Articles of Association
of
Ganfeng Lithium Co., Ltd.

Table of Contents

Articles of Association
of
Ganfeng Lithium Co., Ltd.

Chapter 1 General Provisions

Article 1

To safeguard the legitimate rights and interests of Ganfeng Lithium Co., Ltd. (hereinafter referred to as the "Company" or "this Company"), its shareholders and creditors, and to regulate the organization and activities of the Company, these Articles of Association are hereby formulated, in accordance with the Company Law of the People's Republic of China (hereinafter referred to as the "Company Law"), the Securities Law of the People's Republic of China (hereinafter referred to as the "Securities Law"), the Special Regulations of the State Council on Overseas Offering and Listing of Company Limited by Shares (hereinafter referred to as the "Special Regulations"), the Articles of Association of Companies Seeking a Listing Outside the PRC Prerequisite Clauses (hereinafter referred to as the "Prerequisite Clauses"), the Letter of Opinion on Amendment to Articles of Association of Companies Listing in Hong Kong (hereinafter referred to as the "Letter of Opinion on Amendment"), the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "HK Listing Rules" or "HK Listing Rules"), the Reply of the State Council on the Adjustment of the Notice Period of the General Meeting and Other Matters Applicable to Overseas Listed Companies (hereinafter referred to as the "Reply") and the provisions of other relevant laws and regulations.

Article 1 of the *Prerequisite Clauses*

Section 1(a) of Appendix 13D to the HK Listing Rules

Article 2

The Company is a company limited by shares incorporated pursuant to the *Company Law*, the *Special Regulations* and other relevant laws and administrative regulations of China.

The Company was incorporated by means of sponsorship through the overall change of the limited company, registered with and obtained the Business License from Xinyu City, Jiangxi Province Administration for Industry and Commerce on December 18, 2007, with Unified Social Credit Code 91360500716575125F.

Article 1 of the *Prerequisite Clauses*

The promoters of the Company are: Li Liangbin, Wang Xiaoshen, China-Belgium Direct Equity Investment Fund, Minmetals Investment Development Co., Ltd., Zhang Jianru, Shen Haibo, Nanchang Venture Capital Co., Ltd, Cao Zhiang, Luo Shunxiang, Huang Wen, Huang Xuewu, Xiong Jianlang, Zhang Ping, Hu Naigen, Ji Huizhen, Zhou Yuqiu, Deng Zhaonan, Wang Dabing, Shao Jin, Yuan Zhongqiang, Yang Manying, Ouyang Ming, Zhou Zhicheng, Ba Yaer, Xiao Yue, Peng Xin, Lei Gang, Huang Liping, Fu Zhong, Liu Jianglai, Li Liangxue, Zhang Baoxiu, Lin Li and Li Huabiao.

On July 19, 2010, the Company, with the approval of China Securities Regulatory Commission (the "CSRC"), initially issued its RMB25,000,000 ordinary shares to the public (hereinafter referred to as "A Shares"). It was listed in the Shenzhen Stock Exchange on August 10, 2010.

On June 12, 2018, the Company, with the approval of China Securities Regulatory Commission, issued 200,185,800 overseas listed foreign shares (hereinafter referred to as "H Shares") which was listed on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "Hong Kong Stock Exchange" or "Stock Exchange") on October 11, 2018.

Article 3	Registered name of the Company: Ganfeng Lithium Co., Ltd. Full name in English: GANFENG LITHIUM CO., LTD.	Article 2 of the *Prerequisite Clauses*
Article 4	Domicile of the Company: Longteng Road, Xinyu Economic Development Zone Telephone: 0790-6415606 Fax: 0790-6860528 Post Code: 338000	Article 3 of the *Prerequisite Clauses*
Article 5	The legal representative of the Company is the chairman of the Company.	Article 4 of the *Prerequisite Clauses*

Article 6 The Company is a company limited by shares existing in perpetuity.

Article 5 of the *Prerequisite Clauses*

The Company is an independent corporate legal person, has independent corporate property, and enjoys corporate property rights.

Article 3 and 125 of the *Company Law*

The total capital of the Company is divided into shares of equal value. The shareholders shall be liable to the Company with the shares it subscribes, and the Company shall be responsible for its debts with all its assets.

Article 7 The Articles of Association shall become effective by way of adoption of special resolutions at the general meeting, with the approval of China Securities Regulatory Authority, from the date of trading of overseas listed foreign shares (H Shares) issued by the company on the Stock Exchange of Hong Kong. From the date when the Articles of Association become effective, the original Articles of Association of the Company will automatically become invalid.

Article 6 of the *Prerequisite Clauses*

The Articles of Association shall be a legally binding document that regulates the organization and acts of the Company as well as the rights and obligations between the Company and the shareholders and among the shareholders from the date when the Articles of Association become effective.

Article 8 The Articles of Association shall be binding on the Company and its shareholders, directors, supervisors, president and other senior management officers. All the above persons may assert claims in connection with the Company's matters in accordance with the Articles of Association.

Article 7 of the *Prerequisite Clauses*

Article 10 of the *Guidelines*

In accordance with the Articles of Association, shareholders may sue the Company; the Company may sue shareholders, directors, supervisors, president and other senior management officers of the Company; shareholders may sue other shareholders; shareholders may sue the directors, supervisors, president and other senior management officers of the Company.

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

The term "other senior management officers" in the Article shall include the deputy president, the board secretary and the financial controller.

Article 9 The Company may invest in other limited liability companies or companies limited by shares, and shall be responsible for the invested companies to the extent of its amount of investment. Unless otherwise specified by laws, the Company shall not be as an investor jointly and severally liable for the debts of the invested companies.

Article 8 of the *Prerequisite Clauses*, Article 15 of the *Company Law*

Chapter 2 Purpose and Scope of Business

Article 10 The Company's business purpose: To make use of limited resources to create unlimited value, and employees' occupational health and safety and environmental protection are a prerequisite for the creation of all economic values. With technological innovation as the driving force, taking scientific management as the means, first-class quality as the guarantee, and customer satisfaction as its mission, it has become an important and professional global manufacturer of lithium products integrating upstream and downstream, to maintain the legitimate rights and interests of the Company and shareholders to enable the shareholders of the Company to obtain satisfactory investment incomes.

Article 9 of the *Prerequisite Clauses*

Article 11 The Company's business scope shall be subject to the items approved by the Company's approval authority and the administration for industry and commerce.

Article 10 of the *Prerequisite Clauses*

The Company 's business scope : operation of hazardous chemicals ;import and export of goods ; manufacturing of basic chemical raw materials (excluding manufacturing of licensed chemical such as hazardous chemicals); sales of chemical products (excluding licensed chemical products) ; smelting of common non-ferrous metals ; manufacturing of non-ferrous metals alloy; sales of non-ferrous metals alloy; manufacturing of batteries ; research and development of resource recycling technology ; promotion service of new material technology ; engineering and technology research and experimental development ; engagement in investment activities with self-owned funds.

The Company may change its business scope in accordance with the law according to the domestic and international market demands, and the Company's own development capabilities and business needs.

Chapter 3 Shares and Registered Capital

Article 12 The Company shall have ordinary shares at all times; it may have other kinds of shares according to its needs, upon approval of the company examination and approval authorities authorized by the State Council, subject to provisions of relevant laws and administrative regulations.

Article 11 of the *Prerequisite Clauses*, Article 9 of Appendix 3 to the HK Listing Rules

Article 13 Shares of the Company shall be issued in a fair and just manner. Shares of the same class shall rank pari passu with each other.

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

Article 126 of the *Company Law*, Article 9 of Appendix 3 to the HK Listing Rules

Article 14 The shares of the Company shall be in the form of stocks. All the shares issued by the Company shall have a par value denominated in Renminbi which shall be RMB1.00 per share.

Article 12 of the *Prerequisite Clauses*, Article 125 of the *Company Law*

Article 15 Subject to the approval of the securities regulatory authority under the State Council, the Company may issue shares to domestic and foreign investors.

Article 13 of the *Prerequisite Clauses*

For the purposes of the preceding paragraph, the term "foreign investors" shall mean the investors from foreign countries and from Hong Kong, Macau or Taiwan that subscribe for the shares issued by the Company, and the term "domestic investors" shall mean the investors from inside the People's Republic of China, excluding the above- mentioned regions, which subscribe for the shares issued by the Company.

Article 16 Shares issued by the Company to domestic investors to be subscribed for in Renminbi shall be referred to as domestic shares. Shares issued by the Company to foreign investors to be subscribed for in foreign currency shall be referred to as foreign shares. Foreign shares that are traded overseas shall be referred to as overseas listed foreign shares. The shares that are traded on the domestic stock exchange shall be referred to as domestic-listed domestic shares.

Article 14 of the *Prerequisite Clauses*, Article 9 of Appendix 3 to the HK Listing Rules

The term "foreign currency" as used in the preceding paragraph shall mean the legal currency of a country or region other than Renminbi that can be used to pay shares to the Company, as approved by the state foreign exchange authority.

The foreign shares issued by the Company listed in Hong Kong shall be referred to as H-shares. H-shares are the shares that are listed on the Hong Kong Stock Exchange after approval, with the nominal value denominated in Renminbi, to be subscribed for and traded in Hong Kong Dollars.

Both the shareholders of the domestic shares and foreign shares are shareholders of the ordinary shares and shall have the same rights and obligations.

After issuance of shares overseas and listing by the Company, subject to the approval of the securities regulatory authority under the State Council, the shareholders of the non-listed shares of the Company may trade its shares on the overseas stock exchange(s). Listing and trade of above shares in overseas stock exchange(s) shall comply with the regulatory procedures, provisions and requirements of overseas securities market(s). A class meeting for voting is not required under such circumstance.

Ordinary shareholders of domestic shares and foreign shares of the Company shall have the same rights in any distribution made by dividends or other forms.

Article 17 The total number of ordinary shares approved for issuance upon the establishment of the Company shall be 75,000,000 shares, all of which shall be subscribed by the promoters upon the establishment of the Company.

Article 15 of the *Prerequisite Clauses*

Article 18 Prior to the initial public offering of shares of the Company and its listing in China, the Company's share capital shall be RMB75,000,000 and the total number of shares shall be 75,000,000 shares, all of which are ordinary shares, with the shareholding structure as follows:

Article 16 of the *Prerequisite Clauses*

Article 9 of Appendix 3 to the HK Listing Rules

No.	**Promoter**	**Number of shares held** *(shares)*	**Shareholding** *(%)*
1	Li Liangbin	29,438,250	39.251
2	Wang Xiaoshen	11,891,250	15.8550
3	China-Belgium Direct Equity Investment Fund	7,500,000	10
4	Minmetals Investment Development Co., Ltd.	5,659,950	7.5466
5	Zhang Jianru	2,609,775	3.497
6	Shen Haibo	2,496,825	3.3291
7	Nanchang Venture Capital Co., Ltd	2,437,500	3.25
8	Cao Zhiang	1,626,900	2.1692

No.	Promoter	Number of shares held *(shares)*	Shareholding *(%)*
9	Luo Shunxiang	1,547,775	2.0637
10	Huang Wen	1,547,775	2.0637
11	Huang Xuewu	1,062,000	1.4160
12	Xiong Jianlang	926,400	1.2352
13	Zhang Ping	712,500	0.9500
14	Hu Naigen	643,950	0.8586
15	Ji Huizhen	600,000	0.8000
16	Lei Gang	409,725	0.5463
17	Zhou Yuqiu	385,725	0.5143
18	Deng Zhaonan	372,825	0.4971
19	Wang Dabing	300,000	0.4000
20	Shao Jin	277,800	0.3704
21	Yuan Zhongqiang	277,800	0.3704
22	Ouyang Ming	248,550	0.3314
23	Yang Manying	248,550	0.3314
24	Zhou Zhicheng	222,225	0.2963
25	Ba Yaer	222,225	0.2963
26	Xiao Yue	187,500	0.2500
27	Peng Xin	187,500	0.2500
28	Huang Liping	187,500	0.2500
29	Fu Zhong	187,500	0.2500
30	Liu Jianglai	166,650	0.2222
31	Li Liangxue	146,850	0.1958
32	Zhang Baoxiu	124,275	0.1657
33	Li Huabiao	90,375	0.1205
34	Lin Li	55,575	0.0741
Total		**75,000,000**	**100**

Subject to the approval of the examination and approval authority authorized by the State Council , the total number of ordinary shares that Company may issue shall be 1,355,928,726 shares. The shareholding structure of the Company is as follows : 1,355 ,928 ,726 ordinary shares , including 1,115 ,705 ,926 domestic listed domestic shares (A-shares), accounting for 82.28% of the total number of shares of the Company; 240,222,800 overseas listed foreign shares (H-shares), accounting for 17.72% of the total number of shares of the Company.

Article 19 The domestic-listed domestic shares issued by the Company shall be held in custody by China Securities Depository and Clearing Corporation Limited Shenzhen Branch.

Article 17 of the *Guidelines*

Article 20 Upon approval of the securities regulatory authority under the State Council for the plan for issuance of overseas-listed foreign shares and domestic-listed domestic shares, the board of directors of the Company may make arrangements for implementation of the plan for separate issuance.

Article 17 of the *Prerequisite Clauses*

The Company's plan for separate issuance of overseas-listed foreign shares and domestic-listed domestic shares pursuant to the preceding paragraph may be implemented separately within fifteen months from the date of approval by the securities regulatory authority under the State Council or within the period specified by the relevant regulations as applicable.

Article 21 Where the Company issues the overseas-listed foreign shares and domestic-listed domestic shares respectively within the total number of shares as stated in the issuance plan, each such share shall be subscribed for in full at one time respectively. Where it is impossible for each such share to be subscribed for in full at one time, the shares may be issued in several stages, subject to the approval of the securities regulatory authority under the State Council.

Article 18 of the *Prerequisite Clauses*

Article 22 The registered capital of the Company shall be RMB1,355,928,726.

Article 6 of the *Guidelines*; Article 19 of the *Prerequisite Clauses*

Article 23 For increase or reduction of the registered capital of the Company, the Company shall handle the change registration with the company registration authority.

Article 177 of the *Guidelines*

Chapter 4 Increase/Reduction and Repurchase of Shares

Article 24 In accordance with the laws, administrative regulations, departmental rules and listing rules of the place where the shares of the Company are listed, the Company may approve capital increase depending on its business and development requirements in accordance with the relevant provisions of the Articles of Association.

Article 20 of the *Prerequisite Clauses*; Article 21 of the *Guidelines*

The Company may increase its capital by the following methods:

(i) by public issuance of shares;

(ii) by non-public issuance of shares;

(iii) by allotting or distributing new shares to its existing shareholders;

(iv) by capitalizing its capital reserves; or

(v) by any other means permitted by laws, administrative regulations and approved by the securities regulatory authority under the State Council.

The Company's increase of capital by issuing new shares shall, after being approved in accordance with the provisions of the Articles of Association and the listing rules of the place where the shares of the Company are listed, be conducted in accordance with the procedures stipulated by relevant laws, administrative regulations of the State and the listing rules of the place where the shares of the Company are listed.

Article 25 The Company may reduce its registered capital in accordance with the provisions of the Articles of Association. The Company may reduce its registered capital in accordance with the Company Law and other relevant regulations and the procedures set out in the Articles of Association.

Article 22 of the *Prerequisite Clauses*

Article 26 Where the Company is to reduce its registered capital, it must prepare a balance sheet and an inventory of assets.

The Company shall notify its creditors within 10 days of adoption of the resolution to reduce its registered capital and shall make announcement of the resolution in newspapers within 30 days. Creditors shall, 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, be entitled to require the Company to pay its debts in full or to provide a corresponding guarantee for repayment.

The reduced registered capital of the Company may not be less than the statutory minimum limit.

Article 23 of the *Prerequisite Clauses*, Article 177 of the *Company Law*

Article 27 The Company may, repurchase its outstanding shares according to the legal procedures, following the adoption of a resolution in accordance with the procedures provided for herein, and submission to and approval by the relevant state authorities under the following circumstances:

(i) reducing the registered capital of the Company;

(ii) merging with another company that holds shares in the Company;

(iii) granting shares to employees of the Company as incentives;

(iv) requiring the Company to acquire the shares held by shareholders who vote against any resolution proposed at any general meeting on the merger or division of the Company; or

Article 24 of the *Prerequisite Clauses*, Article 142 of the *Company Law*

(v) other circumstances as permitted by laws, administrative regulations, the Codes on Takeovers and Mergers and Share Repurchases in Hong Kong and listing rules of the place where the shares of the Company are listed.

The Company shall not engage in the trading of its shares save for the circumstances specified above.

Article 28 The Company may, after approved by the competent authorities of the state, conduct the share repurchase in any of the following manners:

Article 25 of the *Prerequisite Clauses*

(i) make an offer of repurchase in the same proportion to all of its shareholders;

(ii) repurchase shares through public trading on a stock exchange;

(iii) repurchase through an over-the-counter agreement; or

(iv) other circumstances as permitted by the laws, administrative regulations and relevant competent authorities.

Article 29 Where the Company repurchases its shares through an over-the-counter agreement, prior approval of the shareholders' general meeting shall be obtained in accordance with the Articles of Association. Upon prior approval of the shareholders' general meeting obtained in the same manner, the Company may rescind or change contracts concluded in the manner set forth above or waive any of its rights thereunder.

