their public statements and various undertakings and not to change or waive such statements and undertakings;

(3) to fulfil their information disclosure obligations in strict accordance with relevant regulations, proactively cooperate with the Company in information disclosure and inform the Company in a timely manner of material events that have occurred or are expected to occur;

(4) not to appropriate the Company's funds in any way;

(5) not to order, instruct, or request the Company and its relevant personnel to provide guarantees in violation of laws and regulations;

(6) not to make use of the Company's undisclosed material information to gain benefits, or disclose in any way undisclosed material information relating to the Company, or engage in insider trading, short-term trading, market manipulation or other illegal and unlawful acts;

(7) not to prejudice the legitimate interests of the Company and other shareholders through unfair related party transactions, profit distribution, asset restructuring, external investment or any other means;

(8) to ensure the integrity of the Company's assets, and the independence of its personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(9) laws, administrative regulations, the requirements of the CSRC, business rules of stock exchanges and other requirements of these Articles of Association.

If a controlling shareholder or de facto controllers of the Company does not act as a director of the Company but actually executes the affairs of the Company, the provisions of the Articles of Association on the duties of loyalty and diligence of directors shall apply.

Where a controlling shareholder or de facto controller of the Company instructs a director or senior management member to engage in an act that is detrimental to the interests of the Company or its shareholders, he/she shall bear joint and several liability with the director or senior management member.

Article 9.3 A controlling shareholder or de facto controllers shall maintain control over the Company and the stability of its production operations if they pledge the Company's shares held or effectively controlled by them.

Article 9.4 In the event of any transfer of the Company's shares directly or indirectly held by a controlling shareholder or de facto controller, they shall comply with the restrictive provisions regarding the transfer of shares stipulated under the laws, administrative regulations, the requirements of the CSRC and stock exchanges, as well as the undertakings they have made in respect of restrictions on share transfer.

CHAPTER X General Meetings

Article 10.1 The general meeting, composed of all shareholders, is the organ of authority of the Company and shall exercise its functions and powers in accordance with the law.

The Company shall formulate the rules of procedures for general meetings, which stipulate procedures for holding, 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 10.2 The general meeting shall exercise the following functions and powers:

(1) to elect and replace the directors who are not staff representatives and to decide on matters relating to the remuneration of directors;

(2) to consider and approve the reports of the Board;

(3) to consider and approve the Company's plans for profit distribution and loss recovery;

(4) to decide on the increase or reduction of the Company's registered capital;

(5) to decide on the merger, division, dissolution, liquidation or change in corporate form of the Company;

(6) to decide on the issue of debentures by the Company;

(7) to decide on the appointment, removal or non-reappointment of accounting firms engaged in the audit work of the Company;

(8) to amend the Articles of Association;

(9) to consider and approve guarantee items under Article 10.3;

(10) 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;

(11) to consider and approve changes in the use of proceeds raised;

(12) to consider share incentive schemes and employee stock ownership plans;

(13) to authorize the Board of Directors to pass resolutions on

the issue of corporate bonds;

(14) other matters that laws, administrative regulations and the Articles of Association of the Company require to be resolved by the general meeting.

Article 10.3 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) the amount of guarantee provided by the Company to others within one year that exceeds 30% of the Company's last audited total assets;

(4) a guarantee provided to a party whose asset-liability ratio is higher than 70%;

(5) a single guarantee, the amount of which exceeds 10% of the latest audited net assets;

(6) a guarantee provided to shareholders, de facto controller and their related parties.

Article 10.4 Except for exceptional circumstances, such as the Company being in crisis, unless approved by a special resolution at a general meeting, the Company shall not enter into any contract with any party other than the directors and 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.

Article 10.5 General meetings shall be classified into annual general meetings and extraordinary general meetings. General meetings shall be convened by the Board. Annual general meetings are held once every accounting year and within six months following the end of the preceding accounting year. A general meeting may be convened and votes cast by

means of electronic communication.

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 minimum number specified in the Company Law or less than two-thirds of the number specified in 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, individually or jointly, over 10% of the Company's shares request in writing to hold an extraordinary general meeting;

(4) the Board considers it necessary or the Audit Committee so request;

(5) such other circumstances as provided by laws, administrative regulations, departmental rules or the Articles of Association.

Article 10.6 (1) A twenty-one days' prior written notice for convening the annual general meeting and a fifteen days' prior written notice for convening the extraordinary 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 five 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, if any shareholder has requested or is deemed to have requested to receive communications from the Company by post, 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 24.3.

(5) The place for holding the Company's general meetings shall be the registered office of the Company or such place as shall be determined by the Board. A general meeting shall be held at a venue in the form of a physical meeting. The Company will provide internet access for the convenience of shareholders to attend the general meeting. Shareholders who attend a general meeting in the aforesaid manner shall be deemed to have attended the general meeting.

Article 10.7 The Company shall engage lawyers to issue legal opinions in respect of the following matters relating to the holding of general meetings and make relevant announcements: whether the procedures relating to the convening and the holding of such meeting comply with the requirements of 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.

Article 10.8 When the Company convenes an annual general meeting, the Board, the Audit Committee and shareholders individually or jointly holding more than 1% of the shares of the Company shall have the right to propose motions.

Shareholders individually or jointly holding more than 1% of shares of the Company may propose ad hoc proposals and present the same to the convener in writing 10 days prior to convening the general meeting. The ad hoc proposal shall contain a clear topic for discussion and specific matters for resolution. A supplemental notice shall be issued by the convener within 2 days after receipt of such proposals to announce the contents of the ad hoc proposals, and submit the same to the general meeting for deliberation, unless an ad hoc proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the general 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. Any proposal that is not stated in the notice of the general meeting or does not comply with the Articles of Association shall not be voted and approved at the general meeting.

Article 10.9 The notice of a general meeting shall include the following contents:

- (1) time, place, and duration of the meeting;
- (2) matters and motions to be considered at the meeting;
- (3) clear statement that all ordinary shareholders (including preference shareholders with restored voting rights) are entitled to attend the general meeting, and may appoint a proxy in writing to attend the meeting and vote on his/her behalf and that such proxy needs not be a shareholder of the Company;
- (4) registration date for shareholders who are entitled to attend the general meeting;
- (5) names and telephone numbers of the contact persons in connection with the meeting;
- (6) time and procedure of voting via internet or by other means.

Details of all proposals and all information or explanations necessary for shareholders to make a reasonable judgement on the matters to be discussed shall be fully and completely disclosed in the notice of the general meetings and its supplementary notice.

The commencement time of voting via internet or by other means shall not be earlier than 3:00 p.m. of the day preceding the date of the onsite general meeting or later than 9:30 a.m. of the date of the onsite general meeting, and shall not conclude earlier than 3:00 p.m. of the date of the onsite general meeting.

The interval between the share record date and the date of the

meeting shall be no more than seven working days. Once the share record date is confirmed, no change shall be made thereto.

Article 10.10 The notice of a general meeting shall be served on registered shareholders (regardless of whether they are entitled to vote at the general meeting) by way of announcement or as permitted by the stock exchanges where the Company's shares are listed.

The announcement referred to in the preceding paragraph shall be published on the website of the stock exchanges and the media meeting the requirements specified by the CSRC.

Article 10.11 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.

Article 10.12 Where the election of directors 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, 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 on a cumulative voting basis, a separate resolution shall be proposed for each of the candidates for election as directors.

Article 10.13 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 2 business days prior to the original date of the meeting.

Article 10.14 Any shareholder entitled to attend and vote at a general meeting shall have the right to appoint one person (who may not be a shareholder) 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 of the shareholder to speak at the meeting;
- (2) the right to vote.

Article 10.15 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 and the right to speak at the general meeting 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. The legal person shareholders shall be deemed attending the meeting in person by the legal representative or proxy of the legal person shareholders attending the meeting.

Article 10.16 Individual shareholders who attend the meeting in person shall present their identity cards or other document or certification of identification or share account card. In the case of attendance by proxies, the proxies shall present valid proof of their valid identification cards, and

the letter of authorisation from shareholders.

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; in the case of attendance by proxies, the proxies shall present their identity cards, the letter of authorisation in writing duly issued by the legal representatives of the legal person.

Article 10.17 The instrument appointing a proxy by shareholders shall be in writing (including the proxy form provided by the Company for designated general meetings) 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 board of directors or attorney duly authorised.

Article 10.18 Instruments issued by shareholders appointing others to attend the general meeting shall specify the following:

- (1) the name of the appointing party, as well as the class and number of shares of the Company held by him/her;
- (2) the name of the proxy;
- (3) specific instructions from shareholders, including the instructions in relation to voting for or against, or abstaining from voting on each agenda to be considered at the general meeting;
- (4) the date of the issue and the valid term of the letter of authorisation;
- (5) the signature (or seal) of the appointing party. Where the appointing party is a legal person shareholder, the letter of authorization shall be affixed with its common seal.

Article 10.19 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.

Article 10.20 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 specific instructions by the shareholder, whether the proxy may vote as he thinks fit.

Article 10.21 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.

Article 10.22 (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 entities), identification number, 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) If a general meeting requires the attendance of directors or senior management members, the directors or senior management

members shall do so, answer shareholders' inquiries and make explanation and interpretation on shareholders' inquiries and suggestions.

Article 10.23 (1) There shall be two types of resolutions of general meetings, namely ordinary resolutions and special resolutions.

An ordinary resolution must be passed by votes representing a majority of the voting rights represented by the shareholders 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 present at the meeting.

(2) For matters relating to general meeting resolutions, where any shareholder holding voting rights has a material interest in the individual transaction or arrangement to be voted, and 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 PRC regulations or 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.

(3) When related party transactions are voted on at a general meeting, the related party shareholders shall not participate in voting. The voting shares held by them shall not be counted in the total number of shares valid for voting. The announcement on the resolutions passed at the general meeting should fully disclose the details of voting by unrelated party shareholders.

Article 10.24 A shareholder (including proxy) when voting at a general meeting may exercise voting rights attached to the number of shares represented by him and each share shall have one vote.

Shareholders who attend the general meeting shall take one of the following stances when a proposal is put forward for voting: for, against or abstain, except for the securities registration and settlement institutions which, being the nominal holders of shares under Stock

Connect between the Mainland and Hong Kong, shall make declarations according to the intentions of the beneficial holders. For voters whose voting slips are left blank, incorrectly completed, illegible or without vote casting, he shall be deemed to have waived his voting rights, and the votes in respect of the number of shares held by him shall be counted as “abstain”.

If such shareholder is a recognised clearing company (as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)), or a recognised clearing company 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 class meeting; 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 10.25 The Board, independent directors, shareholders holding more than one percent of the voting shares or investor protection institutions established in accordance with laws, administrative regulations or the provisions of the CSRC may publicly solicit voting rights of the shareholders. Information including the specific voting intention shall be fully disclosed to the persons whose voting rights are being solicited. Soliciting voting rights of the shareholders by compensation or disguised compensation is prohibited. Except for statutory conditions, in soliciting voting rights, the Company shall not impose a minimum shareholding proportion requirement.

Article 10.26 The voting at the general meeting shall be taken by way of registered poll.

Article 10.27 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 and shareholders' 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 10.28 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 10.29 In addition to the cumulative voting system, the general meeting shall resolve all the proposals separately. Where there are different proposals for the same matter, such proposals shall be voted on in the chronological order in which they are presented. 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 10.30 Where material issues affecting the interests of small and medium investors are being considered at the general meeting, the votes cast by small and medium investors shall be counted separately. The results of separately counted votes shall be publicly disclosed in a timely manner.

No voting rights shall be attached to the shares held by the Company, and such shares shall not be counted among the total number of voting shares held by the shareholders present at a general meeting.

Shareholders, who purchase the voting shares of the Company in violation of provisions of the first clause and the second clause of Article 63 of the Securities Law, shall not exercise the voting rights of the shares that exceed the prescribed ratio within 36 months after such purchase, and such shares shall not be counted among the total number of shares with voting rights at a general meeting.

Article 10.31 The following matters shall be approved by ordinary resolutions at a general meeting:

- (1) the work reports of the Board;
- (2) the plans formulated by the Board for profit distribution and loss recovery;
- (3) the appointment and removal of members of the Board and their remuneration and the methods of payment thereof;
- (4) other matters other than those required by laws, administrative regulations or the Articles of Association to be approved by special resolutions.

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

Article 10.32 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) division, merger, dissolution, liquidation or change in corporate form of the Company;
- (3) amendments to the Articles of Association;
- (4) acquisition or disposal of material assets or provision of guarantees by the Company to others within 1 year, the amount of which exceeds 30% of the Company's latest audited total assets;
- (5) share incentive schemes;
- (6) other matters required by laws, administrative regulations or the Articles of Association, and those considered by the general meeting, by way of ordinary resolution, to have material effects on the Company and require approval by way of special resolution.

Article 10.33 With the approval by a majority of all independent directors, 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 10.34 The Audit 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 Audit 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 Audit Committee may hold and preside over such meeting by itself.

Article 10.35 The following procedures shall be complied with by shareholders requesting for convening of extraordinary general meetings or class meetings:

(1) Ordinary shareholders (including preferred shareholders with restored voting rights), individually or jointly holding in aggregate more than 10% of voting shares of the Company, on an one vote per share basis, have the right to request the Board to convene an extraordinary general meeting or a class meeting or to add a resolution to the agenda of such a meeting, and shall submit such request to the Board in writing. The aforesaid proportion of shareholding shall be calculated on the date on which the relevant shareholders submit the written requisition.