Article 26 of the *Prerequisite Clauses*

The contract for share repurchase as referred to in the preceding paragraph includes (but not limited to), an agreement whereby the repurchase obligation is undertaken and repurchase right is acquired.

The Company shall not assign a contract for repurchase its shares or any of its rights thereunder.

To the extent that the Company has redeemable shares that the Company has the right to repurchase, if they are not repurchased via market or the way of bidding, the price of these shares shall not exceed the highest price limit; if they are repurchased via the way of bidding, the proposal for bidding must be sent to all shareholders on equal conditions.

Section 8(1) and (2) of Appendix 3 to the HK Listing Rules

Article 30 Any repurchase by the Company of its shares for the reasons as set out in Item (i) through (iii) of Article 27 hereof shall be subject to adoption of a resolution by the shareholders' general meeting. For any shares repurchased by the Company pursuant to Article 27 hereof, the shares repurchased under item (i) shall be cancelled within ten (10) days from the date of repurchase; the shares, falling under the circumstances as set out in Item (ii) and (iv), shall be transferred or cancelled within six months.

Article 27 of the *Prerequisite Clauses*, Article 142 of the *Company Law*

Any share repurchase by the Company pursuant to Item (iii) of Article 27 hereof shall not exceed 5% of the total number of shares issued by the Company; payment by the Company for repurchase shall be made out of the after-tax profit of the Company; and the shares repurchased shall be transferred to the employees within one year.

After the Company repurchases its shares according to the laws, if cancellation is required in accordance with the law, it shall cancel or transfer such part of the shares within the term specified by the laws and administrative regulations, and in the case of cancellation, apply to the original company registration authority for registration of alteration of the registered capital.

The amount of the Company's registered capital shall be reduced by the aggregate par value of those cancelled shares.

Article 31 Unless the Company goes into liquidation, it must comply with the following provisions in respect of repurchase of its outstanding shares:

Article 28 of the *Prerequisite Clauses*

(i) where the Company repurchases its shares at par value, the amount thereof shall be deducted from the carrying amount of the distributable profits of the Company or from the proceeds of a new issue of shares made to repurchase old shares;

(ii) where the Company repurchases its shares at a price higher than their par value, the amount corresponding to the par value shall be deducted from the carrying amount of distributable profits of the Company or from the proceeds of a new issue of shares made to repurchase old shares. The portion in excess of the par value shall be handled as follows:

1. where the shares repurchased are issued at their par value, the amount shall be deducted from the carrying amount of the distributable profits of the Company;

2. where the shares repurchased are issued at a price higher than their par value, the amount shall be deducted from the carrying amount of the distributable profits of the Company or from the proceeds of a new issue of shares made to repurchase old shares, provided that the amount deducted from the proceeds of the new issue of shares shall not exceed the aggregate of premiums obtained at the time of issuance of the shares repurchased nor the amount in the Company's premium account (or capital reserve account) (including the premiums from the new issue of shares) at the time of such repurchase;

(iii) payment by the Company for the purposes set forth below shall be made out of the Company's distributable profits:

1. acquisition of rights to repurchase its shares;

2. variation of any contract for repurchase of its shares;

3. release of any of its obligations under any repurchase contract.

(iv) after the Company's registered capital has been reduced by the total par value of the cancelled shares in accordance with the relevant regulations, the amount deducted from the distributable profits for payment of the par value portion of the shares repurchased shall be recorded in the Company's share premium account (or capital reserve account).

The laws, regulations, rules, regulatory documents and the relevant requirements of the securities regulatory authorities of the place where the Company's securities are listed concerning the financial treatment in connection with the share repurchase described above shall apply if it is otherwise provided for therein.

Chapter 5 Transfer of Shares

Article 32 Unless otherwise provided by laws, administrative regulations and listing rules of the place where the shares of the Company are issued, the Company's fully paid-up shares are not subject to any restrictions on the transfer rights and are freely transferable without any liens. Any transfer of overseas-listed foreign shares listed in Hong Kong must be registered with the Hong Kong local stock registration authority authorized by the Company.

Article 21 of the *Prerequisite Clauses*

Section 1(1) and (2) of Appendix 3 to the HK Listing Rules

Article 33 The Company shall not accept any shares of the Company as the subject of pledge.

Article 142 of the *Company Law*

Article 34 Shares of the Company held by the promoters shall not be transferred within one year from the date of the establishment of the Company. The shares issued before the initial public offering of A-shares of the Company shall not be transferred within 1 year from the date when the A-shares of the Company are listed and traded on the stock exchange(s).

Article 141 of the *Company Law*

The directors, supervisors and senior management officers of the Company shall report to the Company their shares held by them in the Company and any changes therein and shall not transfer more than 25% per year of the total number of shares of the Company held by them during their tenure. The shares of the Company held by them shall not be transferred within one year from the date when the shares of the Company are 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 after the termination of their service.

Article 35 Any gains from sale of the held shares in the Company by any directors, supervisors, senior management officers or shareholders holding 5% or more of the domestic shares of the Company within six months after purchase thereof, or any gains from purchase within six months after sale thereof, shall be owned by the Company, and will be recovered by the board of directors of the Company. However, if a securities company holds 5% or more shares by taking up the remaining shares not subscribed pursuant to an underwriting arrangement, sale of such shares will not be subject to the six months limitation.

Article 47 of the Securities Law

Article 29 of the *Guidelines*

Where the board of directors of the Company fails to observe the preceding paragraph, the shareholders shall be entitled to require the board of directors to do so within thirty days. If the board of directors of the Company fails to do so within the aforesaid time limit, the shareholders shall be entitled to for the benefit of the Company directly lodge a lawsuit before the People's Court in their own name.

Where the board of directors of the Company fails to comply with the requirements set out in the first paragraph of this Article, the responsible directors shall assume joint and several liabilities in accordance with the law.

Chapter 6 Financial Assistance for Acquisition of the Company's Shares

Article 36 The Company or its subsidiaries shall not at any time provide any financial assistance in any form to purchasers or prospective purchasers of the Company's shares. Purchasers of the Company's shares as referred to above include the persons that directly or indirectly assume any obligations for the purpose of purchasing the Company's shares.

Article 29 of the *Prerequisite Clauses*

The Company or its subsidiaries shall not, by any means at any time, provide financial assistance to the above obligors in order to reduce or discharge their obligations.

The provisions in this Article shall not apply to the circumstances described in Article 38 of this Chapter.

Article 37 The term "financial assistance" referred to in this Chapter shall include (but not limited to) the financial assistance in the forms set out below:

Article 30 of the *Prerequisite Clauses*

(i) gift;

(ii) guarantee (including the undertaking of liability or provision of property by the guarantor in order to secure the performance of obligations by the obligor), or indemnity (not including, however, indemnity arising from the Company's own fault) or release or waiver of any rights;

(iii) provision of a loan or conclusion of a contract under which the obligations of the company are to be fulfilled prior to the obligations of the other party to the contract, or a change in the party to such loan or contract, or the assignment of rights arising under such loan or contract; and

(iv) financial assistance in any other form when the Company is insolvent or has no net assets or when such assistance would lead to a major reduction in the net assets of the Company.

The term "undertake obligations" referred to in this Chapter shall include the undertaking of obligations by the obligor by concluding a contract or making an arrangement (whether or not such contract or arrangement is enforceable and whether or not such obligation is undertaken by the obligor individually or in the aggregate with any other person) or by changing its financial position in any other way.

Article 38 The acts listed below shall not be deemed to be acts prohibited under Article 36:

Article 31 of the *Prerequisite Clauses*

(i) the Company provides the relevant financial assistance truthfully for the benefit of the Company, and the principal purpose of the financial assistance is not to purchase shares of the Company, or the financial assistance is an incidental part of an overall plan of the Company;

(ii) lawful distribution of the Company's property in the form of dividends;

(iii) distribution of dividends in the form of shares;

(iv) reduction of registered capital, repurchase of shares or shareholding structuring, etc. in accordance with the Articles of Association;

(v) provision of a loan by the Company within its scope of business and in the ordinary course of its business (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are reduced, the financial assistance is provided out of the distributable profits of the Company); and

(vi) provision of money by the Company for an employee shareholding scheme (provided that the net assets of the Company are not thereby reduced or that, to the extent that the assets are reduced, the financial assistance is provided out of the distributable profits of the Company).

Chapter 7 Share Certificates and Register of Shareholders

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

Article 32 of the *Prerequisite Clauses*, Article 129 of the *Company Law*, Article 3 of the Special Regulations

The share certificates of the Company shall contain:

(i) name of the Company;

(ii) date of incorporation of the Company;

(iii) class of shares, par value thereof and the number of shares represented;

(iv) serial number of the share certificate;

(v) other matters as required to be specified by the Company Law, Special Regulations and the stock exchange of the place where the shares of the Company are listed.

The overseas-listed foreign shares issued by the Company may be in the form of overseas depository receipts or other derivative forms of shares in accordance with the laws and practices for securities registration and depository of the place where the shares of the Company are listed.

During the listing of the H-shares on the Hong Kong Stock Exchange, the Company must ensure that all listing documents and ownership documents (including H-shares) in relation to all its securities listed on the Hong Kong Stock Exchange include the following statement, and instruct and cause its share transfer registry to refuse to register the subscription, purchase or transfer of its shares under the name of any individual holder unless and until such individual holder submits the signing form for such shares to the share transfer registry, and the form must include the following statement:

(i) The share purchaser and the Company and each of its shareholders, and the company and each shareholders all agree to comply with the Company Law, the Special Regulations and other relevant laws, administrative regulations and the Articles of Association.

(ii) The share purchaser and the Company and each of its shareholders, directors, supervisors, president and senior management officers agree, and the company acting on behalf of the Company itself and each of directors, supervisors, president and senior management officers also agree with each shareholder, to refer to the arbitration organization for arbitration in accordance with the Articles of Association in respect of any disputes or claims arising from the rights or obligations provided for by the Articles of Association or the Company Law or other relevant laws or administrative regulations and in connection with the affairs of the Company, and any arbitration shall be deemed to authorize the arbitral tribunal to conduct a public hearing and publish its award. The arbitral award shall be final.

Article 52 of Chapter 19A of the HK Listing Rules

(iii) The share purchaser and the Company and each of its shareholders agree that the shares of the Company may be freely transferred by its holders.

(iv) The share purchaser authorizes the Company to on its behalf enter into any contracts with each director and senior management officer, whereby the director and senior management officer shall undertake to comply with and perform the responsibilities to the shareholders as specified in the Articles of Association.

Article 40 The share certificates shall be signed by the chairman of the board of directors. Where the signatures of other senior management officers of the Company are required by the stock exchange on which the shares of the Company are listed, the share certificates shall also be signed by such other senior management officers. The share certificates shall take effect after the Company seal is affixed thereto or printed thereon. The share certificates shall only be affixed with the Company's seal under the authorization of the board of directors. The signatures of the chairman of the board of directors of the Company or other relevant senior management officers on the share certificates may also be in printed form. Under the condition that the Shares of the Company are issued and traded without paper, the applicable provisions of the securities regulatory authority and stock exchanges where the Company's stocks are listed shall apply separately.

Article 33 of the *Prerequisite Clauses*, Letter of Opinion on Amendment I, Section 2(1) of Appendix 3 to the HK Listing Rules

Article 41 The Company shall keep a register of shareholders, in which the following particulars shall be recorded:

Article 34 of the *Prerequisite Clauses*

(i) the name, address (domicile), occupation or nature of each shareholder;

(ii) the class and number of the shares held by each shareholder;

(iii) the amount paid or payable in respect of the shares held by each shareholder;

(iv) the serial numbers of the shares held by each shareholder;

(v) the date on which a person registers as a shareholder; and

(vi) the date on which a person ceases to be a shareholder.

The register of shareholders shall be sufficient evidence to prove the holding of the Shares of the Company by a shareholder, unless there is evidence to the contrary.

Subject to compliance with the Articles of Association and other applicable regulations, once the shares of the Company are transferred, the names of the share transferees will be included as holders of these shares in the register of shareholders.

Any assignment and transfer of stocks must be registered in the register of shareholders.

If two or more persons are registered as the joint holders of any shares, they shall be deemed to be the joint holders of relevant shares, subject to the following provisions:

Section 1(1) of Appendix 3 to the HK Listing Rules

(i) the Company shall register no more than four persons as the joint holders of any shares;

Section 1(3) of Appendix 3 to the HK Listing Rules

(ii) all joint holders of any shares shall jointly and severally assume the liability to pay for all amounts payable for the relevant shares;

(iii) if one of the joint holders is deceased or cancelled, only the other surviving joint holders shall be deemed as the persons who have the ownership of the relevant shares. But the board of directors has the power to require for provision of such supporting documents as it considers appropriate which can prove death or cancellation of the relevant shareholder for the purpose of modifying the relevant register of shareholders;

(iv) in respect of any of the joint holders of any shares, only the joint shareholder ranking first in the register of shareholders have the right to accept share certificates of the relevant shares from the Company, receive notices or other documents of the Company. Any notices delivered to the aforesaid persons shall be deemed to have been delivered to all the joint holders of the relevant shares. Any joint holder may sign a form of proxy. If more than one joint holder is present in person or by proxy, the vote made by the preferred joint holder, whether in person or by proxy, shall be accepted as the sole vote for the remaining joint holders. In this regard, the priority of shareholders must be determined by the ranking of joint holders in the Company's register of shareholders in relation to the relevant shares; and

(v) any receipts issued by any joint holders in respect of any dividends, bonuses or capital returns payable to such joint holders shall be deemed to be the effective receipts issued by such joint holders to the Company.

Article 42 The Company may, in accordance with an understanding and agreement between the securities regulatory authority under the State Council and overseas securities regulatory authority, keep outside the People's Republic of China the original register of shareholders of overseas-listed foreign shares and appoint overseas agent(s) for management.

Article 35 of the *Prerequisite Clauses*, Letter of Opinion on Amendment II, Section 1(b) of Appendix 13D to the HK Listing Rules

The Company shall keep in Hong Kong the original register of shareholders of the holders of the shares listed and traded on Hong Kong Stock Exchange in register of shareholders of overseas-listed foreign shares, and maintain the duplicate thereof at the Company's domicile; the appointed overseas agent(s) shall ensure at all times the consistency between the original and the duplicate of the register of shareholders of overseas-listed foreign shares.

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

Article 43 The Company shall keep a complete register of shareholders.

Article 36 of the *Prerequisite Clauses*

The register of shareholders shall include the following:

(i) the register of shareholders maintained at the Company's domicile other than those as described in Items (ii) and (iii) of this Article;

(ii) the register of shareholders of overseas-listed foreign shares maintained at the place where the overseas stock exchange is domiciled; and

(iii) the register of shareholders maintained at such other place as the board of directors may consider necessary for the purpose of listing of the Shares of the Company.

Article 44 Different parts of the register of shareholders shall not overlap one another. No transfer of the shares registered in any other part of the register shall, during the existence of registration of such shares, be registered in any other part of the register. Changes or corrections to each part of the register of shareholders shall be made in accordance with the laws of the places where each part of the register of shareholders is maintained.

Article 37 of the *Prerequisite Clauses*; Letter of Opinion on Amendment XII; Section 1(1) 1(2) and 1(3) of Appendix 3 to the HK Listing Rules

All H-shares that are fully paid up shall be freely transferable under these Articles of Association; however, unless the following conditions are satisfied, the board of directors may refuse to recognize any transfer documents and shall not be required to state any reasons:

(i) any transfer documents and other documents relating to the ownership of any shares or which may affect the ownership of the shares must be registered and must be paid to the Company in accordance with the fee standards prescribed by the HK Listing Rules, but such fees shall not exceed the maximum amount stipulated by Hong Kong Stock Exchange in the HK Listing Rules from time to time;

Article 46 of Chapter 19A of the HK Listing Rules

(ii) the transfer documents only relate to H-shares that are listed in Hong Kong;

(iii) the stamp duty payable in respect of the transfer documents have been paid;

(iv) the relevant share certificates and such other evidences as are reasonably requested by the board of directors to prove the right of the transferor to transfer the shares have been submitted;

Article 1(3) of Appendix 3 to the HK Listing Rules

(v) if the shares are intended to be transferred to joint holders, the number of shareholders registered jointly may not exceed four;

(vi) there are no Company liens on the relevant shares.

Article 45 The general or common form or any other form of written transfer document accepted by the board of directors (including the standard transfer format or transfer form required by the Hong Kong Stock Exchange from time to time) shall be used for any transfer of the overseas-listed foreign shares that are listed in Hong Kong; the transfer document may be manually signed only, or affixed with the Company seal (in the event that the transferor or transferee is a company). If the transferor or the transferee is an accredited clearing house ("accredited clearing house") or its agent as defined by relevant regulations of Hong Kong law in force from time to time, the transfer form may be signed in machine format.

All transfer documents shall be kept at the legal address of the Company, the address of the share transfer office, or such address as is designated by the board of directors from time to time.

Article 46 Where laws, administrative regulations, rules, normative documents and relevant requirements of relevant stock exchange or regulatory authorities at the place where the shares of the Company are listed contain provisions which stipulate on the period of closure of the register of shareholders prior to a shareholders' general meeting or prior to the reference date set by the Company for the purpose of distribution of dividends, such provisions shall prevail.

Article 38 of the *Prerequisite Clauses*

Article 47 When the Company is to convene a general meeting, distribute dividends, be liquidated and to carry out other activities requiring confirmation of equity interests, the board of directors or the convener of the general meeting shall decide a date for the determination of equity interests. Shareholders whose names appear in the register of shareholders at the end of the record date shall be the shareholders of the Company who are entitled to relevant rights.

Article 39 of the *Prerequisite Clauses*, Article 31 of the *Guidelines*

Article 48 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 competent court for corrections of the register.

Article 40 of the *Prerequisite Clauses*

Article 49 Any shareholder who is registered in, or any person who requests to have his name entered in, the register of shareholders may (if his share certificate (the "original share certificate") is lost) apply to the Company for replacement of the share certificate in respect of such shares (the "relevant shares").

Article 41 of the *Prerequisite Clauses*

If a holder of the domestic shares loses his share certificate and applies for replacement, it shall be dealt with in accordance with relevant provisions of the Company Law.

If a holder of overseas-listed foreign shares loses his share certificate and applies for replacement, it may be dealt with in accordance with the relevant laws, the rules of the stock exchange or other relevant regulations of the place where the original register of shareholders of overseas-listed foreign shares is maintained.

Any replacement of share certificates to any shareholders of overseas-listed foreign shares to be listed in Hong Kong who have lost their share certificates and applied for replacement shall comply with the following requirements:

(i) The applicant shall submit an application to the Company in prescribed form accompanied by a notarial certificate or statutory declaration, containing the grounds upon which the application is made and the circumstances and evidence of the loss of the share certificates as well as statement that no other person shall be entitled to request to be registered as the shareholder in respect of the relevant shares.

(ii) No statement has been received by the Company from a person other than the applicant for having his name registered as a holder of the relevant shares before the Company decides to reissue a new share certificate.

(iii) The Company shall, if it decides to issue a replacement share certificate to the applicant, make an announcement of its intention to issue the replacement share certificate in such newspapers designated by the board of directors. The announcement shall be made at least once every thirty days in a period of ninety days.

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

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

(v) If, upon expiration of the 90-day period referred to in Items (iii) and (iv) of this Article, the Company has not received from any person any objection to such application, the Company may issue a replacement share certificate to the applicant according to his application.

(vi) Where the Company issues a replacement certificate under this Article, it shall forthwith cancel the original share certificate and enter the cancellation and replacement in the register of shareholders accordingly.

(vii) All expenses relating to the cancellation of an original share certificate and the issuance of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

Article 50 Where the Company issues a replacement certificate pursuant to the Articles of Association, the name of a bona fide purchaser who obtains the aforementioned new share certificate or a shareholder who thereafter registers as the owner of such shares (in the case that he is a bona fide purchaser) shall not be removed from the register of shareholders.

Article 42 of the *Prerequisite Clauses*

Article 51 The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the original share certificate or the issuance of the replacement share certificate, unless the said person proves that the Company had acted fraudulently.

Article 43 of the *Prerequisite Clauses*

Chapter 8 Rights and Obligations of Shareholders

Article 52 A shareholder of the Company is a person who lawfully holds shares of the Company and whose name is entered in the register of shareholders.

Article 44 of the *Prerequisite Clauses*

A shareholder shall enjoy the relevant rights and assume the relevant obligations in accordance with the class and number of shares held. Shareholders holding the same class of shares shall be entitled to the same rights and assume the same obligations. Shareholders of each class of shares of the Company shall have the same rights in any distributions made in dividends or other forms.

Section 9 of Appendix 3 to the HK Listing Rules

Section 12 of Appendix 3 to the HK Listing Rules

Where a legal person is a Company's shareholder, the legal representative or the agent of the legal representative shall exercise the right on his behalf.

The Company shall not, merely as a result of failure by any direct or indirect interested persons to disclose to the Company of its interests, exercise any power to freeze or otherwise damage any of their rights attached to the shares held by them.

Article 53 The ordinary shareholders of the Company shall have the following rights:

Article 45 of the *Prerequisite Clauses*, Article 97 of the *Company Law*, Article 32 of the *Guidelines*

(i) to be entitled to dividends and other forms of distribution in proportion to the number of shares held;

(ii) to propose, convene and preside over, to attend or appoint a proxy to attend general meetings and to exercise the corresponding voting rights in accordance with laws;

(iii) to supervise and manage the business activities of the Company and to put forward proposals or raise inquiries;

(iv) to transfer, donate, or pledge shares held by them in accordance with the laws, administrative regulations and provisions of the Articles of Association;

(v) to obtain relevant information in accordance with the provisions of the Articles of Association, including:

Section 50 of Chapter 19A of the HK Listing Rules

1. to obtain a copy of these Articles of Association after payment of cost thereof;

2. to inspect and copy after payment of a reasonable cost:

(1) copies of the register of all shareholders;

(2) personal particulars of each of the Company's directors, supervisors, president and other senior management officers including:

(a) present and former name and alias;

(b) principal address (domicile);

(c) nationality;

(d) full-time and all other part-time occupations and positions;

(e) identification certificate document and its number.

(3) report on the state of the issued share capital of the Company;

(4) reports showing the aggregate par value, quantity, maximum and minimum price paid in respect of each class of shares repurchased by the Company since the last accounting year and the aggregate costs paid by the Company for this purpose (breakdown by domestic share and foreign share (and H-shares, if applicable));

(5) meeting minutes of the shareholders' general meeting (for inspection by shareholders only) and copies of special resolutions of the Company and resolutions at meetings of the board of directors and board of supervisors;

(6) the latest audited financial statements, reports of the board of directors, certified public accounting firms and board of supervisors of the Company;

(7) duplicate of the latest annual inspection report that has been filed with the administration for industry and commerce of China or any other competent authorities;

The Company shall maintain the documents set out in Items (1) through (7) other than Item (2) described above and any other applicable documents at the address of the Company in Hong Kong in accordance with the requirements of the HK Listing Rules, for free inspection by the public and shareholders (except for the meeting minutes of the shareholders' general meeting for inspection by shareholders only). The shareholders of the Company may also inspect the resolutions of meetings of the board of directors and board of supervisors of the Company. Shareholders demanding inspection of the relevant information or requesting materials mentioned in the preceding provision shall provide to the Company written documents evidencing the class and number of shares of the Company held by them. The Company shall, upon verification of the shareholder's identity, provide such information at the shareholder's request.

(vi) upon termination or liquidation of the Company, to participate in the distribution of remaining assets of the Company in accordance with the number of shares held;

(vii) with respect to shareholders who vote against any resolution adopted at the general meeting on the merger or division of the Company, to require the Company to acquire the shares held by them;

(viii) other rights conferred by laws, administrative regulations, departmental rules, the listing rules of the place where the shares of the Company are listed and the Articles of Association.

Article 54 If a resolution passed at the Company's general meeting or board meeting violates the laws or administrative regulations, shareholders shall have the right to initiate proceeding to the People's Court to render the same invalid.

Article 34 of the *Guidelines*

If the procedures for convening, or the method 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 initiate proceeding to the People's Court to rescind such resolutions within 60 days from the date on which such resolution is adopted.

Article 55 Where the Company incurs losses as a result of violation by directors and senior management officers of the laws, administrative regulations or the Articles of Association in the course of performing their duties with the Company, the shareholders individually or in the aggregate holding 1% or more of the shares of the Company for more than 180 consecutive days shall be entitled to request in writing the board of supervisors to initiate proceedings to the People's Court; where the Company incurs losses as a result of violation by the board of supervisors of any provisions of laws, administrative regulations or the Articles of Association in the course of performing its duties with the Company, the shareholders may make a request in writing to the board of directors to initiate proceedings to the People's Court.

Article 35 of the *Guidelines*

In the event that the board of supervisors or the board of directors refuses to initiate proceedings after receiving the written request of shareholders stated in the foregoing paragraph, or fails to initiate such proceedings within 30 days from the date of receiving such request, or in case of emergency where failure to initiate such proceedings immediately will result in irreparable damage to the Company's interests, the shareholders described in the preceding paragraph shall have the right to for the benefit of the Company initiate proceedings to the People's Court directly in their own names.

Where the Company incurs losses as a result of infringement upon the legitimate rights and interests of the Company by any other persons, the shareholders stated in Paragraph 1 of this Article may initiate proceedings to the People's Court pursuant to the provisions of the first two paragraphs.

Article 56 Shareholders may initiate proceedings to the People's Court in the event that a director or a senior management officer has violated the laws, administrative regulations or the Articles of Association, damaging the interests of shareholders.

Article 36 of the *Guidelines*

Article 57 The ordinary shareholders of the Company shall assume the following obligations:

(i) to abide by the Articles of Association;

(ii) to pay subscription monies according to the number of shares subscribed and the method of subscription;

(iii) not to surrender the shares unless required by the laws and regulations;

Article 46 of the *Prerequisite Clauses*, Article 37 and 38 of the *Guidelines*

(iv) not to abuse their shareholders' rights to harm the interests of the Company or other shareholders; and not to abuse the independent legal person status of the Company and the limited liability of shareholders to harm the interests of any creditor of the Company. Shareholders of the Company who abuse their shareholders' rights and thereby causing damage to the Company or other shareholders shall be liable for indemnity according to the law. Where shareholders of the Company abuse the independent legal person status of the Company and the limited liability of shareholders for the purpose of evading repayment of debts, thereby materially impairing the interests of the creditors of the Company, such shareholders shall be jointly and severally liable for the debts owed by the Company;

(v) other obligations imposed by laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Articles of Association.

Shareholders will not, with the exception of the conditions agreed by the subscribers of shares at the time of subscription, be responsible for addition to any share capital thereafter.

Where a shareholder holding 5% or more voting shares of the Company pledges any shares held by him, he shall report the same to the Company in writing on the day on which he pledges his shares.

Article 58 In addition to obligations imposed by laws, administrative regulations or required by the listing rules of the stock exchange on which shares of the Company are listed, a controlling shareholder when exercising his authorities as a shareholder shall not exercise his voting rights in respect of the following matters in a manner prejudicial to the interests of all or some of the shareholders of the Company:

Article 47 of the *Prerequisite Clauses*

(i) to relieve a director or supervisor of his duty to act honestly in the best interests of the Company;

(ii) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of other person(s)), in any manner, of the Company's assets, including (without limitation) any opportunities beneficial to the Company;

(iii) to approve the expropriation by a director or supervisor (for his own benefit or for the benefit of other person(s)) of the individual rights of other shareholders, including (without limitation) rights to distributions and voting rights save for a restructuring of the Company submitted to the shareholders' general meeting for approval in accordance with the Articles of Association.

The controlling shareholder and the de facto controller of the Company shall not make use of the related party relationship against the interests of the Company. Whoever violate this provision causing damage to the Company shall be liable for compensation.

Article 39 of the *Guidelines*

The controlling shareholder and the de facto controller of the Company shall have fiduciary duties towards the Company and public shareholders. The controlling shareholder shall exercise its rights as a contributor in strict compliance with the law. The controlling shareholder shall not do harm to the lawful interests of the Company and public shareholders through profit distribution, asset restructuring, foreign investment, appropriation of capital, offering loan guarantees and shall not make use of its controlling status against the interests of the Company and public shareholders.

Article 59 The term "controlling shareholder" referred to in the preceding provision means a person who satisfies any one of the following conditions:

Article 48 of the *Prerequisite Clauses*

(i) a person who, acting alone or in concert with others, has the power to elect a majority of the directors;

(ii) a person who, acting alone or in concert with others, has the power to exercise or to control the exercise of 30% (inclusive) or more of the voting rights in the Company;

(iii) a person who, acting alone or in concert with others, holds 30% (inclusive) or more of the issued and outstanding shares of the Company;

(iv) a person who, acting alone or in concert with others, has de facto control over the Company in any other way.

Chapter 9 Shareholders' General meeting

Article 60 The shareholders' general meeting is the organ of authority of the Company and shall exercise the powers in accordance with the law.

Article 49 of the *Prerequisite Clauses*

Article 61 The shareholders' general meeting shall exercise the following powers:

Article 50 of the *Prerequisite Clauses*, Article 99 and 121 of the *Company Law*, Article 40 of the *Guidelines*

(i) to decide on the operating guidelines and investment plans of the Company;

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

(iii) to consider and approve reports of the board of directors;

(iv) to consider and approve reports of the board of supervisors;

(v) to consider and approve the Company's annual financial budgets and final accounts;

(vi) to consider and approve the Company's profit distribution plans and plans for making up losses;

(vii) to decide on increases or reductions in the Company's registered capital;

(viii) to decide on merger, division, dissolution, liquidation or change of corporate form, etc.;

(ix) to decide on the issuance of bonds, other securities by the Company and on the listing;

(x) to decide on the Company's appointment, removal or non-reappointment of accounting firms;

(xi) to amend the Articles of Association;

(xii) to examine the proposals of the shareholders, individually or in the aggregate, holding 3% or more of the voting shares of the Company;

(xiii) to consider and approve the provision of guarantees under Article 64;

(xiv) to examine matters relating to the purchases, disposals of the Company's material assets, or amount of guarantee within one year, which exceed 30% of the Company's total assets;

(xv) to consider and approve matters relating to changes in the use of funds raised;

(xvi) to examine the Company's share incentive schemes;

(xvii) to examine other matters required by laws, administrative regulations, the listing rules of the stock exchange at the place where the shares of the Company are listed and the Articles of Association, to be resolved by the shareholders' general meeting.

Article 62 If any transaction of the Company (except for the cash assets gifted to the Company) satisfies any of the following standards, the Company shall, in addition to timely disclosure in accordance with relevant laws and regulations and the Trading Rules of Shenzhen Stock Exchange, also submit to the shareholders' general meeting for examination:

Article 9.3 of the *Trading Rules of Shenzhen Stock Exchange*

(i) the total assets in connection with the transaction account for 50% or more of the latest audited total assets of the Company, to be calculated at the book value and the estimated value thereof, whichever is higher;

(ii) the relevant operating income of the subject matter of transaction (such as equities) for the latest accounting year accounts for 50% or more of the audited operating income for the latest accounting year, with the absolute amount in excess of RMB50 million;

(iii) the net profit of the subject matter of transaction (such as equities) for the latest accounting year accounts for 50% or more of the audited net profit of the Company for the latest accounting year, with the absolute amount in excess of RMB5 million;

(iv) the transaction amount (including the assumed debt and cost) accounts for 50% or more of the audited net assets of the Company for the latest period, with the absolute amount in excess of RMB50 million;

(v) the profit arising from the transaction accounts for 50% or more of the audited net profit of the Company for the latest accounting year, with the absolute amount in excess of RMB5 million.

The preceding provisions shall apply to the like transactions of the Company in connection with the subject matter of transaction for the twelve months in the principle of the accumulative calculation. Any performance of the relevant obligations pursuant to the preceding paragraph will no longer be included in the relevant accumulative calculation scope.

If the data involved in the above indicator calculation is negative, calculation shall be made by the absolute value.

In the event that the subject matter of transaction is "purchase or sale of assets", the calculation shall be made based on the total assets and the transaction amount, whichever is higher, and accumulative calculation shall be made within twelve consecutive months by type of the transaction matters, and any matters which, after accumulative calculation, reach 30% of the latest audited total assets of the Company, shall be, in addition to disclosure, auditing or evaluation, and also submitted to the shareholders' general meeting for examination, and adopted by votes representing more than two thirds of the voting rights of the present shareholders.

Article 63 If any related transaction between the Company and the related person (except for the cash assets gifted to the Company and provision of guarantees) amounts to more than RMB30 million, accounting for more than 5% of the absolute value of the latest audited net assets of the Company, the Company shall, in addition to timely disclosure, also invite the intermediary which qualify to engage in securities and futures related business, to evaluate or audit the subject matter of transaction, and submit the transaction to the shareholders' general meeting for examination.

Article 10.2.5 and 10.2.11 of the *Trading Rules of Shenzhen Stock Exchange*

In accordance with Article 10.2.11 of the Trading Rules of Shenzhen Stock Exchange, the subject matter of transaction in connection with the related party transaction associated with the ordinary operation, may not be audited or evaluated.

Any of the following related party transactions occurring during the twelve consecutive months shall be governed by the preceding provision according to the accumulative calculation principle:

(i) any transaction with the same related person;

(ii) any transaction with the different related persons associated with the same subject matter of transaction.

The above same related person includes any other related persons under common control or that has mutual share control relationship with such related person.

Any performance of the relevant obligations pursuant to Paragraph 1 of this Article will no longer be included in the relevant accumulative calculation scope.