(2) 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.

(3) If the Board refuses to convene an extraordinary general meeting, or gives no response within ten days upon receipt of such proposal, ordinary shareholders (including preferred shareholders with restored

voting rights) holding in aggregate more than 10% of the Company's voting shares shall be entitled to propose to the Audit Committee for convening such meeting, provided that such proposal shall be made in writing.

If the Audit 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 request in the notice shall be approved by the relevant shareholders.

If the Audit 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, ordinary shareholders (including preferred shareholders with restored voting rights) holding in aggregate more than 10% of the Company's voting 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.

Article 10.36 Where the Audit 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 ordinary shareholders (including preferred shareholders with restored voting rights) shall not be lower than 10% prior to the announcement of the resolutions of the general meeting.

The Audit Committee or convening shareholder shall submit relevant evidence to 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 Audit 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 an extraordinary general meeting by the Audit Committee or shareholders shall be borne by the Company.

Article 10.37 The general meeting shall be convened by the board of directors and presided by the Chairman of the Company. If the Chairman is unable to or fails to perform such duties, a director elected by a majority of the directors shall preside the meeting. If for any reason no director is elected by the directors to preside a meeting, then the shareholder (including proxy) present and holding the largest number of shares carrying the right to vote thereat shall preside the meeting.

A general meeting convened by the Audit Committee shall be presided over by the convener of the Audit Committee, or a member of the Audit Committee jointly elected by not less than one-half of the members of the Audit Committee if the convener of the Audit Committee is unable or fails to perform his/her duties.

Shareholders may convene the meeting themselves pursuant to the provisions of the Articles of Association and the convener or 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 10.38 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 10.39 The convenor 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 10.40 If the presider 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 presider 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 presider of the meeting may demand that the votes be counted immediately after the declaration of the result, the presider of the meeting shall have the votes counted immediately.

Article 10.41 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.

Article 10.42 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 and the shareholders' right to speak at the meeting are ensured.

Article 10.43 (1) The 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 and senior management attending 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 attending or present-in-the-meeting directors, 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.

Chapter XI Special Procedures for Voting by Class Shareholders

Article 11.1 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.

Article 11.2 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 at a separate class meeting convened in accordance with Articles 11.3 to 11.7.

Article 11.3 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 affect 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.

Article 11.4 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 11.3, but interested shareholder(s) shall not be entitled to vote at such class meetings.

“Interested shareholder(s)” as mentioned in the preceding clause

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 5.3, a "controlling shareholder" within the meaning of Article 25.3 in these Articles of Association;

(2) in the case of a repurchase of share by an off-market agreement under Article 5.3, 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.

Article 11.5 (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 11.1, are entitled to vote at class meeting.

(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 a 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 11.6 Where the Company convenes a class meeting, the period for issuing a written notice thereof shall be the same as the period for issuing a written notice of the non-class meeting to be convened together with such class meeting. Written notice shall notify the 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 five days prior to the date of the meeting.

If the number of shares 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.

Article 11.7 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 general meeting shall apply to any meeting of a class of shareholders.

Article 11.8 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.

Article 11.9 The special voting procedures for class meetings do not apply to the following circumstances:

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.

Chapter XII The Board of Directors

Article 12.1 The Company shall establish a Board of Directors. The Board comprises 13 directors, which 5 shall be independent directors, at least one of whom is an accounting professional; and one director is an employees' representative. The Board shall have one Chairman.

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 12.2 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 12.3 (1) Directors who are not employees' representatives shall be elected at the 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.

(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).

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

(6) Directors may assume the position as senior management member of the Company.

(7) Prior to the maturity of his term, a director could be removed 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 senior management and directors from staff representatives shall not exceed half of the total number of the Company's directors.

(9) The Board of Directors shall include one employees' representative director, who shall be elected by the Company's employees via an employees' representative congress or employees' congress or other forms of democratic election.

Article 12.4 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.

The general meeting may remove any director by a resolution, which shall come into effect from the date on which such resolution is made. Where a director is removed from office prior to expiration of his/her term of office without justifiable cause, the director may demand compensation from the Company.

Article 12.5 (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 determine 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 or other securities for listing;

(vii) to draw up plans for the purchase of shares of the Company or merger, division or dissolution of the Company and alteration of corporate form of the Company;

(viii) to appoint or dismiss the Company's manager, secretary to the Board and other members of senior management and determine their remuneration and matters related to their rewards and penalties; and based on the manager's nominations, to appoint or dismiss deputy managers and financial controller of the Company and decide on their remuneration and matters related to their rewards and penalties;

(ix) to formulate the Company's basic management system, and to determine the establishment of the Company's internal management organization;

(x) to formulate proposals for any amendments of the Company's articles of association;

(xi) to draw up plans for material acquisition or disposal of the Company;

(xii) 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;

(xiii) to determine the investments, acquisition and disposal of assets, external guarantees, trust asset management and related party transactions and external donation of the Company within the authorisation of the general meeting;

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

(xv) to propose at general meetings the appointment or change of auditing firms for the Company;

(xvi) to hear the work reports and inspect the work of the manager of the Company;

(xvii) to exercise any other powers specified in laws, administrative regulations, department rules, the Articles of Association or conferred by the general meeting; and

(2) Save for the Board's resolutions in respect of the matters specified in items (vi), (vii), (xi) which shall be passed by more than two-thirds of the directors, the Board's resolutions in respect of any other aforesaid matters may be passed by a majority of the directors.

(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.

Before making decisions on the above-mentioned matters, the Board of directors shall seek advice and recommendation from the Party Committee on significant matters falling within the decision-making scope of the Party Committee.

Article 12.6 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 12.7 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 12.8 (1) 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.

(2) 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) the amount of guarantee provided by the Company within one year exceeds 30% of the Company's last audited total assets;

(D) any guarantee provided in favour of a guaranteed party with an asset to liability ratio exceeding 70%;

(E) the amount of a single guarantee exceeds 10 per cent. of the latest audited net assets of the Company;

(F) 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 12.9 The Board of directors shall define the authority for investments, acquisition and disposal of assets, mortgage of assets, external guarantees, trust asset management, related party transactions and external donation, 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 general meeting for approval.

Article 12.10 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; and

(5) to exercise any other powers conferred by the Board.

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

In the event that the Chairman is unable to exercise his power, a director jointly elected by more than half of the Board of Directors shall perform the duties of the Chairman.

Article 12.11 Meetings of the Board of directors shall be held at least twice every year and convened by the Chairman.

When proposed by the shareholders representing one-tenth or more of the voting rights, members of one-third or more of the Board of Directors or the Audit Committee, an extraordinary meeting of the Board of directors may be held. The Chairman of the Board of Directors shall convene and preside over the meetings of the Board of Directors within ten days of receipt of the proposal.

Article 12.12 (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 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) If an extraordinary Board meeting is convened, the Chairman shall instruct the Company Secretary to notify all directors and managers 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.

(5) Notices of Board meeting shall set out the following contents: the date and venue of the meeting; duration of the meeting; subject and proposals of meeting; date on which the notice is issued.

Article 12.13 The Board meeting may not be held unless a majority of the directors are present.

Each director has one vote. Without prejudice to Clause (2) of Article 12.5, resolutions of the Board shall be passed by a majority of all directors.

Article 12.14 If any director is associated with the enterprises or individuals that are involved in the matters to be resolved at the Board meetings, he/she shall report to the Board in writing promptly. Any related director 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 12.15 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 12.16 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 12.17 (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 name of the attorney, the matters that the proxy director is authorized to deal with, the scope of authorities and the validity period shall be specified in the power of attorney, and the appointor shall sign or affix his/her seal to 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.

(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 12.18 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 12.19 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, these Articles of Association or any resolution of the general meeting 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.

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

Article 12.20 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 12.21 (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 shall establish four committees, namely the Strategic Committee, the Nomination Committee, the Remuneration and Appraisal Committee and the Audit Committee, and formulate their respective detailed operating rules. In particular, independent directors shall constitute a majority of the Nomination Committee and the Remuneration and Appraisal Committee, who shall serve as the convenor. The Audit Committee shall exercise the powers and functions of the Supervisory Committee as stipulated in the Company Law, and the members of the Audit Committee shall be directors who do not serve as senior management members of the Company, a majority of whom shall be independent directors, and the accounting professional among the independent directors shall serve as the convener. Directors who are employees' representatives of the Board may serve as members of the Audit Committee. Independent directors shall attend meetings of special committees in person, and if an independent director is unable to attend the meeting in person due to whatever reasons, he/she shall review meeting materials in advance to form a clear opinion, and authorize another independent director in writing to attend on his/her behalf. An independent director may, in the course of fulfilling his/her duties, bring significant matters of the listed company within the scope of the duties and responsibilities of special committees to the attention of the special committees for discussion and deliberation in a timely manner in accordance with the procedures when becoming aware of such matters.

(5) Where a special committee of the Board convenes a meeting, the Company shall provide the relevant materials and information no later than three days prior to the convening of the meeting of the special committee in principle. The listed company shall keep the above meeting information for at least ten years. If two or more independent directors are of the view that the meeting materials are incomplete, the demonstrations are insufficient or not provided in a timely manner, they may propose in writing to the special committee of the Board to postpone the convening of the meeting or postpone the discussion of the matter in question, and the special committee of the Board shall adopt such proposal and report to the Board.

Article 12.22 The Audit Committee of the Board of the Company is responsible for auditing the Company's financial information and its disclosure, supervising and evaluating the internal and external auditing work and internal control, and the following matters shall be submitted to the Board for consideration with the approval of a majority of the members of the Audit Committee:

(1) disclosure of financial information in the financial accounting reports and periodic reports, and the internal control evaluation reports;

(2) engagement or dismissal of the accounting firm that undertakes the business of auditing of the Company;

(3) appointment or dismissal of the financial controller of the Company;

(4) changes in accounting policies, accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;

(5) other matters stipulated by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

The Audit Committee convenes at least once a quarter, and may convene extraordinary meetings upon the proposal of two or more members, or when the convener deems necessary. Meetings of the Audit Committee shall be held with the attendance of at least two-thirds of the members. The Committee shall convene meetings at least twice a year with the accounting firm for the business of auditing the listed company.

Decisions made by the Audit Committee shall be approved by more than half of the members of the Audit Committee. The voting on the resolution of the Audit Committee shall be on an one person one vote basis. The Audit Committee shall prepare meeting minutes for its resolutions in accordance with the regulations, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes. The Board is responsible for formulating the working procedures of the Audit Committee.

Article 12.23 The Nomination Committee of the Board of the Company is responsible for drawing up criteria and procedures for the selection of directors and senior management, selecting and reviewing the candidates for directors

and senior management and their qualifications for appointment, and making recommendations to the Board in respect of the following matters:

- (1) nomination or removal of directors;
- (2) appointment or dismissal of senior management;
- (3) other matters stipulated by laws, administrative regulations, requirements of the CSRC, listing rules, and the Articles of Association.

If the Board does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for its non-adoption in the resolution of the Board and disclose the same.

Article 12.24 The Remuneration and Appraisal Committee of the Board of the Company is responsible for formulating standards for and conducting assessment on directors and senior management, formulating and reviewing remuneration policies and plans for directors and senior management, and making recommendations to the Board on the following matters:

- (1) remuneration of directors and senior management;
- (2) to formulate or change equity incentive plans and employee stock ownership plans, and to ensure that incentive objects are granted rights and the conditions for exercising their rights are met;
- (3) to arrange for directors and senior management shareholding plans for proposed subsidiary spin-off;
- (4) other matters stipulated in laws, administrative regulations, requirements of the CSRC, the listing rules and the Articles of Association of the Company.

If the Board does not adopt or does not fully adopt the recommendations of the Remuneration and Appraisal Committee, it shall record the opinion of the Remuneration and Appraisal Committee and the specific reasons for its non-adoption in the resolution of the Board and disclose the same.

Article 12.25 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 12.26 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 12.27 If a director causes damage to others in the course of performing his/her duties in the Company, the Company shall be liable for compensation; the director shall also be liable for compensation if there is intentionality or gross negligence on his/her part. 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 XIII Independent Director

Article 13.1 The Company shall set up a working system for independent directors. The independent director system shall be in compliance with laws, administrative regulations, requirements of the

CSRC and rules of the stock exchange, and shall be conducive to the sustainable and compliance development of the Company, and shall not be detrimental to the interests of the Company. The Company shall provide the necessary safeguards for independent directors to perform their duties in accordance with the law.

The Board of the Company shall consist of at least one-third independent directors, including at least one accounting professional. Independent directors shall faithfully perform their duties and safeguard the interests of the Company, with particular attention to ensuring that the legitimate rights and interests of public shareholders are not jeopardized.

The independent directors shall attend the Board meetings in person. If they are unable to attend the meeting in person for any reason, they shall review the meeting materials in advance, form a clear opinion, and appoint other independent directors in writing to attend the meeting on their behalf. If an independent director fails to attend Board meetings in person or by proxy for two consecutive times, the Board shall, within thirty days from the date of occurrence of such fact, propose to convene a general meeting to remove such independent director from his/her duties.

The on-site working time of the independent directors in the Company shall not be less than fifteen days each year.

Article 13.2 Independent directors must remain independent.

The qualifications of and the appointment and election procedures for independent directors shall be in compliance with laws, administrative regulations, regulations of the CSRC and business and requirements of the stock exchange.