Article 64 The following external guarantees of the Company shall be subject to consideration and approval by the shareholders' general meeting:

Article 41 of the *Guidelines*

(i) any guarantee provided after the total amount of external guarantee provided to third parties by the Company and its controlled subsidiaries has reached or exceeded 50% of the latest audited net assets;

(ii) any guarantee provided after the total amount of external guarantee provided to third parties by the Company has reached or exceeded 30% of latest audited total assets;

(iii) any guarantee to be provided to a party which has an asset-liability ratio in excess of 70%;

(iv) a single guarantee for amount in excess of 10% of the latest audited net assets;

(v) any guarantee exceeding 30% of the Company's latest audited total assets for twelve consecutive months;

(vi) any guarantee exceeding 50% of the Company's latest audited net assets for twelve consecutive months, with the absolute amount exceeding RMB50 million;

(vii) any guarantee to be provided to shareholders, de facto controllers and their related parties;

(viii) other guarantees which shall be considered and passed at the shareholders' general meeting as prescribed by laws, administrative regulations, departmental rules, the stock exchange at the place where the shares of the Company are listed and the Articles of Association.

Any examination at the general meeting about the guarantees as set out in Item (v) above shall require affirmative votes representing more than two thirds of the voting rights of the present shareholders.

Any guarantee to be provided by the Company to its shareholders or de facto controllers shall require adoption of resolutions at the general meeting.

When the proposal on guarantee to shareholders, de facto controllers and its affiliates is examined at the general meeting, such shareholders or the shareholders controlled by such de facto controllers shall not participate in the voting, which shall require affirmative votes of a majority of the voting rights of other shareholders who attend the general meeting.

The Company shall not provide any guarantees to third parties without the approval of the board of directors or the shareholders' general meeting.

Article 65 The Company shall not, without the approval of the shareholders' general meeting, enter into any contract with any persons other than directors, supervisors, president and other senior management officers for authorization of management of all or significant part of business of the Company to such persons.

Article 51 of the *Prerequisite Clauses*

Article 66 Shareholders' General meetings include annual general meetings and extraordinary general meetings. The shareholders' general meeting shall be convened by the board of directors. The annual general meeting shall be held once every year within six months after the end of the previous accounting year.

Article 52 of the *Prerequisite Clauses*, Article 100 of the *Company Law*

The Company shall hold an extraordinary general meeting within two months under any of the following circumstances:

(i) the number of directors is less than that prescribed by the Company Law or less than the two thirds of the amount required by the Articles of Association;

(ii) the uncovered losses are in excess of one-third of the Company's total paid-in share capital;

(iii) shareholders individually or in the aggregate holding 10% or more of the Company's issued voting shares request in writing to hold an extraordinary general meeting;

(iv) the board of directors considers it necessary or the board of supervisors proposes to hold such a meeting;

(v) such other circumstances as provided for by laws, regulation, the listing rules of place where the shares of the Company are listed and the Articles of Association.

Article 67 The Company shall hold the shareholders' general meeting at the domicile of the Company or such other place as is specified in the notice from the shareholders' general meeting.

Article 44 and 80 of the *Guidelines*, Article 21 of the Rules for Shareholders' general meeting of Listed Companies

The shareholders' general meeting shall have a venue and be held on-site. The Company may, to the extent that the shareholders' general meeting is ensured to be legal and valid, in accordance with the laws, administrative regulations and the securities regulatory rules of place where the shares of the Company are listed, to the extent applicable, provide convenience for participation in the shareholders' general meeting by shareholders, through various means and channels, including through the voting platform via video, telephone or internet and other methods of modern information technology. A shareholder who participates in a general meeting in the aforesaid manner shall be deemed to have been present at the meeting.

The time and procedures of internet voting or otherwise, if adopted, shall be contained in the notice of shareholders' general meeting.

Article 68 The Company shall, in connection with the convening of a shareholders' general meeting, engage lawyers to witness the shareholders' general meeting, issue legal opinions in respect of the following matters and make relevant announcements accordingly in accordance with the rules of place where the shares of the Company are listed:

Article 45 of the *Guidelines*

(i) whether the procedures relating to the convening and the holding of such meeting comply with the laws, administrative regulations and the Articles of Association;

(ii) the legality and validity of the qualifications of the attendees and the convener of the meeting;

(iii) the legality and validity of the voting procedures and voting results;

(iv) legal opinions issued on other related matters as requested by the Company.

Article 69 When the Company convenes an annual general meeting, a notice to notify shareholders shall be given no later than twenty business days prior to the date of the meeting; when the Company convenes an extraordinary general meeting, a notice to notify shareholders shall be given no later than ten business days or fifteen days, whichever is longer, prior to the date of the meeting. Shareholders who intend to attend the meeting shall serve on the Company written replies of their intention to attend within the time specified in the notice of the meeting.

Article 53 of the *Prerequisite Clauses*

The date of such notice and the date of the meeting shall be excluded in the calculation of the aforesaid notice period. A "business day" in the Articles of Association shall mean a day on which the Hong Kong Stock Exchange is open for business for dealing in securities.

Article 70 The contents of the proposal shall fall within the terms of reference of the shareholders' general meeting and have specified subjects and specific resolutions, in further compliance with the laws, administrative regulations, rules, normative documents, the listing rules of place where the shares of the Company are listed and the Company's Articles of Association.

Article 54 of the *Prerequisite Clauses*, Article 102 of the *Company Law*, Article 52 of the *Guidelines*

When the Company convenes the shareholders' general meeting, the board of directors, the board of supervisors and shareholders, individually or in aggregate, holding more than 3% of shares of the Company shall have the right to propose proposals. The contents of the proposal shall fall within the terms of reference of the shareholders' general meeting and have specified subjects and specific resolutions, in further compliance with the laws and regulations and the Company's Articles of Association.

Shareholders individually or in the aggregate holding more than 3% of the Shares of the Company may propose and submit a temporary proposal to the convener in writing ten days prior to date of the meeting. The convener shall dispatch a supplementary notice of the shareholders' general meeting and announce the contents of such temporary proposal within two days upon receipt of the proposal.

Unless otherwise required by the preceding paragraph, the convener shall not amend the proposals listed in the aforesaid notice or add any new proposals subsequent to the dispatch of a notice of the shareholders' general meeting.

The shareholders' general meeting shall not vote and adopt a resolution on any proposal that is not listed in the notice of the shareholders' general meeting or that is inconsistent with this Article.

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

Article 56 of the *Prerequisite Clauses*

(i) be in writing;

(ii) specify the place, date and period of the meeting;

(iii) state the matters to be discussed at the meeting;

(iv) provide such information and explanation as are necessary for the shareholders to make a wise decision on the matters to be discussed, including (without limitation) provision of the specific conditions and contracts (if any) for the transactions contemplated and careful explanation of the causes and consequences thereof when the company proposes combination, share repurchase, reorganization of share capital or other restructuring;

(v) contain disclosure of the nature and extent, if any, of the material interests of any director, supervisor, president and other senior management officers in the matters to be discussed; and explanation of the difference if the effect which the matters to be discussed will have on such director, supervisor, president and other senior management officers in their capacity as shareholders in so far as it is different from the effect on the shareholders of the same class;

(vi) contain the full text of any special resolution to be proposed and adopted at the meeting;

(vii) contain a conspicuous statement that a shareholder entitled to attend and vote at such meeting is entitled to appoint one or more proxies to attend and vote at such meeting on his behalf and that a proxy does not need not be a shareholder of the Company;

(viii) specify the date of registration of equity entitlements for shareholders entitled to attend the general meeting;

(ix) specify the time and place for lodging proxy forms for the relevant meeting.

Article 72 Where the elections of directors and supervisors are to be discussed, a notice of the shareholders' general meeting shall fully disclose the particulars of the candidates for directors and supervisors and shall at least include the following contents:

Article 56 of the *Guidelines*

(i) personal particulars such as educational background, working experience and part-time job;

(ii) whether or not the candidate has any related party relationship with the Company or its controlling shareholders and de facto controllers;

(iii) disclose the number of shares of the Company held by the candidate;

(iv) whether or not the candidate has been subject to penalties by the securities regulatory authority at the place where the shares of the Company are listed and other relevant authorities as well as sanctions by any stock exchange;

(v) other information required to be disclosed by the securities regulatory authority and the listing rules of the place where the shares of the Company are listed.

Save for the elections of directors and supervisors held by adopting cumulative voting system, each candidate for a director or supervisor shall be proposed by way of single proposal.

Article 73 The notice of the shareholders' general meeting shall be delivered to shareholders (with or without voting rights at the general meeting) personally or by postage prepaid mails at the address of the recipient subject to those recorded in the register of shareholders, or subject to compliance with the applicable laws and regulations and the listing rules of the place where the shares of the Company are listed, be published at the Company' s website and the website designated by the Hong Kong Stock Exchange. If an announcement shall be made to the shareholders of overseas-listed foreign shares pursuant to the Articles of Association, the relevant announcement shall be published in the manner required by the HK Listing Rules. The notice of the shareholders' general meeting to the shareholders of domestic-listed domestic shares may also be made by way of announcement.

Article 57 of the *Prerequisite Clauses*

Section 7(1) and (3) of Appendix 3 to the HK Listing Rules

The term "announcement" referred to in the preceding paragraph shall be published in one or more national newspapers designated by securities regulatory authority under the State Council before the date of the meeting. After the publication of such announcement, all shareholders of domestic-listed domestic shares shall be deemed to have received the relevant notice of the shareholders' general meeting.

Article 74 Subsequent to the dispatch of a notice of the general meeting, the general meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of the general meeting shall not be withdrawn. Once the meeting is postponed or cancelled, the convener shall make an announcement and give reasons thereof at least 2 working days prior to the original date of the meeting.

Article 57 of the *Guidelines*

Article 75 The board of directors and other conveners shall take all necessary measures to ensure that the general meeting is conducted in an orderly manner and shall take steps to prevent any activities interfering the general meeting and infringing the legal interests of shareholders and report such activities to the relevant authority.

Article 58 of the *Guidelines*

Article 76 All ordinary shareholders (including the preference shareholders with voting rights resumed) registered on the date of registration shall have the right to attend and vote at the general meeting in accordance with relevant laws, regulations, the listing rules of the place where the shares of the Company are listed and the Company's Articles of Association.

Article 59 of the *Prerequisite Clauses*, Article 59 of the *Guidelines*

Any shareholder who is entitled to attend and vote at a general meeting shall be entitled to appoint one or more persons (whether such person is a shareholder or not) as his proxy to attend and vote on his behalf, and a proxy so appointed shall be entitled to exercise the following rights according to the authorizations from that shareholder:

(i) the shareholder's right to speak at the meeting;

(ii) the right to demand or join in demand for a poll; and

(iii) unless otherwise prescribed by applicable listing rules or other securities laws and regulations, the right to vote by hands or on a poll, but a proxy of a shareholder who has appointed more than one (1) proxy may only vote on a poll.

If the shareholder is an accredited clearing house (or its proxy), it may, as it thinks fit, appoint one or more persons as its proxies to attend and vote at any shareholders' general meeting or class meeting. However, if more than one person is appointed, the instrument of proxy shall specify the number and class of the shares relating to each such proxy. The proxy may be signed by the authorized person of the accredited clearing house. Such person so appointed may attend the meeting and exercise the rights on behalf of the accredited clearing house (or its proxy) (not requiring presence of the shareholding voucher, notarized authorization and/or further evidences to prove the duly authorization) as if such person is an individual shareholder of the Company.

Article 77 Individual shareholders attending the meeting in person shall present their personal identity cards or other valid certificates or documents or stock account card for identification. Proxies attending the meeting shall present their personal identity cards and the proxy statements from the shareholder.

Article 60 of the *Guidelines*

Corporate shareholders shall be represented by its legal representative or proxies authorized by the legal representative. Legal representatives attending the meeting shall present their personal identity cards or valid documents that can prove its identity as the legal representative. Proxies authorized to attend the meeting shall present their personal identity cards or the written proxy statement legally issued by the legal representative of the legal person shareholder.

Article 78 If shareholder shall appoint his proxy in writing, such instrument appointing the proxy shall be signed by the appointing shareholder or the proxy who is authorized in writing, or if the appointing shareholder is a legal entity, either affixed with legal person seal or signed by a director, or the duly authorized proxy.

Article 60 of the *Prerequisite Clauses*, Article 61 of the *Guidelines*

The proxy statement issued by shareholders to authorize other persons to attend the general meeting shall clearly state the followings:

(i) the name of the proxies;

(ii) whether the proxies have the right to vote;

(iii) instructions to vote for, against or abstain from voting on each of the items in the agenda of the meeting;

(iv) the signing date and the effective period of the proxy statement;

(v) signature (or seal) of the appointing shareholders. If the appointing shareholder is a legal entity, such instrument appointing the proxy shall be affixed with legal person seal.

Article 79 Proxy forms shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy from, or 24 hours before the designated time of voting. Where the proxy form is signed by a person under a proxy statement on behalf of the appointer, the proxy statement or other authorization documents authorized to be signed shall be notarized. The notarized proxy statement or other authorization documents shall, together with the proxy form, be maintained at the domicile of the Company or other places specified in the notice of meeting.

Article 61 of the *Prerequisite Clauses*

Where the appointer is a legal person, its legal representative or such person as is authorized by resolution of the board of directors or other governing body may attend shareholders' general meetings of the Company as a representative of the appointer.

Article 80 Any form issued to a shareholder by the board of directors for appointing a proxy of the shareholder shall allow the shareholder to freely instruct the proxy to cast vote in favor of or against or abstention from, and instruct separately about each resolution dealing with the businesses to be considered at the meeting. Securities depository and clearing institutions shall be the nominal holders of shares under the Interconnection Mechanism for Transactions in the Mainland and Hong Kong Stock Markets, except those declared according to the expression of will of the actual holders. Such proxy statement shall contain a statement that in absence of instructions by the shareholders, his proxy may vote as he thinks fit.

Article 62 of the *Prerequisite Clauses*, Article 89 of the *Guidelines*

A voting ticket that is incomplete, wrongly completed, illegible, or not yet cast, will be treated as waiver by the voter of his voting rights. The voting result of the number of shares held by the voter will be treated as "abstention". When calculating the voting result in respect of the matter, the abstention vote will be counted towards the votes with the voting rights and entitled to participate in the poll.

Article 81 A vote given by a proxy in accordance with the terms of the proxy statement shall be valid, notwithstanding the death or loss of capacity of the appointer or revocation of the proxy or the authority under which the proxy statement 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 any such matters prior to the commencement of the relevant meeting.

Article 63 of the *Prerequisite Clauses*

Article 82 The Company shall be responsible for compiling the attendee register which shall include, among others, the name of attendee (or name of relevant unit), ID number, domicile, the number of shares with voting rights that he holds or represents, and name of the person (or name of relevant unit) who attends the meeting by proxy.

Article 64 of the *Guidelines*

Article 83 The convener and lawyers engaged by the Company shall verify the legitimate qualification of shareholders in accordance with the register of shareholders provided by the securities depository and clearing institutions, and shall register the names of shareholders and the number of voting shares each of them holds. The registration shall end before the chairperson of the meeting announces the number of shareholders and proxies attending the meeting and the total number of voting shares they hold.

Article 65 of the *Guidelines*

Article 84 All directors, supervisors and senior management officers shall be in attendance at the meeting and accept any inquiries by shareholders if so required by the shareholders' general meeting.

Article 150 of the *Company Law*

Article 85 Resolutions of the shareholders' general meeting shall be divided into ordinary resolutions and special resolutions.

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

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

Article 64 of the *Prerequisite Clauses*, Article 103 of the *Company Law*, Article 89 of the *Guidelines*

Article 86 A shareholder (including proxy) when voting at a shareholders' general meeting may exercise voting rights in accordance with the number of shares carrying the right to vote. Each share shall have one voting right.

The votes by the small and medium investors shall be counted separately with respect to the significant events that may affect the interests of the small and medium investors to be considered at the shareholders' general meeting. The separate vote counting result shall be timely and publicly disclosed.

The shares held by the Company have no voting rights, and that part of the shareholding is not counted as the total number of shares with voting rights held by shareholders attending the meeting.

Article 65 of the *Prerequisite Clauses*, Article 103 of the *Company Law*, Section 14 of Appendix 3 to the HK Listing Rules, Article 78, 79 and 86 of the *Guidelines*

The board of directors, independent directors and shareholders who are qualified under the relevant conditions may make public solicitation of the shareholders' right to vote. Such information as the specific vote intention shall be sufficiently disclosed to the solicited persons in respect of solicitation of the shareholders' right to vote. It is not permitted to solicit the shareholders' right to vote in a chargeable or disguised chargeable manner. The Company shall not require the minimum shareholding limitation on the solicitation of the right to vote.

When any shareholders' general meeting considers matters in connection with the related transactions, the related shareholder shall not participate in the vote and the number of voting shares that it represents shall not be counted towards the total number of valid votes. The announcement of the resolution of the general meeting shall fully disclose the votes of the non-related shareholders.

Any vote by shareholders must be made by open ballot at the general meeting unless the meeting chairman makes a decision in good faith to permit the resolution on relevant pure procedures or administrative matters to be passed on a show of hands.

If any shareholders should give up the voting right for certain proposal or are restricted to be only able to vote for or against certain proposal in accordance with the provisions of applicable laws and regulations and the listing rules of the stock exchange where the shares of the Company are listed, the votes by those shareholders or their representatives shall not be counted in case of any violation of the relevant provisions or restriction.