Article 13.3 The Board of directors, 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. In the event two or more independent directors are to be elected at a general meeting of the Company, a cumulative voting mechanism shall be implemented; the votes of the minority shareholders shall be counted and disclosed separately. A nominator shall not nominate any person in whom

he or she has an interest or any other closely related person who may affect the independent performance of duties of a candidate for independent director.

The Nomination Committee of the Board shall examine the qualifications of the nominee and form a clear opinion on the examination.

Article 13.4 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.

Article 13.5 Independent directors may resign before the expiry of their term. The Company may also terminate his/her duties in accordance with statutory procedures. The resignation, dismissal, and by-election of an independent director shall be in compliance with laws, administrative regulations, regulations of the CSRC, and regulations and requirements of the listing rules of the stock exchange.

Article 13.6 The following matters shall be submitted to the Board for consideration after having been approved by a majority of all independent directors of the Company:

- (1) related party transactions that require to be disclosed;
- (2) the proposal of the Company and the relevant related parties to change or waive their undertakings;
- (3) decisions made and measures taken by the board of directors of the acquired company in respect of the acquisition;
- (4) other matters stipulated by laws, administrative regulations, requirements of the CSRC, listing rules, and the Articles of Association.

Article 13.7 As members of the Board, the independent directors owe fiduciary duties and duties of diligence to the Company and all shareholders, and shall prudently perform the following duties:

- (1) to participate in the decision-making of the Board and to express clear opinions on the matters discussed;

(2) to supervise the matters regarding potential material conflicts of interest among the Company and its controlling shareholders, de facto controllers, directors and senior management members, and to urge the Board to make decisions in line with the interests of the Company as a whole, and to protect the legitimate rights and interests of the minority shareholders;

(3) to provide professional and objective recommendation on the Company's operation and development, and to promote the enhancement of decision-making level of the Board;

(4) other duties as stipulated by laws, administrative regulations, requirements of the CSRC, listing rules and the Articles of Association.

Article 13.8 The independent directors shall exercise the following special powers:

(1) to independently appoint intermediary organizations to conduct audits, consultations or verifications on specific matters of the Company;

(2) to propose to the Board the convening of an extraordinary general meeting;

(3) to propose to the Board the convening of a Board meeting;

(4) to openly solicit shareholders' rights from shareholders in accordance with the law;

(5) to express independent opinions on matters that may jeopardize the interests of the listed company or the minority shareholders;

(6) other functions and powers as stipulated in laws, administrative regulations, requirements of the CSRC and listing rules, and the Articles of Association.

To exercise the functions and powers as set forth in items 1 to 3, the independent director(s) shall obtain the consent of a majority of all independent directors.

Regarding the exercises of the functions and powers as set forth in Clause 1 by independent directors, the Company shall disclose that in a timely manner. In the event that the above functions and powers fail to exercise

normally, the Company shall disclose the specific details and reasons therefor.

Article 13.9 The Company shall establish a special meeting mechanism attended by all independent directors. Where the Board deliberates related party transactions and other matters, prior approval shall be obtained from the special meeting of independent directors.

The Company shall convene special meetings of independent directors on a regular or irregular basis. Matters listed in items (1) to (3) of the first clause of Article 13.6 and Article 13.8 of the Articles of Association shall be considered by the special meetings of independent directors.

The special meetings of independent directors may study and discuss other matters of the Company as necessary.

The special meetings of independent directors shall be convened and presided by an independent director jointly elected by a majority of the independent directors; if the convenor is not performing his/her duties or is unable to perform his/her duties, two or more independent directors may convene the meeting on their own and elect a representative to preside over the meeting.

Minutes of special meetings of independent directors shall be prepared in accordance with the regulations, and the opinions of the independent directors shall be set out in the minutes. The independent directors shall sign to confirm the minutes.

The Company facilitates and supports the convening of special meetings of independent directors.

Article 13.10 The independent directors shall submit annual duty reports to the annual general meeting of the Company to explain the fulfillment of their duties. The contents of the annual duty report shall comply with the provisions and requirements of laws, administrative regulations, regulations of the CSRC and rules and requirements of the stock exchange.

The annual duty reports of the independent directors shall be disclosed no later than the issuance of the notice of the annual general meeting of the Company.

Chapter XIV Secretary to the Board of the Company

Article 14.1 The Company shall have one secretary to the Board (“**Company Secretary**”) who is responsible for matters such as the preparation of the general meeting and the Board meeting of the Company, keeping the documents and managing the shareholders’ materials of the Company and disclosing information. The Company Secretary is a senior management member of the Company.

The secretary to the Board shall abide by the relevant provisions of laws, administrative regulations, departmental rules and the Articles of Association.

Article 14.2 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).

Article 14.3 Directors or senior management members 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.

Article 14.4 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 14.5 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 XV Managers of the Company

Article 15.1 The Company shall have one manager, who shall be appointed and dismissed by the Board.

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 15.2 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.

A member of senior management of the Company shall only receive remunerations from the Company, such remuneration shall not be paid by the controlling shareholders.

Article 15.3 The manager has a term of office of 3 years and shall be eligible for reappointment.

Article 15.4 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 formulate proposals 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 senior 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.

In exercising the above-mentioned powers, the general manager shall seek advice and recommendation from the Party Committee on significant matters falling within the decision-making scope in need of the participation of the Party Committee.

Article 15.5 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 15.6 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;

(4) other matters deemed as necessary by the Board of directors.

Article 15.7 The manager may resign before expiry of his term. The procedures and detailed measures of the said resignations shall be specified in the labour contracts between manager and the Company.

Article 15.8 Where any senior management member causes damage to others during the course of performing his/her duties, the Company shall be liable for compensation; where there is intentionality or gross negligence on his/her part, any senior management member shall also be liable for compensation. 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 15.9 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.

Article 15.10 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.

Article 15.11 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 XVI Qualifications and Duties of the Directors and Senior Management Members of the Company

Article 16.1 A person may not serve as the Company's director and 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, or a person who has been deprived of his political rights, and for which not more than five years have lapsed since the sentence was served, a person who has been sentenced to suspended sentence, and not more than 2 years have lapsed since the expiration date of the period of probation of the suspended sentence;

(3) a person who is a former director, factory manager or president of a company or enterprise which has been bankrupt or put into liquidation 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 license of which was revoked and ordered to be closed down 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 license or order for closure;

(5) a person has been listed as a judgment defaulter by the people's court as a result that he/she 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;

(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) a person who is publicly recognized by the stock exchange as unsuitable to serve as directors or senior management, etc. of a listed company with the designated period not yet expired;

(13) other circumstances specified by laws, administrative regulations and rules from regulatory authorities.

Should the election or appointment of directors or engagement of senior management members contravene the stipulations set out in this Article, such election or appointment or engagement 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 and cease their duties.

Article 16.2 The validity of an act of a director or 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.

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 and 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 license;

(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 interests, including (without limitation to) distribution rights and voting rights, except for the restructuring plan of the Company submitted to general meeting according to the Articles of Association.

Article 16.4 The directors and senior management members shall comply with the laws, administrative regulations and the Articles of Association, perform their duties with reasonable care that managers ordinarily exercise in the best interests of the Company 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 Audit Committee, and not to interfere with the Audit Committee in its 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 and senior management members shall, in the course of exercising his/her powers or performing his/her duties, take measures to avoid conflicts between their own interests and the interests of the Company, shall not use their powers to seek improper interests exercise and shall owe the following faithful obligations to the Company:

- (1) to act genuinely in the best interests of the Company and all shareholders;
- (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 approval by way of resolutions 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) without reporting to the Board of directors or in the general meeting, and without being passed by the Board of directors or general meeting by way of resolutions in accordance with the Articles of Association, not to directly or indirectly enter into any contract, transaction or arrangement with the Company;
- (6) not to use the Company's property for his/her own benefit or others' benefit, without the approval by way of resolutions 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 other parties and the Company's transactions as their own;
- (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 operate business similar to the Company for himself/herself or for others, save with the approval by way of resolutions 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 funds to set up deposit accounts in his own name or in the any other name, nor to use such funds 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 approval by way of resolutions 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 warrant;
- (iii) the interests of the relevant director or senior management member so requires.

Income derived from directors or senior management members in contravention of provisions (5) to (12) shall belong to the Company. Where such contravention causes loss to the Company, they shall bear liability for compensation.

The provisions of the item (5) of the second clause of this Article shall apply to the conclusion of contracts or engagement in transactions with the Company by close relatives of the directors and senior management members or enterprises directly or indirectly controlled by the directors and senior management members or their close relatives, as well as persons who are otherwise related to the directors and senior management members.

Article 16.6 Each director or 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 and senior management member;

(2) a person acting in the capacity of trustee of that director or 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 or senior management member or any person referred to in sub-paragraphs (1) and (2) of this Article;

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

(5) the directors and senior management members of the controlled company referred to in sub-paragraph (4) of this Article.

Article 16.7 The fiduciary duties of the directors and senior management members of the Company do not cease with the termination of their tenure, and their obligation of confidentiality in respect of trade secrets of the Company shall subsist within two years 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. The liability that a director bears during the term of office due to the performance of his/her duties shall not be waived or terminated upon his/her resignation.

Article 16.8 The Company’s directors and senior management members have statutory obligations of ensuring the safety of the Company’s capital. The Company’s directors and senior management members are the responsible officers of the “freezing upon misappropriation” mechanism. The Company’s directors, 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, 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 dismiss 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.

Article 16.9 The Company may subscribe liability insurance to cover directors’ liability arising from the performance of their duties during their tenure of office. Upon the subscription of the liability insurance or renewal of the insurance, the board of directors shall report the contents to the general meetings, including the coverage amount of insurance subscription, the scope of insurance coverage and the premium rates.

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.

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.

The Company shall submit and disclose the annual report to the local office of CSRC and the stock exchange within four months after the end of a financial year. The Company shall submit and disclose the interim report to the relevant authorities authorized by the CSRC and the stock exchange within two months from the end of the first half of a financial year.

The aforesaid annual report and interim report shall be prepared in accordance with the relevant laws, administrative rules and requirements of the CSRC and the stock exchange.

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 lay 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.

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.

The Company should post the above-mentioned reports to the shareholders of overseas-listed foreign-invested shares by electronic means, prepaid mail or e-mail at least 21 days before the annual general meeting; addressed to the address set out in the register of shareholders or e-mail address or account number.

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 accepted by 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.

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 accepted by international accounting standards or that of the overseas place where the Company's shares are listed.

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.

Article 17.10 The Company shall not keep accounts other than those provided by law. Funds of the Company shall not be deposited in an account maintained in any individual's name. The accounts of the Company are available to directors for inspection.

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 The Company shall implement an internal auditing system, clearly defining the leadership system, responsibilities and authorities, personnel allocation, funding support, application of audit results and accountability for internal audit.

Article 17.13 The internal audit system of the Company shall be implemented upon approval by the Board of directors, and disclosed to the public.

Article 17.14 The internal audit institution of the Company shall conduct supervision and inspection on matters such as the Company's business activities, risk management, internal control, and financial information.

Article 17.15 The internal audit institution reports to the Board of directors.

During the process of supervising and inspecting the Company's business activities, risk management, internal control, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. Where the internal audit institution discovers relevant significant issues or leads, it shall immediately report directly to the

Audit Committee.

Article 17.16 The specific organization and implementation work of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue the annual internal control evaluation report based on the evaluation report and related materials issued by the internal audit institution and reviewed by the Audit Committee.

Article 17.17 When the Audit Committee communicates with external audit units such as accounting firms and state audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

The Audit Committee shall participate in the performance assessment of the head of internal audit.

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.

Article 18.2 When the following conditions are satisfied, the Company may distribute the profits of current year, either in cash or in other forms:

- (1) the Company records profits for the current year;
- (2) deferred losses have been made up and carried forward;
- (3) allocation to the statutory reserve fund has been made in full according to the Articles of Association.

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 Company Law, distributed profit to shareholders, the shareholders shall return to the Company the profit distributed in violation of regulations, in case of losses caused to the Company, shareholders and responsible directors and senior management member shall be liable for compensation.

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.

Article 18.6 The reserve funds of the Company include 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 registered share capital of the Company.

When the reserve is used for off-setting the loss of the Company, the discretionary reserve and statutory reserve shall be first used; if the losses can still not be covered, the capital reserve may be used according to provisions. When the statutory reserve fund is capitalised into the increased register 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 Decision-making procedures for profit distribution of the Company:

(1) 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 six months after the end of each financial year. The Company's annual profit distribution plan shall be proposed and formulated by the Board by reference to the Articles of Association, profits achieved by the Company and the supply and need of funds. When considering specific plan for distribution of cash dividends, the Board shall study and identify matters such as the timing, conditions and minimum proportion, conditions for adjustment and other requirements for decision-making procedures involved for implementing the distribution of cash dividends. Independent directors shall explicitly express their independent opinions on the profit distribution plan. After being considered and approved by the Board, the profit distribution plan shall be proposed at the general meeting for shareholders' consideration and approval and be implemented afterwards.

(2) When considering specific plan for distribution of cash dividends, the Board shall study and thoroughly discuss to identify the timing, conditions and minimum proportion for distribution of cash dividends. Independent directors shall explicitly express their opinions thereon. Independent directors can gather views from small and medium shareholders and propose a cash dividends proposal, and submit the same directly to the Board for its consideration.

(3) When convening a general meeting to consider a profit distribution plan, the Company shall provide sufficient access channels to encourage shareholders, especially small and medium shareholders, to attend and vote at the meeting. When the profit distribution plan is considered at the general meeting, the Company shall take the initiative to communicate and exchange views with shareholders, especially small and medium shareholders, giving due care to their interest and appeal and timely responding to their queries.