Article 87 At any shareholders' general meeting, a resolution shall be decided on a show of hands, unless, before or after a vote is carried out by a show of hands, a poll demanded by the following persons or required by relevant regulations of the securities regulatory authority of the place where the shares of the Company are listed:

Article 66 of the *Prerequisite Clauses*

(i) the chairman of the meeting;

(ii) at least two shareholders present in person or by proxy entitled to vote thereat; or

Section 13.39(4) of the HK Listing Rules

(iii) one or more shareholders (including proxies) holding, individually or in the aggregate, 10% or more of all shares carrying the right to vote at the meeting.

Unless a poll is demanded pursuant to the preceding provision, a declaration by the chairman that a resolution has been passed on a show of hands and the recording of the same in the minutes of meeting shall be conclusive evidence of the fact that such resolution has been passed. There is no need to provide evidence of the number or proportion of votes in favor of or against such resolution.

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

If a poll is demanded in accordance with the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed, the chairman of the meeting may make a decision in good faith to permit the resolution on the pure relevant procedures or administrative matters to be passed on a show of hands.

In the event of vote by casing a ballot, the Company shall appoint the supervisor for votes counting in accordance with the HK Listing Rules, and disclose the number of relevant votes to the extent required by laws, administrative regulations, relevant regulatory authorities or the HK Listing Rules.

Article 88 A poll demanded on the election of the chairman of the meeting, or the adjournment of the meeting, shall be taken forthwith. A poll demanded on any other matter shall be taken as the chairman of the meeting directs, and the meeting may proceed with the discussion of other matters; the result of the ballot shall still be regarded as a resolution passed at the meeting.

Article 67 of the *Prerequisite Clauses*

Article 89 On a poll taken at a meeting, a shareholder (including a proxy) entitled to two or more votes is not required to cast all his votes for or against any proposal on all his votes.

Article 68 of the *Prerequisite Clauses*

At the time of voting at the general meeting, voting on each proposal shall be made one by one.

Article 90 In the event of an equality of the number of votes for and against a resolution, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to one additional vote.

Article 69 of the *Prerequisite Clauses*

Article 91 The following matters shall be resolved by an ordinary resolution at a shareholders' general meeting:

Article 70 of the *Prerequisite Clauses*

(i) work reports of the board of directors and the board of supervisors;

(ii) profit distribution plans and plans to cover losses to be formulated by the board of directors;

(iii) appointment and removal of members of the board of directors and the board of supervisors, their remuneration and manner of payment;

(iv) annual budgets and final accounts, balance sheet, income statement, and other financial statements of the Company;

(v) annual report of the Company;

(vi) other matters other than those which are required by laws, administrative regulations, the listing rules of the place where the shares of the Company are listed or the Company's Articles of Association to be adopted by special resolution.

Article 92 The following matters shall be resolved by a special resolution at a shareholders' general meeting:

Article 71 of the *Prerequisite Clauses*, Article 103 and 121 of the *Company Law*

(i) increase or reduction in the registered capital of the Company; issuance of shares of any class, warrants and other similar securities;

(ii) issuance of debentures of the Company;

(iii) division, merger, dissolution, liquidation or change of the corporate form of the Company;

(iv) amendment of the Articles of Association;

(v) the Company's purchase or sale of any material assets or the amount of guarantee, within one year, which exceeds 30% of the total assets of the Company;

(vi) any equity-based incentive plan;

(vii) any other matter as required by the Articles of Association and the listing rules of the place where the shares of the Company are listed, and which as the shareholders' general meeting determines by ordinary resolution will have material effect on the Company and require adoption by special resolution.

Article 93 Where the shareholders holding, individually or in the aggregate, more than 10% of the total voting shares of the Company request the convening of an extraordinary general meeting or class meeting of shareholders, the following procedures shall be followed:

Article 72 of the *Prerequisite Clauses*, Article 101 of the *Company Law*, Article 46 to 51 of the *Guidelines*

(i) the shareholders holding, individually or in the aggregate, more than 10% of the voting shares of the Company may sign one or more copies of written requests in the same form requesting the board of directors to convene an extraordinary general meeting or class meeting of shareholders, and stating the matters to be considered at the meeting. The board of directors shall within ten days of receipt of the said written request give the written feedback opinion on approval or disapproval for convening an extraordinary general meeting or class meeting of shareholders. If the board of directors approves convening an extraordinary general meeting or class meeting of shareholders, it will within five days of adopting the resolution of the board of directors issue the notice of convening the meeting, and any changes in the original request in the notice shall be subject to the consent of relevant shareholders. The aforesaid number of shares held shall be calculated as of the date when the shareholders make the written request.

(ii) If the board of directors fails to issue the notice of such a meeting within thirty days of receipt of the written request, the requesting shareholders may themselves convene such a meeting in a manner as similar as possible to the manner in which shareholders' general meeting are convened by the board of directors within four months of receipt of the request by the board of directors.

(iii) If the board of directors disapproves the convening of the extraordinary general meeting or does not reply within ten days upon receiving the request, the shareholders individually or in the aggregate holding more than 10% of the shares of the Company shall have the right to propose the board of supervisors to convene an extraordinary general meeting by way of written request(s).

If the board of supervisors approves the convening of the extraordinary general meeting, the notice of convening the extraordinary general meeting shall be issued within five days upon receiving the request, and any changes in the original proposal in the notice shall be subject to the consent of relevant shareholders.

Any failure by the board of supervisors to issue the notice of the general meeting within the required period shall be deemed non-convening and presiding over of the general meeting, and the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company for ninety consecutive days shall have the right to convene and preside over the meeting on their own.

Where the shareholders convene the general meeting or class meeting of shareholders on their own, before the announcement of the resolutions of the general meeting or class meeting of shareholders, the shareholding of the convening shareholder shall not be less than 10%.

When independent directors or the board of supervisors request the convening of an extraordinary general meeting, the following procedures shall be followed:

(i) To sign one or more copies of written requests in the same form requesting the board of directors to convene an extraordinary general meeting, and stating the matters to be considered at the meeting. The board of directors shall within ten days of receipt of the said written request give the written feedback opinion on approval or disapproval for convening the general meeting.

(ii) If the board of directors approves convening an extraordinary general meeting, it will within five days of adopting the resolution of the board of directors issue the notice of convening the meeting, and any changes in the original proposal in the notice shall be subject to the consent of the original proposer.

(iii) If the board of directors disapproves the proposal of the independent directors for convening of the extraordinary general meeting, it will explain the reasons and make announcement.

(iv) If the board of directors disapproves the proposal of the board of supervisor for convening of the extraordinary general meeting, or does not reply within ten days upon receiving the request, it shall be deemed that the board of directors is unable to perform or does not perform the duties for convening the shareholders' general meeting, and the board of directors may convene and preside over the meeting on its own initiative.

If the board of supervisors or the shareholders decide to convene the shareholders' general meeting on their own initiative, they shall notify the board of directors in writing and file with the agency of China Securities Regulatory Commission and the stock exchanges at the place where the Company is domiciled. The board of supervisors and the shareholders convening the shareholders' general meeting shall at the time when a notice of the shareholders' general meeting is issued and the resolution of the shareholders' general meeting is announced, submit relevant supporting documents to the agency of China Securities Regulatory Commission and the stock exchanges at the place where the Company is domiciled.

With regard to the shareholders' general meeting convened by the board of supervisors or shareholders on their own initiative, the board of directors and the secretary to the board of directors shall provide assistance. The board of directors shall provide the register of shareholders as of the date of registration of shares. The Company shall bear costs and expenses necessary for the shareholders' general meetings convened by the board of supervisors or shareholders on their own initiative.

Article 94 The shareholders' general meeting shall be convened by the board of directors, and the chairman of the board of directors shall act as the chairman of the meeting; if the chairman of the board of directors is unable or fails to perform the duties, the vice chairman of the board of directors shall convene the meeting and act as the chairman of the meeting; if the vice chairman of the board of directors is unable or fails to perform the duties, a majority of directors shall jointly elect a director to convene the meeting and act as the chairman of the meeting.

Article 73 of the *Prerequisite Clauses*, Article 67 of the *Guidelines*, Article 101 of the *Company Law*

If the board of directors is unable or fails to perform the duties for convening the shareholders' general meeting, the board of supervisors shall timely convene and preside over the meeting; if the board of supervisors does not convene and preside over the meeting, the shareholders holding, individually or in the aggregate, more than 10% of the shares of the Company for ninety consecutive days may convene and preside over the meeting on their own initiative.

The shareholders' general meeting convened by the board of supervisors on its own initiative shall be presided over by the chairman of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform his duties, the meeting shall be presided over by a supervisor jointly elected by a majority of the supervisors.

The shareholders' general meeting convened by shareholders on their own initiative shall be presided over by the representative elected by the convener. If the chairman of the meeting is not elected, the shareholders present at the meeting may elect a person to act as the chairman; if, for any reason whatsoever, the shareholders are unable to elect the chairman, the shareholder (including his proxy) that is present at the meeting and holds the most voting shares shall act as the chairman of the meeting.

If the chairman of the shareholders' general meeting breaches the procedural rules, which makes it unable to proceed with the general meeting, subject to consent of more than half of shareholders with voting rights attending the general meeting, the shareholders' general meeting may elect a person to act as the chairman of the meeting to proceed with the meeting.

Article 95 The Company shall formulate the procedural rules of the shareholders' general meeting which shall set out in detail the procedures of convention and voting in respect of the shareholders' general meeting, including notices, registration, consideration and approval for proposals, voting, vote counting, announcement on voting results, formation of the resolution, meeting minutes and signing, announcements and other contents, and the principles of authorization granted to the board of directors at the shareholders' general meeting. The scope of authorization shall be specified in details. The procedural rules of the shareholders' general meeting shall be prepared by the board of directors, approved at the shareholders' general meeting and attached to the Articles of Association as an appendix.

Article 68 of the *Guidelines*

Article 96 During the annual general meeting, the board of directors and the board of supervisors shall respectively give a report on their work in the previous year to the shareholders' general meeting, and each Independent Director shall also make his duty report accordingly.

Article 69 of the *Guidelines*

Article 97 Directors, supervisors and senior management officers shall at the shareholders' general meeting make explanation and statement on the inquiries and suggestions from shareholders.

Article 70 of the *Guidelines*

Article 98 Prior to voting, the chairman of the meeting shall announce the number of shareholders and proxies present and the total number of voting shares held by them. The number of shareholders and proxies present and the total number of voting shares held by them shall be subject to the meeting registration.

Article 71 of the *Guidelines*

Article 99 The conclusion of the shareholders' general meeting on-site cannot be earlier than voting by internet or other methods. The chairman of the meeting shall announce the voting circumstances and results of each resolution, and shall also announce whether the resolutions have been passed according to the voting results.

Article 74 of the *Prerequisite Clauses*, Article 88 and 92 of the *Guidelines*

Before the voting results are officially announced, the companies, counting officers, scrutinizers, major shareholders, the internet service provider and all relevant parties in relation to voting on-site, by internet and otherwise shall be obligated to keep confidential the voting results.

If any proposal is not adopted, or the current shareholders' general meeting amends the resolution of the last shareholders' general meeting, special reminder thereof shall be given in the announcement of the resolutions of the shareholders' general meeting.

Article 100 The same voting right shall only be exercised by one means, either through onsite voting or via internet or other voting means. If the same voting right is exercised by more than one means, the result of the first vote cast shall prevail.

Article 85 of the *Guidelines*

Article 101 If the chairman of the meeting has any doubt as to the result of a resolution which has been presented for voting at a shareholders' general meeting, he may have the votes counted. If the chairman of the meeting has not counted the votes, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the result, demand that the votes be counted and the chairman of the meeting shall have the votes counted immediately.

Article 75 of the *Prerequisite Clauses*

Article 102 If votes are counted at a shareholders' general meeting, the result of the count shall be recorded in the meeting minutes.

Article 76 of the *Prerequisite Clauses*, Article 107 of the *Company Law*, Article 72 and 73 of the *Guidelines*

The shareholders' general meeting shall prepare meeting minutes regarding the resolutions on the matters discussed at the meeting, for which the secretary to the board of directors shall be responsible, to be signed by the present directors, supervisors, secretary to the board of directors, the convener or its representative, and the chairman of the meeting thereon, and shall ensure the trueness, accuracy and completeness of the meeting minutes. The meeting minutes shall, together with the signature book of shareholders attending the meeting and proxy statement, be kept at the domicile of the Company for at least ten years.

The meeting minutes shall include:

(i) time, place and agenda of the meeting and name of the convener;

(ii) name of the chairman of the meeting and directors, supervisors, president and other senior management officers present or in attendance at the meeting;

(iii) number of the present shareholders and proxies, the total number of voting shares they represent and the percentage of the total shares of the Company they represent;

(iv) the discussions in respect of each proposal, highlights of the speeches made at the meeting and the voting results;

(v) details of the queries or recommendations of the shareholders, and the corresponding answers or explanations;

(vi) the name of lawyers, counting officers and scrutinizers;

(vii) such other matters which shall be recorded in the meeting minutes in accordance with the provisions of the Articles of Association.

Article 103 The convener shall ensure that the general meeting is held continuously until final resolutions are reached. In the event that the general meeting is adjourned or resolutions failed to be reached due to force majeure or other special reasons, measures shall be taken to resume the meeting as soon as possible or the meeting shall be concluded immediately, and an announcement shall be promptly made accordingly. The convener shall also report the same to the local agency of China Securities Regulatory Commission and the stock exchange at the place where the Company is domiciled.

Article 74 of the *Guidelines*

Article 104 The list of candidates for directors or supervisors shall be proposed to the shareholders' general meeting for votes.

Article 82 of the *Guidelines*

The cumulative voting system may be used in the voting for the election of directors and Supervisors at the shareholders' general meeting in accordance with provisions of the Company's Articles of Association or the resolution adopted at the shareholders' general meeting.

The cumulative voting system as referred to in the preceding paragraph means that in the election of directors or supervisors at the shareholders' general meeting, the voting right each share has equals the number of candidates for directors or supervisors. Shareholders may use their voting right collectively. The board of directors shall announce to shareholders the resumes and basic information of these candidates for directors or supervisors.

Article 105 Except for the cumulative voting system, all resolutions proposed at the shareholders' general meeting shall be voted one by one, and for different proposals on the same matter, voting will be conducted according to the time sequence these proposals are put forward. Other than special reasons such as force majeure which results in the interruption of the meeting or makes it impossible to come to resolution, the shareholders' general meeting shall not postpone the proposals or shall vote on them.

Article 83 and 84 of the *Guidelines*

When considering a proposal at the shareholders' general meeting, no change shall be made thereto. Otherwise, such change shall be treated as a new proposal which shall not be processed for voting at the general meeting.

Article 106 Before the shareholders' general meeting votes on proposals, it shall elect two shareholder representatives to count the votes and scrutinize the voting. If any shareholder is interested in the matter to be discussed, the relevant shareholder and his proxy shall not participate in vote counting or scrutinize the voting.

Article 87 of the *Guidelines*

When a shareholders' general meeting vote on proposals, the counting of votes and scrutinizing of voting shall be conducted together by lawyers, shareholder representatives and supervisor representatives. The voting results shall be announced during the meeting. The voting results shall be contained in the meeting minutes.

A shareholder of the Company or its proxy, who uses the internet or other voting methods, shall be entitled to verify his voting results through relevant voting system.

Article 107 The resolutions of the shareholders' general meeting shall be announced promptly in accordance with the relevant laws, regulations, rules, normative documents, the relevant requirements of the securities regulatory authority and the stock exchange at the place where the shares of the Company are listed or the Articles of Association, specifying the number of shareholders present in person and by proxy at the meeting, the total number of voting shares held by them, the percentage of such voting shares in the total number of the voting shares of the Company, the voting methods, the voting result of each proposal, and details of each resolution that are passed at the meeting.

Article 77 of the *Prerequisite Clauses*

Copies of the meeting minutes of any shareholders' general meeting shall, during business hours of the Company, be open for inspection by any shareholder without charge. If a shareholder requests a copy of such minutes from the Company, the Company shall send a copy of such minutes within seven days after receipt of reasonable fees thereof.

Article 108 If the proposal on election of new directors and supervisors for a new session is adopted at the shareholders' general meeting, the time for directors and supervisors for the new session to take the position shall be calculated from the date when the resolution is adopted at the shareholders' general meeting.

Article 109 If any proposal for a cash dividend, share allocation, or conversion from capital reserves to share capital is adopted at the shareholders' general meeting, the Company shall implement detailed plans within 2 months after the end of the shareholders' general meeting.

Chapter 10 Special Procedures for Voting by Class Shareholders

Article 110 Shareholders who held different kind of share are class shareholders.

Article 78 of the *Prerequisite Clauses*

Class shareholders shall enjoy rights and assume obligations in accordance with laws, administrative regulations and the Articles of Association. Under the circumstances as appropriate, the Company will ensure that the preference shareholders will have adequate voting rights.

Section 6(1) of Appendix 3 to the HK Listing Rules

If the share capital of the Company includes the shares without voting rights, such shares shall be titled the wording "without voting rights". If the share capital includes the share carrying different voting rights, the shares of each class (except for the shares carrying the most favorable voting rights) shall be titled the wording "restricted voting rights" or "restrictive voting rights".

Section 10 of Appendix 3 to the HK Listing Rules

Article 111 Rights granted on any class of shareholders may not be varied or abrogated save as adoption of a special resolution at the shareholders' meeting, and by the shareholders of the affected class at the shareholders' meeting convened respectively in accordance with Articles 114 through 118.

Article 79 of the *Prerequisite Clauses*

Article 112 The following circumstances shall be deemed to be variation or abrogation of the rights of a certain class of shareholders:

Article 80 of the *Prerequisite Clauses*

(i) to increase or decrease the number of shares of that class, or to increase or decrease the number of shares of a class having voting or rights to distribution or privileges equal or superior to those of shares of that class;

(ii) to exchange all or part of the shares of that class for shares of another class or to exchange or to grant a right to exchange all or part of the shares of another class for shares of that class;

(iii) to remove or reduce rights to accrued dividends or rights to cumulative dividends attached to shares of that class;

(iv) to reduce or remove preferential rights attached to shares of that class to receive dividends or to the distribution of assets in the event that the Company is liquidated;

(v) to add, remove or reduce conversion privileges, options, voting rights, transfer or pre-emptive rights, or rights to acquire securities of the Company attached to shares of that class;

(vi) to remove or reduce rights to receive payment payable by the Company in particular currencies attached to shares of that class;

(vii) to create a new class of shares having voting or rights to distribution or other privileges equal or superior to those of the shares of that class;

(viii) to restrict the transfer or ownership of shares of that class or to increase the types of restrictions attaching thereto;

(ix) to allot and issue rights to subscribe for, or to convert the existing shares into, shares in the Company of that class or another class;

(x) to increase the rights and privileges of shares of another class;

(xi) to restructure the Company in such a way so as to result in the disproportionate distribution of obligations between the various classes of shareholders; and

(xii) to vary or abrogate the provisions of this Chapter.

Article 113 Shareholders of the affected class, whether or not otherwise having the right to vote at shareholders' meeting, shall have the right to vote at class meetings in respect of matters concerning Items (ii) to (viii), (xi) to (xii) of Article 113, but interested shareholder(s) shall not be entitled to vote at such class meetings.

Article 81 of the *Prerequisite Clauses*

The term "interested shareholders" as used in the preceding paragraph means:

(i) in the case of a repurchase of shares by way of a general offer to all shareholders of the Company or by way of public dealing on a securities exchange pursuant to Article 28, a "interested shareholder" within the meaning of Article 59 of the Articles of Association;

(ii) in the case of a repurchase of shares by an off-market agreement pursuant to Article 28 of the Articles of Association, a holder of the shares to which the said agreement relates; or

(iii) in the case of a restructuring of the Company, a shareholder who assumes a relatively lower proportion of obligation than the obligations imposed on other shareholders of that class under the proposed restructuring or who has an interest in the proposed restructuring different from the general interests of the shareholders of that class.

Article 114 Resolutions of a class of shareholders shall be passed by affirmative votes representing more than two-thirds of the voting rights of shareholders of that class present at the relevant meeting who, according to Article 114, are entitled to vote thereat.

Article 82 of the *Prerequisite Clauses*

Article 115 Where the Company convenes a class meeting of shareholders, it shall issue written notices in accordance with the time limit for notice of the convening of a shareholders' general meeting specified under Article 69 of the Articles of Association. Written notices shall be given to all shareholders who are registered as holders of that class in the register of shareholders, specifying the matters to be considered at such meeting and the date and place of the class meeting. A shareholder who intends to attend the class meeting shall deliver his written reply in respect thereof to the Company within the time specified in the notice of the meeting.

Article 83 of the *Prerequisite Clauses*

Article 116 Notice of class meetings need only be served on shareholders entitled to vote thereat.

Class meetings shall be conducted in a manner which is as similar as possible to that of shareholders' meeting. The provisions of the Articles of Association relating to the manner for the holding of shareholders' meeting are also applicable to class meetings.

Article 84 of the *Prerequisite Clauses*

Article 117 Apart from the shareholders of other classes of shares, the shareholders of the domestic-listed domestic shares and shareholders of overseas-listed foreign shares shall be deemed to be holders of different classes of shares.

Article 85 of the *Prerequisite Clauses*, Letter of Opinion on Amendment III, Section 1(f) of Appendix 13D to the HK Listing Rules

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

(i) where the Company issues, upon the approval by special resolution of its shareholders at the shareholders' meeting, either separately or concurrently once every twelve months, not more than 20% of each of its existing issued and outstanding domestic-listed domestic shares and overseas-listed foreign shares; or

(ii) where the Company's plan to issue domestic-listed domestic shares and overseas-listed foreign shares at the time of its establishment is carried out within fifteen months from the date of approval of the securities regulatory authority under the State Council;

(iii) Where a holder of Domestic-Invested Shares transfers its shares to a foreign investor with approval of the securities regulatory authority under the State Council and such shares are listed in an overseas stock exchange.

Chapter 11 Board of Directors

Section I Directors

Article 118 Directors shall be elected at the shareholders' meeting and a director's term of office shall be three years. The term of office of a Director may be renewed upon reelection when it expires. The shareholders' meeting may not remove any director without cause before the expiration of his term of office.

Article 87 of the *Prerequisite Clauses*, Article 93 and 96 of the *Guidelines*

The chairman and vice chairman of board of directors shall be elected and removed by a majority of all directors, and term of office thereof shall be three years, and may be renewed upon reelection when it expires.

The term of office of a director shall be calculated from the date when he takes office, until expiration of the term of office of the board of directors of the session. Where no reelection is made timely upon expiration of the term of office of the director, before the re-elected director takes office, the original director shall still perform his duties as a director in accordance with the laws, administrative regulations, departmental rules and the Articles of Association.

The president or other senior management officers may concurrently serve as directors, provided that the total number of directors who concurrently serve as the president or other senior management officers and the total number of directors who are served by employee representatives shall not exceed half of the total directors of the Company.

It is unnecessary for directors to hold shares of the Company.

Article 119 Generally, a proposal for candidates for directors will be submitted by the board of directors at the shareholders' meeting. The shareholders and the board of supervisors of the Company may nominate candidates for directors in accordance with the Articles of Association.

Letter of Opinion on Amendment IV

The notice period for delivery of the written notice to nominate a person as director and a written notice by that person of his willingness to be nominated shall be at least seven days, which shall commence from the next date after issuance by the Company of the meeting notice in respect of the election, and end no later than seven days prior to the date when the meeting is held.

Section 4(4) and 4(5) of Appendix 3 to the HK Listing Rules

The Company will fully disclose in the meeting notice announcement the resume, reasons for election of the proposed director as well as the attitude of candidates about the nomination.

Article 120 In case a director has failed to be present in person twice consecutively, nor authorized another director to be present at the board meeting on his behalf, he shall be considered unable to fulfill his duties as a director, and the board of directors shall accordingly suggest the shareholders' meeting making replacement.

Article 99 of the *Guidelines*

Article 121 A director may resign before expiry of his term of office, subject to submission of a written resignation report to the board of directors. The board of directors shall make disclosure of relevant information within two days.

Article 100 of the *Guidelines*, Section 4(2) of Appendix 3 to the Listing Rules

If the number of the directors of the Company is less than the quorum due to a director's resignation, the resignation report of such director shall take effect only after the successor director fills up the vacancy arising from his resignation. Subject to the relevant laws and regulations and regulatory rules of the place where the share of the Company are listed, if the board of directors (to the extent permitted by applicable laws and regulations) appoints a new director to fill up the temporary vacancy of the board of director or add the number of directors, the term of office of the director so appointed shall end only upon the next shareholders' meeting of the Company, and the said director shall be qualified for reelection and renewal. All directors appointed to fill up the temporary vacancy shall accept the election by shareholders at the first shareholders' meeting after acceptance of appointment.

Section A.4.2 of Appendix 14 to the HK Listing Rules

Article 122 No director shall act in his own name and on behalf of the Company or the board of directors without legal authorization provided hereunder or by the board of directors. Where a director acts in his own name, and a third party reasonably considers that such director acts on behalf of the Company or the board of directors, such director shall declare in advance his position and capacity.

Article 102 of the *Guidelines*

Article 123 If a director violates laws, administrative regulations, departmental rules, regulatory documents, the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed or the Articles of Association when performing his duties in the Company, such director shall indemnify the Company against losses arising therefrom.

Article 103 of the *Guidelines*

Article 124 Any director whose term of office has not expired shall be liable for any loss of the Company arising from his leaving office without authorization.

Letter of Opinion on Amendment IV

The shareholders' meeting may, subject to compliance with relevant laws, administrative regulations, and relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, by way of ordinary resolution, remove any director whose term of office has not expired, without prejudice to the director's claim for damages available under any contract.

Section 4(3) of Appendix 3 to the HK Listing Rules

Article 125 If no reelection is made timely upon expiration of the term of office of a director, or the number of members of the board of directors is less than the quorum due to any director's resignation during his term of office, before the re-elected director takes office, the original director shall still perform his duties as a director in accordance with the laws, administrative regulations, relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association.

Article 45.2, 108.3 of the *Company Law*

Article 126 The directors shall observe laws, administrative regulations and the Articles of Association, and assume the duties of loyalty to the Company as follows:

Article 97 of the *Guidelines*

(i) not to accept any bribery or other illegal income by using his powers and position, nor seize the assets of the Company in any manner;

(ii) not to misappropriate the funds of the Company;

(iii) not to open accounts in his own name or another individual's name for deposit of the Company's assets or funds;

(iv) not to loan the funds of the Company to others or use the assets of the Company as security for others without the approval of the shareholders' meeting or the board of directors in violation of the provisions of the Articles of Association;

(v) not to enter into contracts or conduct transactions with the Company in violation of the provisions of the Articles of Association or without the approval of the shareholders' meeting;

(vi) not to, without approval of the shareholders' meeting, seek business opportunities which should have belonged to the Company for himself or others by making use of his powers and position, or run the same businesses as those of the Company for himself or for others;

(vii) not to accept commissions relating to the transactions of the Company and appropriate to himself;

(viii) not to disclose secrets of the Company without permission;

(ix) not to take advantage of his connection with the Company to harm interests of the Company;

(x) other duties of loyalty as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

The proceeds obtained by a director in violation of this article shall belong to the Company; the said Director shall be liable for any loss sustained by the Company arising therefrom.

Article 127 Directors shall observe laws, administrative regulations and the Articles of Association and shall assume the following duties of due diligence to the Company:

Article 98 of the *Guidelines*

(i) to cautiously, earnestly and diligently fulfill the rights granted by the Company to ensure that the business conduct of the Company is in conformity with laws, administrative regulations and all economic policies of the State, and its business activities shall not go beyond the business scope as registered in its business license;

(ii) to treat all shareholders fairly;

(iii) to timely become aware of the business and management situation of the Company;

(iv) to sign written confirmation comments with respect to the regular reports of the Company, and ensure that any and all information disclosed by the Company is true, accurate and complete;

(v) to faithfully furnish related information and materials to the board of supervisors, and not to interfere with the board of supervisors or the supervisors in exercising its/their powers;

(vi) other duties of due diligence as prescribed by laws, administrative regulations, departmental rules and the Articles of Association.

Section II Independent Directors

Article 128 Independent directors mean such directors as serve no other positions in the Company other than directors, members of special committee of the board of directors or chairman and have no relationship with the Company and major shareholders which may affect their independent and objective judgment. Independent directors shall account for at least one third of the number of members of the board of directors, and be no less than three. At least one of the independent directors of the Company shall have suitable professional qualification or have suitable accounting or relevant financial management expertise, and there shall be at least one independent director who generally resides in Hong Kong.

Section 3.10(2) and 3.21 of the HK Listing Rules, Section 18(1) of Chapter 19A of the HK Listing Rules

Each term of office of independent directors shall be the same as that of other directors of the Company, and may be renewed upon reelection when it expires, not exceeding six years.

Article 129 Independent directors shall qualify for position and have independence as prescribed by laws and regulations and the listing rules of the place where the shares of the Company are listed.

Article 130 Independent directors shall not, before expiration of term of office, be removed without due cause. In the event of removal in advance, the Company shall make disclosure as special events to be disclosed.

Article 4 of the *Guiding Opinion on Establishment of Independent Director System in the Listed Company*

If any independent director who fails to attend the board meeting in person for three times consecutively, the board of directors may propose to the shareholders' meeting for replacement of such independent director.

Article 131 Any independent director may ask for resignation before expiration of the term of office.

Article 3.11 of the HK Listing Rules

If independent directors at any time fail to meet the number, qualification or independence requirements of the HK Listing Rules, the Company shall notify the Hong Kong Stock Exchange immediately, specifying by way of announcement the relevant particulars and reasons, and, within three months of such failure, appoint the independent directors of adequate number to meet the requirements of the HK Listing Rules.

Article 132 Independent directors shall perform their duties in accordance with the laws and regulations and the listing rules of the place where the shares of the Company are listed.

Article 133 The Company shall formulate the working systems for independent directors, specifying the position conditions, nomination, election and replacement, rights and obligations, etc. of independent directors, subject to approval of the shareholders' meeting.

Article 134 Where it is not expressly provided for in this Section in relation to independent directors, the relevant provisions of relevant laws and regulations and the listing rules of the place where the shares of the Company are listed and the Articles of Association concerning the directors of the Company shall apply.

Section III Board of Directors

Article 135 The Company shall have a board of directors, consisting of 10 directors, and shall have one chairman and one vice chairman. The independent directors shall account for at least one third of the number of directors, and at least one of them shall major in accounting.

Article 86 of the *Prerequisite Clauses*

Independent directors may directly report to the shareholders' meeting, the China Security Regulatory Commission and other competent regulatory authorities.

Article 136 The board of directors shall be accountable to the shareholders' meeting, and shall exercise the following powers:

Article 88 of the *Prerequisite Clauses*, Article 108 of the *Company Law*

(i) to convene the shareholders' meeting and to report on its work to the shareholders' meeting;

(ii) to implement the resolutions adopted by the shareholders' meeting;

(iii) to determine the Company's business plans and investment plans;

(iv) to formulate the Company's plans for annual financial budgets and final accounts;

(v) to formulate the Company's profit distribution plans and plans to cover losses;

(vi) to formulate the plans for the increase or reduction of the Company's registered capital and for the issuance of the Company's bonds or other securities as well as the listing plans;

(vii) to draft the plans for major acquisition, purchase of the shares of the Company, merger, division, dissolution or change of the corporate form of the Company;

(viii) to determine, to the extent authorized by the shareholders' meeting, on such matters as the external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted financing and related transactions of the Company;

(ix) to decide on the establishment of the Company's internal management organizations;

(x) to appoint or remove the Company's president, and, according to the nomination of the president, to appoint or remove the vice president, financial controller and other senior management officers and decide on their remuneration;

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

(xii) to formulate the plans for the amendment of the Articles of Association;

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

(xiv) to propose to the shareholders' meeting for retaining or replacement of the accounting firm that performs auditing for the Company;

(xv) to exercise any other powers granted by the laws, regulations, the listing rules of the stock exchange at the place where the shares of the company are listed, the shareholders' meeting and the articles of association.

Other than the board of directors' resolutions in respect of the matters specified in Items (vi), (vii) and (xii) of this article which shall be passed by the affirmative votes of more than two-thirds of all directors, the board of directors' resolutions in respect of all other matters may be passed by the affirmative votes of a majority of all the directors. The board of directors shall perform duties in accordance with the laws, administrative regulations, the listing rules of the place where the shares of the company are listed, the Articles of Association and the resolutions of the shareholders' meeting.

Article 137 The board of directors of the Company shall make explanation to the shareholders' meeting in connection with the modified audit opinion issued by the certified public accountants on the financial report of the Company.

Article 108 of the *Guidelines*

Article 138 The board of directors shall formulate the rules of procedures to be followed at meetings of the board of directors, so as to ensure the board of directors fulfill resolutions adopted at the shareholders' meeting, improve working efficiency and ensure scientific decision making.

Article 109 of the *Guidelines*

Article 139 The board of directors shall determine the extent of authority for external investments, purchase or sale of assets, assets pledge, external guarantee, entrusted financing and related transactions of the Company, establish strict examination and decision-making procedures, organize related experts and professionals to make assessment in case of significant investment projects and report to the shareholders' meeting for approval.

Article 110 of the *Guidelines*

Article 140 The external guarantees, if any, shall be subject to timely disclosure after considered by the board of directors. The consideration by the board of directors of the external guarantees shall be subject to the consent of more than two thirds of the directors present at the board meeting and the consent of more than two thirds of all independent directors.

Article 16 of the *Company Law*

Article 141 Any transaction of the Company satisfies any of the following standards shall be considered and approved by the board of directors, and timely disclosed:

Article 110 of the *Guidelines*

(i) the total assets in connection with the transaction account for 10% or more of the latest audited total assets of the Company, to be calculated at the book value and the assessed value thereof, whichever is higher;

(ii) the relevant operating income of the subject matter of transaction (such as equities) for the latest accounting year accounts for 10% or more of the audited operating income for the latest accounting year, with the absolute amount in excess of RMB10 million;

(iii) the net profit of the subject matter of transaction (such as equities) for the latest accounting year accounts for 10% or more of the audited net profit of the Company for the latest accounting year, with the absolute amount in excess of RMB1 million;

(iv) the transaction amount (including the assumed debt and cost) accounts for 10% or more of the latest audited net assets of the Company, with the absolute amount in excess of RMB10 million;

(v) the profit arising from the transaction accounts for 10% or more of the audited net profit of the Company for the latest accounting year, with the absolute amount in excess of RMB1 million;

The preceding provisions shall apply to the like transactions of the Company in connection with the subject matter of transaction for the twelve months in the principle of the accumulative calculation. Any performance of the relevant obligations pursuant to the preceding paragraph will no longer be included in the relevant accumulative calculation scope.