(4) If profit is recorded in the reporting period and its accumulated undistributed profit is a positive figure, but the Board of the Company does not put forth a cash profit distribution proposal, reasons therefor, the use of capital that may otherwise be distributed as dividends but has been retained by the Company and anticipated gains and details of consideration and voting at the Board meetings shall be disclosed in the Company's regular reports, and independent directors shall express independent opinions thereon.

(5) When the Company is required by its production and operation, investment plan and long-term development to adjust or change its profit distribution policy set out in the Articles of Association, and formulate or adjust its shareholders' return plan, for the purpose of protecting shareholders' interests, such adjustment or change shall be made after detailed consideration and discussions by the Board, for which the independent directors shall explicitly express their opinions. Relevant proposals shall be submitted to the general meeting and passed by more than two-thirds of voting rights represented by the shareholders present at the meeting. The Company shall disclose the formulation and

implementation of cash dividends policy in detail in regular reports. For adjustment or change of cash dividends policy, it shall explain in detail whether the conditions and procedures of adjustment or change are in compliance with the relevant requirements and transparent.

(6) The Audit Committee of the Company shall supervise the implementation of the Company's cash dividends policy and shareholders' return plan as well as the execution of appropriate decision-making procedures and information disclosure by the Board. The Audit Committee shall express explicit opinions and urge the Board to make corrections in a timely manner in case of any of the following circumstances:

(i) Failure to strictly implement the cash dividends policy and shareholders' return plan;

(ii) Failure to strictly execute appropriate decision-making procedures for cash dividends distribution;

(iii) Failure to make an authentic, accurate and complete disclosure of the cash dividends policy and its implementation.

(7) The Company encourages the small and medium investors and institutional investors to participate in the decision-making for profit distribution of the Company in accordance with relevant requirements.

Article 18.8 Profit distribution policy of the Company:

(1) The Company adopts a consistent and stable profit distribution policy, which emphasizes investors' reasonable investment return while ensuring the Company's continuous development. The Company's profit distribution shall not exceed the accumulated distributable profits or damage the Company's ability to continue operations.

(2) The Company may distribute certain dividends by way of cash or bonus shares (or a combination of both). On the condition that profit is recorded and there is sufficient cash to support the ongoing operation and long-term development of the Company, the Company shall actively distribute dividends preferentially in cash. 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.

(3) 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.

(4) 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.

(5) Where a proposed resolution in relation to the payment of cash dividends, the issue of bonus shares or the capitalization of capital reserves has been passed at a general meeting, the Company shall implement the specific plan within two months after the conclusion of the general meeting.

Article 18.9 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.

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.

Article 18.10 (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 cannot 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.

(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.

(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.

Chapter XIX Appointment of Accounting Firms

Article 19.1 The Company shall appoint a firm of certified public accountants which is qualified under the regulations of the Securities Law to audit its financial statements, verify its net assets and provide other related consultancy services.

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.

Article 19.2 The certified public accountants firm appointed by the Company shall hold office for one year, which can be re-appointed.

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 and 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 general meetings and to receive all notices of, and other communications relating to, any general meeting which any shareholder is entitled to receive, and to be heard at any general meeting in relation to matters concerning its role as the certified public accountants firm of the Company.

The Company guarantees that it will provide the certified public accountants firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information without any objection, omission or falsification.

Article 19.4 The engagement of a certified public accountants firm by the Company shall be determined at the general meeting. Before the determination at the general meeting, the Board shall not appoint the certified public accountants firm.

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.

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.

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 local office of CSRC.

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 nominated for appointment 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 general meeting at which its term of office would otherwise have expired;

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

(iii) any 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.

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 general meeting. Where the certified public accountants firm resigns from its post, it shall make clear to the general meeting whether there has been any impropriety on the part of the Company.

(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.

(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.

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

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 or by electronic means.

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

A company that absorbs other company is known as merger

by absorption whereby the company being absorbed shall be dissolved. The merger of two or more companies by the establishment of a new company is known as merger by the establishment of a new company whereby the companies being merged shall be dissolved.

Where the Company merges with a company of which the Company holds 90% or more of its shares, the acquired company is not required to obtain approval by resolution at the general meeting, but shall notify the other shareholders, who shall be entitled to request the Company to acquire its equities or shares at a reasonable price.

If the price paid for the Company's merger does not exceed 10% of the Company's net assets, the merger may be resolved without a general meeting, unless otherwise provided for in the Articles of Association.

Where the Company's merger is exempt from approval by resolution at the general meeting in accordance with the preceding two clauses, such merger shall be subject to approval by resolution of the Board.

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 announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days of that date.

Creditors may, within 30 days of receipt of the notice or within 45 days of the date of the announcement in the case of failure of receipt of the notice, require the Company to pay its debts in full or to provide a corresponding guarantee for such debt.

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

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 announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days of that date.

Article 21.4 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 21.5 When the merger or division of the Company involves changes in registered particulars, such changes shall be registered with the Company's registration authority in accordance with the laws. When the Company dissolves, is declared bankrupt or otherwise required to be terminated for statutory reasons, 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.

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 at the general meeting on reduction of registered capital and shall publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System 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.

Where the Company reduces its registered capital, the amount of capital contribution or shares shall be reduced correspondingly in proportion to the shares held by its shareholders, unless otherwise provided by law or the Articles of Association.

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.

Article 21.7 Where the Company still incurs losses after making up its losses in accordance with the second clause of Article 18.6 of the Articles of Association, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for losses, the Company shall not make distribution to its shareholders, nor exempt the shareholders from their obligation to make capital contribution or calls on share.

The provisions of the second clause of Article 21.6 of the Articles of Association shall not apply to the reduction in the registered capital in accordance with the preceding clause. The Company shall publish an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days from the date of the resolution on the reduction of its registered capital at the general meeting.

After reducing its registered capital in accordance with the provisions of the preceding two clauses, the Company shall not distribute profits until the cumulated amount of the statutory reserve fund and discretionary reserve fund reaches 50% of its registered capital.

Article 21.8 If the reduction of the registered capital is in violation of the Articles of Association, shareholders shall return the funds they have received and the reduced capital contribution of the shareholders shall be restored to its original amount; in case of losses caused to the Company, the shareholders and the liable directors and senior management members shall be liable for compensation.

Article 21.9 Where an increase in registered capital of the Company is made by means of issue of new shares, the shareholders shall not be entitled to have any pre-emptive right unless otherwise provided in the Articles of Association or the general meeting resolves that the shareholders shall have pre-emptive right.