If the data involved in the above indicator calculation is negative, calculation shall be made by the absolute value.

Article 142 The following related transactions shall be submitted to the board of directors for consideration and approval, and timely disclosed:

Article 110 of the *Guidelines*

(i) any related transaction between the Company and the related person amounting to more than RMB300,000;

(ii) any related transaction between the Company and the related legal person amounting to more than RMB3 million, accounting for more than 0.5% of the absolute value of the latest audited net assets of the Company;

The preceding provisions shall apply to the following related transactions of the Company for the twelve consecutive months in the principle of the accumulative calculation:

(i) any transaction with the same related person;

(ii) any transaction with the different related persons associated with the same subject matter of transaction.

The above same related person includes any other related persons under common control or that has mutual share control relationship with such related person.

Any performance of the relevant obligations pursuant to Paragraph 1 of this Article will no longer be included in the relevant accumulative calculation scope.

Article 143 meeting, dispose or agree todispose of any fixedassets of th4 rdol of the value of the fixedassets to be disposedof,and the value derived from the fixed1assets disposition,1exceeds 33% of the value of the fixed1assets as shown in the latest balance sheet which was considered1by the shareholders' meeting.

For of this Article, of assets" includes an act involving the transfer1of an interest in certain assets but does not include the use of fixed1assets as security.

The validityof the transaction by disposal fixed assets by the Company shall not be affected1by any breach of the first paragraph of this Article.

cle 144
wing powers:

to preside over shareholders' meeting and to convene and preside over meetings of the board of directors;

to inspect the implementation of resolutions passed by the board of directors;

to sign the securities certificates issued by the Company;

to other powers by the board of directors or the listing rules of the place where the shares of the Company are listed.

The vice chairman of the board of directors shall assist works of the chairman. If the chairman of the board of directors is unable or fails to perform his duties, the vice chairman shall perform such duties; if the vice chairman of the board of directors is unable or fails to perform his duties, a director elected by more than half of the directors shall perform such duties.

Article 145 Meetings of the board of directors are divided into regular meetings and interim meetings. Regular meetings shall be held at least four times each year, and convened by the chairman of the board of directors. A notice shall be given no less than 14 days in the case of regular meetings, or no less than 5 days in the case of interim meetings, before the proposed date of the meeting; with the consent of all directors of the Company, the abovementioned notice period may be waived. If an interim meeting of the board of directors is required to be held as soon as possible under emergencies, a meeting notice may be given at any time by telephone or other oral means, however, the convener shall make explanations at the meeting.

Article 91 of the *Prerequisite Clauses*, Paragraph A.1.1 and A.1.3 of Appendix 14 to the HK Listing Rules, Article 110 of the *Company Law*

An interim meeting of the board of directors may be convened under any of the following circumstances:

(i) the shareholders representing one tenth or more of the voting rights propose to hold such meeting;

(ii) one third or more directors jointly propose to hold such meeting;

(iii) the board of supervisors proposes to hold such meeting;

(iv) the chairman of the board of directors considers necessary to hold such meeting;

(v) more than one half of independent directors propose to hold such meeting;

(vi) the president proposes to hold such meeting.

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 146 Notice of regular or interim meetings of the board of directors may be delivered by hand, e-mail, via facsimile or telephone.

Article 92 of the *Prerequisite Clauses*, Article 117 of the *Guidelines*

A notice on the meeting of the board of directors shall include: the time and place and duration of the meeting, particulars of matters and the matters to be discussed, form of the meeting, and the date when the notice is given.

If any director has attended the meeting and does not raise objection as to failure of receiving the meeting notice before or on the meeting, it shall be deemed that the meeting notice has been given to him.

Regular or interim meetings of the board of directors may be held by conference call, video conference or similar communication tools, provided that, all directors present at the meeting can hear and exchange with each other, and all directors that attend the meeting by such means shall be deemed presence at the meeting in person.

Unless otherwise provided by the laws and regulations or the listing rules of the place where the shares of the Company are listed, the board of directors may use the method of adoption of written resolutions in lieu of a meeting of the board of directors. The written resolutions shall be deemed being adopted after signature thereon by the directors of the quorum at the meeting of the board of directors which is duly constituted and convened as prescribed by the laws and regulations and the Articles of Association. Such written resolutions shall be placed on file together with the meeting minutes of the board of directors and other archives of the Company, and have the same binding force and effect as the voting by the members of the board of directors present at the meetings of the board of directors.

Article 147 Meetings of the board of directors shall be held only if more than half of the directors (including the directors appointed to attend the meeting on behalf pursuant to Article 150 of the Articles of Association) are present.

Article 93 of the *Prerequisite Clauses*, Article 111 of the *Company Law*

Resolutions to be adopted at the meeting of the board of directors shall be voted by a show of hands or by open ballot. Interim meetings of the board of Directors may, under the premise that directors will be guaranteed to have their opinions fully and thoroughly expressed, be conducted via facsimile or circulation and resolutions may be passed thereat, to be signed by the directors present at the meeting.

Article 148 Each director shall have one vote. Any resolutions of the board of directors must be subject to adoption by a majority of all directors unless otherwise specified herein. Where there is an equality of votes both for and against a resolution, the chairman of the board of directors shall have another casting vote.

Article 149 The directors shall attend in person the meetings of the board of directors. Where any director is unable to attend the meeting for reason, he may, by issuing a written proxy statement, entrust another director to attend the meeting on his behalf, with the scope of authorization to be stated therein.

Article 94 of the *Prerequisite Clauses*

The meetings of the board of directors and special committee of the board of directors may be held by conference call, video conference or by other electronic communication equipment, provide that, the present directors can hear and exchange with other directors, all directors present at the meeting shall be deemed presence at the meeting in person.

The directors who attend the meeting on behalf shall exercise the rights as directors within the scope of authorization. Failure by a director to attend a meeting of the board of directors or to authorize a representative to attend the meeting on his behalf shall be deemed waiver of the voting right at such meeting.

Article 150 The minutes of meetings of the board of directors shall include: Article 123 of the *Guidelines*

(i) time and place of the meeting and name of the convener;

(ii) name of directors present at the meeting and name of director (proxy) appointed to attend the meeting of the board of directors on behalf of others;

(iii) agenda;

(iv) essentials of speeches delivered by directors;

(v) way of voting and result thereof with respect of each matter to be considered (the number of affirmative, dissenting or abstention votes shall be stated in the voting result).

Article 151 The board of directors and its committee shall prepare meeting minutes in respect of the resolutions on the matters to be considered thereat, make records in sufficient details of the matters to be discussed and the resolutions to be adopted thereat, including any doubts or dissenting opinions from directors. The board of directors shall, after the end of the meeting, send the preliminary and finalized draft of the meeting minutes to all directors in a reasonable period of time successively, the former shall be used for expression of opinions by directors, and the latter shall be used for record purpose. Section A.1.5 of Appendix 14 to the HK Listing Rules

The directors present at the meeting and the recorder shall sign on the meeting minutes. The meeting minutes shall be kept for at least ten years. The directors shall be responsible for any resolutions adopted by the board of directors. If any resolution of the board of directors violates the laws, administrative regulations or the Articles of Association, and the Company suffers serious losses as a result thereof, the directors who have participated in the passing of such resolution shall compensate the Company therefor. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted, and that such objection was recorded in the meeting minutes, such director shall be released from such liability. Article 95 of the *Prerequisite Clauses*, Article 112 of the *Company Law*

The opinions from independent directors shall be indicated in the resolutions of the board of directors.

Section IV Special Committee of the Board of Directors

Article 152 The board of directors shall have the audit committee, the strategy committee, the remuneration committee, the nomination committee and sustainable development committee, and formulate corresponding implementation rules to specify the main duties, decision procedures and rules of procedures of each special committee. The board of directors shall be responsible for amendment and interpretation of the implementation rules of each special committee.

Section 6 of Chapter III of *Corporate Governance Standards for Listed Companies*

Article 153 Each special committee shall be accountable for the board of directors, and submit their proposals to the board of directors for examination and making decision. Each special committee may engage an intermediary to provide professional opinions, at the expense of the Company.

Chapter 12 Secretary to the Board of Directors of the Company

Article 154 The Company shall have a secretary to the board of directors. The secretary to the board of directors shall be a senior management officer of the Company.

Article 96 of the *Prerequisite Clauses*

Article 155 The secretary to the board of directors shall be a natural person who has essential expertise and experience, to be employed or dismissed by the board of directors, with the main responsibilities as follows:

Article 97 of the *Prerequisite Clauses*

(i) to ensure that the Company have complete organizational documents and records;

(ii) to ensure that the Company prepare and deliver, in accordance with law, the reports and documents required by competent authorities, and to accept and organize accomplishment of any relevant tasks sent down by the regulatory authorities;

(iii) to ensure proper establishment of the register of shareholders of the Company, and ensure that the persons entitled to obtain related records and documents of the Company timely obtain such records and documents;

(iv) to be responsible for the disclosure of information of the Company to ensure the timely, accurate, legal, true and complete information disclosure;

(v) to perform other duties as granted by the board of directors and required by the stock exchange at the place where the shares of the Company are listed.

Article 156 The office of secretary may be held concurrently by a director or other senior management officer. The accountant from the accounting firm engaged by the Company shall not sever as the secretary to the board of directors concurrently.

Article 98 of the *Prerequisite Clauses*

Where the office of secretary is held concurrently by a director, and an act is required to be conducted by a director and a secretary separately, the person who holds the offices of director and secretary concurrently may not perform such act in a dual capacity.

Chapter 13 President and Other Senior Management Officers of the Company

Article 157 The Company shall have one president, who shall be appointed or dismissed by the board of directors.

Article 99 of the *Prerequisite Clauses*, Article 113 and 114 of the *Company Law*

The Company shall have several vice presidents, who shall be appointed or dismissed by the board of directors. The board of directors may decide on the issue that a member of the board of directors may serve as the president concurrently. The term of office of the president shall be three years, renewable upon re-appointment.

The provisions of Article 127 hereof concerning the loyalty obligations of directors and Items (iv) through (vi) of Article 128 hereof concerning the due diligence obligation of directors, shall also apply to the president and other senior management officers.

Any persons working in the controlling shareholder or actual controller of the Company other than as a director shall not serve as senior management officers of the Company.

Article 158 The president shall be accountable to the board of directors and shall exercise the following powers:

Article 100 of the *Prerequisite Clauses*

(i) to be in charge of the Company's operation and management, and to organize the implementation of the resolutions of the board of directors and report on works to the board of directors;

(ii) to organize the implementation of the Company's annual business plans and investment plans;

(iii) to draft plans for the establishment of the Company's internal management organizations;

(iv) to draft the Company's basic management system;

(v) to formulate the basic rules and regulations of the Company;

(vi) to propose the appointment or dismissal of the Company's vice president and financial controller;

(vii) to appoint or dismiss management personnel other than those required to be appointed or dismissed by the board of directors;

(viii) other powers granted by the Articles of Association and the board of directors.

Article 159 The president of the Company shall attend meetings of the board of directors. A president who is not a director shall not have any voting rights at meetings of the board of directors.

Article 101 of the *Prerequisite Clauses*

Article 160 The president of the Company, in exercising his powers, shall act honestly and diligently in accordance with laws, administrative regulations, rules, regulatory documents, relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association.

Article 102 of the *Prerequisite Clauses*

Article 161 The president shall formulate working rules of the president, which shall be implemented after being approved by the board of directors, including: Article 129 and 130 of the *Guidelines*

(i) conditions, procedures for and participants at the president's meeting;

(ii) specific responsibilities and work allocation of the president and other senior management officers of the Company;

(iii) use of funds and assets of the Company, scope of authorization to enter into significant contracts and policies regarding reporting to the board of directors and the board of supervisors;

(iv) other matters which the board of directors deems necessary.

Article 162 The president may resign before expiration of his term of office. The specific procedures and methods for the resignation of the president shall be specified in the employment contract between the president and the Company. Article 131 of the *Guidelines*

Article 163 The vice president shall be nominated by the president and decided by the board of directors; the vice presidents shall assist the president in the performance of works of the Company, under the leadership of and accountable to the president. Article 132 of the *Guidelines*

Article 164 If a senior management officer violates laws, administrative regulations, departmental rules or the Articles of Association when performing his duties in the Company, such senior management officer shall indemnify the Company against any losses arising from such violation. Article 134 of the *Guidelines*

Chapter 14 Board of Supervisors

Article 165 The Company shall have the board of supervisors.

Article 103 of the *Prerequisite Clauses*

Article 166 The board of supervisors shall consist of 3 supervisors, and one of whom shall act as the chairman of the board of supervisors. Each supervisor shall serve for a term of three years, renewable upon reelection upon expiration.

The appointment or removal of the chairman of the board of supervisors requires approval by votes by two thirds or more of the members of the board of supervisors.

Article 104 of the *Prerequisite Clauses*, Section 1(d)(i) of Appendix 13D to the Listing Rules, *Letter of Opinion on Amendment V*

Article 167 The members of the board of supervisors shall consist of 2 shareholder representatives who shall be elected and dismissed by the shareholders' meeting and one employee representative who shall be elected and dismissed democratically by the employees of the Company.

If no reelection is made timely upon expiration of the term of office of a supervisor, or the number of members of the board of supervisors is less than the quorum due to any supervisor's resignation during his term of office, before the re-elected supervisor takes office, the original supervisor shall still perform his duties as a supervisor in accordance with the laws, administrative regulations and the Articles of Association.

Article 105 of the *Prerequisite Clauses*, Article 117 of the *Company Law*

Article 168 The directors, president and other senior management officers of the Company shall not act concurrently as supervisors.

Article 106 of the *Prerequisite Clauses*, Article 117 of the *Company Law*

Article 169 Meetings of the board of supervisors are divided into regular meetings and interim meetings. Regular meetings shall be held at least once every six months, and convened and presided over by the chairman of the board of supervisors. Supervisors may propose to hold an interim meeting of the board of supervisors. If the chairman of the board of supervisors is unable or fails to perform the duties, a majority of supervisors shall jointly elect a supervisor to convene and preside over the meeting of the board of supervisors.

Article 107 of the *Prerequisite Clauses*, Article 117 and 119 of the *Company Law*

Article 170 The board of supervisors shall be accountable to the shareholders' meeting, and shall exercise the following powers in accordance with the law:

Article 108 of the *Prerequisite Clauses*, Article 53, 54 and 118 of the *Company Law*

(i) to review the Company's financial affairs;

(ii) to supervise the directors, president and senior management officers' acts in performing duties of the Company, propose for removal of any director or senior management officer in violation of any laws, administrative regulations, listing rules of the place where the shares of the Company are listed, the Articles of Association or the resolutions of the shareholders' meeting;

(iii) to demand any director, president and senior management officer who acts in a manner which is harmful to the Company's interests to rectify such behavior;

(iv) to check the financial information, such as the financial reports, reports of operations and profit distribution plans to be submitted by the board of directors to the shareholders' meeting, and to authorize in the Company's name, public certified accountants and licensed auditors to assist in the re-examination of such information, should any doubt arise in respect thereof;

(v) to propose to convene an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting where the board of directors fails to perform his duty to do so;

(vi) to submit proposals to the shareholders' meeting;

(vii) to represent the Company in negotiations with any director, or to initiate legal proceedings against any director, president and other senior management officers in accordance with the laws and the Articles of Association; and

(viii) such other powers as provided by the Articles of Association.

Supervisors shall attend meetings of the board of directors and may raise queries or suggestions regarding matters discussed at such meetings.

A supervisor shall ensure that the information disclosed by the Company is true, accurate and complete.

Article 171 The meeting of the board of supervisors shall only be held when two thirds or more of the supervisors attend at the meeting. Votes by open ballot shall be made at the meeting of the board of supervisors. Each supervisor shall have one vote. The supervisors shall be present in person at the meetings of the board of supervisors. Where a supervisor is unable to be present for certain reason, he may by power of attorney entrust another supervisor in writing to be present on his behalf, with the scope of authorization indicated in the power of attorney.

Article 109 of the *Prerequisite Clauses*

Letter of Opinion on Amendment VI

A resolution of the board of supervisors must be passed by two thirds or more of the members of the board of supervisors.

Section 1(d)(ii) of Appendix 13D to the HK Listing Rules

Article 172 The board of supervisors shall formulate rules of procedures of the board of supervisors, specify the method for conducting business and the voting procedures of the board of supervisors, so as to ensure the working efficiency and scientific decision of the board of supervisors.

Article 173 Minutes shall be prepared for the meeting of the board of supervisors, and supervisors and recorder present at the meeting shall sign thereon. Such minutes as archives of the Company shall be kept by a person designated by the chairman of the board of supervisors for at least ten years.