Chapter XXII Dissolution and Liquidation of the Company

Article 22.1 The Company shall be dissolved due to the following reasons:

(1) the operating term provided by the Articles of Association expires or other dissolution facts provided by the Articles of Association occur;

(2) the general meeting resolves to dissolve the Company;

(3) dissolution is necessary as a result of a merger or division of the Company;

(4) the business license of the Company is lawfully revoked, the Company is ordered to close down or deregistered due to its violation of laws or administrative regulations;

(5) 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.

Upon the occurrence of events of dissolution specified in the preceding clause, the Company shall publish the events of dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Article 22.2 Where the Company is dissolved under items (1), (2), (4) and (5) of Article 22.1, it shall be liquidated. The directors shall be the liquidation obligors of the Company, and a liquidation committee shall be set up within fifteen days of the occurrence of the dissolution events, to carry out liquidation procedure. The liquidation committee shall consist of persons as determined by the Board or the general meeting. If the liquidation obligors fail to fulfill their liquidation obligation in a timely manner, resulting in losses to the Company or its creditors, they shall be liable for compensation. If a liquidation committee to carry out liquidation procedure is not set up within the specified time limit or the liquidation is not carried out after the liquidation committee is set up, the stakeholders may apply to

the people's court to designate relevant persons to form a liquidation committee to carry out liquidation procedure.

Where the Company is dissolved in accordance with the provisions of items (1) to (4) of Article 22.1, the department or the company registration authority that made the decision to revoke the business license, order closure or revocation may apply to the people's court for designating relevant persons to form a liquidation committee to carry out liquidation.

Article 22.3 Upon the occurrence of the situation mentioned in items (1) and (2) of Article 22.1, and that the Company has not distributed its property to its shareholders, the Company may continue to exist by amending the Articles of Association or by resolution at the general meeting.

Amendments to the Articles of Association or resolution at the general meeting in accordance with the preceding clause shall be approved by not less than two-thirds of the voting rights held by the shareholders present at the general meetings.

Article 22.4 The liquidation committee shall notify creditors within a period of 10 days from the date of its establishment and make announcements in newspapers or on the National Enterprise Credit Information Publicity System of the liquidation within 60 days of that date. Creditors shall, within thirty (30) days after receipt of the notice, or for those who do not receive the notice, within forty-five (45) days from the date of the announcement, declare their claims to the liquidation committee.

When declaring their claims, creditors shall explain relevant particulars of their claims and provide supporting materials. The liquidation committee shall register the claims.

During the period when creditors declare their claims, no settlement shall be made to any creditors by the liquidation committee.

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 and the taxes incurred during the liquidation process;
- (5) to ascertain and settle all claims and debts;
- (6) to distribute the remaining assets of the Company after the repayment of debts;
- (7) to represent the Company in any civil proceedings.

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 the peoples' court for their approval.

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 general 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 continue to exist, but shall not carry out new operating activities that are not related to the liquidation.

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, social insurance premiums and statutory compensation;
- (2) outstanding tax;
- (3) the debts of the Company.

The Company's assets shall not be distributed to the shareholders before repayment of the Company's debts in full in

accordance with the preceding clause.

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 liquidation duties and bear the obligations of loyalty and diligence.

Where the members of the liquidation committee are negligent in performance of liquidation duties and cause the Company to suffer losses, they shall be liable for compensation.

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 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 apply to the people's court for a declaration of bankruptcy in accordance with the laws.

After the people's court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the people's court.

Article 22.11 Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, submit it to the general meeting or the people's court for confirmation, submit it to the companies registration authority and apply for deregistration of the Company and

publish an announcement in respect of the termination of the Company.

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.

Article 22.13 Where the Company does not incur any debt or has repaid all debts during its existence, the Company may be deregistered through summary procedures with the commitment of all shareholders.

Deregistration of the Company through the summary procedure shall be announced through the National Enterprise Credit Information Publicity System for a period of not less than 20 days. If there is no objection after the expiration of the announcement period, the Company may apply to the company registration authority for deregistration within 20 days.

Where the Company is deregistered through the summary procedures, and the shareholders make false undertakings as to the contents stipulated in the first clause of this Article, they shall be jointly and severally liable for the debts incurred before the deregistration.

Article 22.14 Where the Company has its business license revoked, is ordered to close down or is rescinded, and has not applied to the company registration authority for deregistration after a period of three years, the company registration authority may publish announcements on the National Enterprise Credit Information Publicity System for a period of at least sixty days. If there is no objection after the expiration of the announcement period, the company registration authority may deregister the Company.

In case of deregistration in accordance with the provisions of the preceding clause, the liability of the original shareholders and liquidation obligors of the Company shall not be affected.

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.

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 general meeting resolves to amend the Articles of Association.

Article 23.2 Where any amendment to the Articles of Association resolved by the general meeting is subject to review and approval of competent authorities, the amendment shall be submitted to the competent authorities for approval; if there is any change relating to the registered particulars of the Company, involved in amendments to the Articles of Association, application shall be made for registration of the changes in accordance with the laws.

Article 23.3 The Board of Directors shall amend the Articles of Association in accordance with the resolution approved at the general meeting and the opinions from the competent authorities.

Article 23.4 Amendments to the Articles of Association that are subject to compulsory disclosure under the laws and regulations, such amendments shall be announced in compliance with the requirements accordingly.

Chapter XXIV Notice and Announcement

Article 24.1 Notices of the Company shall be delivered in any of the following manners:

(1) by hand;

- (2) by mail;
- (3) by public announcement;
- (4) by electronic means; and/or
- (5) other means in accordance with the Articles of Association.

Article 24.2 (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 electronic means, or by hand or by prepaid mail to the registered address of each of such shareholders, or delivered by electronic means to its registered e-mail address or account number.

(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.

Article 24.3 Should the notice be 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 24.4 Any notice, documents, materials or written statements sent by shareholders and directors 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 and directors 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 24.5 Notice convening the general meeting of the Company shall be dispatched to the holders of foreign-invested shares by hand, by mail or by electronic means; and notify holders of domestic shares by announcement.

Article 24.6 Notice convening the Board meeting 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 or by electronic means, 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 disclosable information.

Chapter XXV Interpretations

Article 25.1 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 Provincial Administration for Market Regulation 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 and Rules of Proceedings for Board of Directors Meetings.

Article 25.2 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
“newspaper”	newspaper designated by China Securities Regulatory Commission and the Stock Exchange for information disclosure.
“CSRC”	China Securities Regulatory Commission

Article 25.3 In these Articles of Association, the meaning of a certified public accountants firm is the same as that of "auditor".

“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 general meeting. “De facto controller” refers to a natural person, legal entity or other organization 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, the senior management members 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.

Electronic means refers to the way in which the Company provides and/or dispatches corporate communications to shareholders in accordance with the requirements of the Hong Kong listing rules. The Company may use any electronic means by posting of information on the Company’s website for the dispatch or provision of corporate communications to the Company’s shareholders in accordance with the requirements of the relevant law and regulations and the requirements of the Hong Kong listing rules as amended from time to time.

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.