Article 119 of the *Company Law*

Article 174 All reasonable expenses incurred for the engagement by the board of supervisors of professionals such as lawyers, certified public accountants or licensed auditors in the exercise of its powers shall be borne by the Company.

Article 110 of the *Prerequisite Clauses*

Article 175 The supervisors shall faithfully perform the supervision duties in accordance with the laws, administrative regulations, rules, regulatory documents, the relevant regulations of the securities regulatory authority at the place where the shares of the Company are listed and the Articles of Association.

Article 111 of the *Prerequisite Clauses*

The supervisors shall not make use of the related party relationship against the interests of the Company. Whoever violate this provision causing damage to the Company shall be liable for compensation. If a supervisor violates laws, administrative regulations, departmental rules or the Articles of Association when performing his duties in the Company, such supervisor shall indemnify the Company against losses arising from such violation.

Article 176 Notice of the meeting of the board of supervisors shall include:

Article 148 of the *Guidelines*

(i) the date, place and duration of the meeting;

(ii) particulars of a matter and the matters to be discussed;

(iii) the meeting form;

(iv) the date when the notice is given.

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

Article 177 No one shall be a director, supervisor, president or other senior management officer of the Company if falling under any of the following circumstances:

Article 112 of the *Prerequisite Clauses*, Article 146 of the *Company Law*

(i) being without civil capacity or having limited civil capacity;

(ii) having been penalized or sentenced due to an offence of corruption, bribery, encroachment on property, misappropriation of property or disruption of the socialist market economy order, or having been deprived of political rights due to the committing of any crime, and in each case, five years not having elapsed since the completion of the relevant penalty, sentence or deprivation;

(iii) having been a director, factory director or manager of a company or enterprise which had been bankrupt and liquidated due to improper operation and management whereby such person was personally liable for the bankruptcy of such company or enterprise, and three years not having elapsed since the date of completion of the liquidation of the company or enterprise;

(iv) having been the legal representative of a company or enterprise whose business license was revoked due to violation of laws whereby such person was personally liable, and three years not having elapsed since the date of revocation of the business license of the company or enterprise;

(v) being a debtor personally liable for a relatively large debt which has not been paid as it fell due;

(vi) having been subject to an investigation by judicial authorities for criminal offences, and such investigation not having come to an end;

(vii) being banned from being leaders of enterprises by laws and regulations;

(viii) being a non-natural person;

(ix) having been adjudged by the relevant competent authorities of violations of relevant securities laws which involves fraud or dishonesty, and five years not having elapsed since the date of the judgment;

(x) the circumstances specified by the listing rules or relevant laws and regulations of the place where the shares of the Company are listed.

Any election, appointment or employment by the Company of any directors, supervisors or senior management officers in violation of the preceding paragraph shall be invalid.

Any director, supervisor or senior management officer who falls under the circumstances as set out in Paragraph (i) of this Article shall be removed from office by the Company.

Article 178 The validity of an act carried out by a director, president and other senior management officer of the Company on its behalf, against a bona fide third party, shall not be affected by any non-compliance in his office, election or qualification.

Article 113 of the *Prerequisite Clauses*

Article 179 In addition to the obligations imposed by laws, administrative regulations or the listing rules of the securities exchange on which the shares of the Company are listed, each of the Company's directors, supervisors, president and other senior management officers shall have the following obligations to each shareholder, in the exercise their powers conferred by the Company:

Article 114 of the *Prerequisite Clauses*

(i) not to cause the Company to exceed the scope of business stipulated in its business license;

(ii) to act honestly in the best interests of the Company;

(iii) not to expropriate the Company's property in any way, including (without limitation) usurpation of opportunities which benefit the Company;

(iv) not to expropriate the individual rights of shareholders, including (without limitation) rights to distribution and voting rights, save and except pursuant to a restructuring of the Company which has been submitted to the shareholders' meeting for approval in accordance with the Articles of Association.

Article 180 Each of the Company's directors, supervisors, president and other senior management officers shall be obligated, in the exercise of his powers or performance of his duties, to exercise the care, diligence and skill that a reasonably prudent person would exercise under similar circumstances.

Article 115 of the *Prerequisite Clauses*

Article 181 Each of the Company's directors, supervisors, president and other senior management officers shall perform his duties in accordance with fiduciary principles; and shall not put himself in a position where his duty and his interest may conflict. These principles include (without limitation):

Article 116 of the *Prerequisite Clauses*

(i) to act honestly in the best interests of the Company;

(ii) to act within the scope of its powers and not to exceed such powers;

(iii) to exercise his discretionary power in person without being subject to the manipulations of other persons, and not to transfer such power to other persons unless permitted by laws, administrative regulations or the listing rules of the place where the shares of the Company are listed or approved by the shareholders' meeting with full knowledge;

(iv) to treat shareholders of the same class with equality, and shareholders of different classes with fairness;

(v) not to enter into any contracts or transactions or arrangements with the Company unless otherwise required by the Articles of Association or the listing rules of the place where the shares of the Company are listed or approved by the shareholders' meeting with full knowledge;

(vi) not to employ the Company's assets in any way so as to pursue interests for himself unless approved by the shareholders' meeting with full knowledge;

(vii) not to accept any bribery or other illegal income by using his powers and position, nor seize the assets of the Company in any manner, including (but not limited to) opportunities beneficial to the Company;

(viii) not to accept commissions relating to the transactions of the Company, without the approval of the shareholders' meeting with full knowledge;

(ix) to obey the Articles of Association, perform his duties honestly and faithfully, protect the Company's interests, and not to pursue his personal gain by taking advantage of his powers and positions in the Company;

(x) not to compete with the Company in any way unless approved by the shareholders' meeting with full knowledge;

(xi) not to misappropriate the funds of the Company or loan the funds of the Company to other persons, open accounts in his own name or another individual's name for deposit of the Company's assets, or use Company's assets as security for the debts of the shareholders of the Company or other individuals; and

(xii) not to divulge the confidential information relating to the Company received during his term of office, unless approved by the shareholders' meeting with full knowledge; and not to use such information unless for the purpose of the Company's interests; however, to be allowed to disclose such information to a court or other governmental authorities under the following circumstances:

1. as prescribed by law;

2. as required for the purpose of public interest;

3. as required for the purpose of such director's, supervisor's, president's and other senior management officers' own interests.

Article 182 Directors, supervisors, president and other senior management officers of the Company shall not direct the following persons or organizations ("Relevant Persons") to engage in activities prohibited for directors, supervisors, president and other senior management officers of the Company:

Article 117 of the *Prerequisite Clauses*

(i) spouses or underage children of directors, supervisors, president and other senior management officers of the Company;

(ii) trustors of directors, supervisors, president and other senior management officers of the Company or of such persons as described in Item (i) of this Article;

(iii) partners of directors, supervisors, president and other senior management officers of the Company or of such persons as described in Item (i) or (ii) of this Article;

(iv) company which a director, supervisor, president and any other senior management officer of the Company has de facto single control over or joint control over with such persons as described in Item (i), (ii) or

(iii) of this Article or other directors, supervisors, president and other senior management officers of the Company; and

(v) Directors, supervisors, president and other senior management officers of the controlled company referred to in Item (iv) of this Article.

Article 183 The fiduciary duty of a director, supervisor, president and any other senior management officer of the Company may not necessarily cease upon the conclusion of his term of office, their obligations to keep confidential the business secrets of the Company shall survive since the conclusion of his term of office. The duration of the other obligations and duties shall be determined in accordance with the principle of fairness, depending upon the time of length between the occurrence of the relevant event and the time when he leaves the office, and the situation and the circumstances and terms under which his relationship with the Company is ended.

Article 118 of the *Prerequisite Clauses*

Article 184 The shareholders' meeting with full knowledge of the relevant circumstances may relieve the liability of a director, supervisor, president and any other senior management officer of the Company as a result of his violation of any specific duty, subject to the circumstances as set out in Article 58 of the Articles of Association.

Article 119 of the *Prerequisite Clauses*

Article 185 A Director, supervisor, president and any other senior management officer of the Company who directly or indirectly has material interests in any contracts, transactions, or arrangements that are being planned or have already been concluded by the Company (except for the employment contracts between the directors, supervisors, president and other senior management officers and the Company), shall, as soon as possible, disclose to the board of directors the nature and extent of his interests, regardless of whether or not the relevant matters require the approval of the board of directors under the circumstances.

Article 120 of the *Prerequisite Clauses*

Any director who has related party relationship with the enterprise involved by the matters subject to resolution at the meeting of the board of directors shall not exercise the voting right on such resolution, nor exercise the voting right on behalf of another director and shall withdraw from voting. Such meeting of the board of directors may be held only if a majority of the directors without related party relationship are present at the meeting, and the resolutions of the meeting of the board of directors shall be approved by a majority of the directors without related party relationship. If the number of the directors without related party relationship present at the meeting is less than three, such matters shall be submitted to the shareholders' meeting of the listed company for consideration.

Article 124 of the *Company Law*

Section 4(1), Note 1 and Section 13.44 of Appendix 3 to the HK Listing Rules

Subject to the exceptions under Note 1 to Appendix 3 to the HK Listing Rules or as approved by the Hong Kong Stock Exchange, no director shall vote for any resolutions of the board of directors regarding any contracts, transactions or arrangements in which he or any of his close associates (as defined by the applicable listing rules effective from time to time) is approved to have significant interests or regarding any other relevant suggestions, and shall not be counted towards the quorum of the meeting. If any contract, transaction, arrangement or suggestion relates to any related party transaction as provided by the HK Listing Rules, the "close associates" as mentioned in this paragraph shall be changed to "associates" (as defined by the applicable HK listing rules effective from time to time).

Unless the interested directors, supervisors, president and other senior management officers of the Company have made such disclosure to the board of directors as required by the first paragraph of this Article, and the relevant matter has been approved by the board of directors at the meeting of the board of directors where such directors, supervisors, president or other senior management officers have not been counted as part of the quorum and voted thereat, the Company shall be entitled to cancel such contracts, transactions, or arrangements, except for any other party which is a bona fide party without knowledge of the violation of duties on the part of such directors, supervisors, president and other senior management officers.

Where the Relevant Persons or associates of the directors, supervisors, president and other senior management officers of the Company have interests in certain contracts, transactions or arrangements, such directors, supervisors, president and other senior management officers shall also be deemed to be interested.

Article 186 If, prior to the Company's initial consideration of relevant contracts, transactions, or arrangements, a director, supervisor, president and any other senior management officer of the Company has delivered a written notice to the board of directors, which contains the statement that he has interests in the contracts, transactions, or arrangements to be entered into by the Company in the future due to the contents specified in the notice, such director, supervisor, president and other senior management officer shall be deemed to have made the disclosure stipulated by the preceding Article in respect of the statement contained in the notice.

Article 121 of the *Prerequisite Clauses*

Article 187 The Company shall not, in any manner, pay taxes for its directors, supervisors, president and other senior management officers.

Article 122 of the *Prerequisite Clauses*

Article 188 The Company shall not, directly or indirectly, make a loan to or provide a loan guarantee to any director, supervisor, president and other senior management officer of the Company and of the Company's parent company or any of the Relevant Persons of the foregoing.

Article 123 of the *Prerequisite Clauses*

The preceding provision shall not apply to the following circumstances:

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

(ii) the provision by the Company of a loan or loan guarantee or any other funds available to any of its directors, supervisors, president and other senior management officers to meet expenditures incurred or to be incurred by him for the purpose of the Company or for the purpose of enabling him to perform his duties in accordance with the employment contract approved by the shareholders' meeting; and

(iii) if the ordinary course of the business of the Company includes the provision of a loan or loan guarantee, the Company may provide a loan or loan guarantee to the relevant directors, supervisors, president and other senior management officers and the Relevant Persons thereof, provided that they are on normal commercial terms.

Article 189 Any person who receives funds from a loan which has been made by the Company acting in breach of the preceding Article shall, irrespective of the terms of the loan, forthwith repay such funds to the Company.

Article 124 of the *Prerequisite Clauses*

Article 190 The loan guarantee which has been provided by the Company in breach of the preceding Article 189 (i) shall not be enforceable against the Company, save in respect of the following circumstances:

Article 125 of the *Prerequisite Clauses*

(i) the guarantee was provided in connection with a loan which was made to a Relevant Person of any of the directors, supervisors, president and other senior management officers of the Company or the Company's parent company and the lender of such funds did not know of the relevant circumstances at the time of the loan;

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

Article 191 For the purpose of the foregoing provisions of this Chapter, the term "guarantee" shall include the undertaking of liability or the provision of property by the guarantor to secure the obligor's performance of his obligations.

Article 126 of the *Prerequisite Clauses*

Article 192 When a director, supervisor, president and other senior management officer of the Company breaches the duties which he owes to the Company, in addition to any rights and remedies provided by laws, administrative regulations and the listing rules of the place where the shares of the Company are listed, the Company shall be entitled:

Article 127 of the *Prerequisite Clauses*

(i) to demand relevant director, supervisor, president and other senior management officer to compensate for the losses sustained by it as a result of such breach of duty;

(ii) to rescind any contract or transaction entered into between the Company and relevant director, supervisor, president and other senior management officer and between the Company and a third party (where such party knew or should have known that such director, supervisor, president and other senior management officer representing the Company has been in breach of his duty owed to the Company);

(iii) to demand relevant director, supervisor, president and other senior management officer to deliver the proceeds as result of the breach of his duty;

(iv) to recover any money which shall have been received by the Company but were received by relevant director, supervisor, president and other senior management officer instead, including (without limitation) any commissions;

(v) to demand repayment of any interests earned or which may have been earned by relevant director, supervisor, president and other senior management officer on moneys which shall have been received by the Company.

Article 193 The Company shall enter into a written contract with each director, supervisor and senior management officer, at least including the following provisions:

Section 54 and 55 of Chapter 19A of the HK Listing Rules

(i) the director, supervisor or senior management officer shall undertake to the Company, to comply with the Company Law, the Special Regulations, the Articles of Association and the Codes on Takeovers and Mergers and the Codes on Share Repurchases (as amended from time to time) approved by the Securities and Futures Commission and other regulations of the Hong Kong Stock Exchange, and agree that the Company will be entitled to the remedies as specified in the Articles of Association, and such contract and his position shall not be transferred;

(ii) the director, supervisor or senior management officer shall undertake to the company representing each shareholder, to comply with and perform the duties that he shall perform to the shareholders as required by the Articles of Association;

(iii) the arbitration provisions as specified in Article 246 hereof.

Article 194 The Company shall, with the prior approval of the shareholders' meeting, enter into a written contract with any director or supervisor in respect of his remuneration. The aforesaid remuneration may include:

Article 128 of the *Prerequisite Clauses*

(i) remuneration in respect of his service as director, supervisor or senior management officer of the Company;

(ii) remuneration in respect of his service as director, supervisor or senior management officer of any subsidiary of the Company;

(iii) remuneration in respect of the provision of other services in connection with the management of the Company and any of its subsidiaries; and

(iv) payment by way of compensation for loss of office or for or in connection with the retirement of such director or supervisor from office.

No proceedings may be brought by a director or supervisor against the Company for anything due to him in respect of the matters mentioned in this Article except pursuant to any contract described above.

Article 195 Any contracts for remuneration between the Company and its directors or supervisors shall provide that in the event that the Company is to be acquired by others, the Company's directors and supervisors shall, subject to the prior approval of the shareholders' meeting, have the right to receive compensation or other payment in respect of his loss of office or retirement.

Article 129 of the *Prerequisite Clauses*

For the purposes of the preceding paragraph, the acquisition of the Company includes any of the following:

(i) an acquisition offer made by any person to all the shareholders; or

(ii) an acquisition offer made by any person with a view to enable the offeror to become a "controlling shareholder", which has the same meaning as that prescribed in Article 59 of the Articles of Association.

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

Chapter 16 Financial and Accounting Systems and Profits Distribution

Article 196 The Company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the Accounting Standards of China formulated by the competent finance authorities under the State Council.

Article 130 of the *Prerequisite Clauses*

Article 197 The Company shall submit its annual financial and accounting reports to China Securities Regulatory Commission and stock exchanges within four months after the end of each accounting year; the semi-annual financial and accounting report to the agency of China Securities Regulatory Commission and stock exchanges within two months after the end of the first six months of each accounting year; as well as the quarterly financial and accounting report to the agency of China Securities Regulatory Commission and stock exchanges within one month after the end of the first three months and the first nine months of each accounting year, respectively.

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

Article 131 of the *Prerequisite Clauses*, Article 150 of the *Guidelines*

Article 198 The board of directors of the Company shall present to the shareholders, at every annual shareholders' meeting, such financial reports as are required to be prepared by the Company in accordance with the relevant laws, administrative regulations, regulatory documents promulgated by local government and competent governmental authorities and the listing rules of the place where the shares of the Company are listed.

Article 132 of the *Prerequisite Clauses*

Article 199 The Company's financial reports shall be maintained at the Company for shareholders' inspection twenty days before the date of the annual shareholders' meeting. Each shareholder shall be entitled to obtain a copy of the financial reports referred to in this Chapter.

Article 133 of the *Prerequisite Clauses*

Unless otherwise specified herein, the Company shall, at least 21 days before the date of the annual shareholders' meeting, deliver to each shareholder of overseas-listed foreign shares by prepaid mail at the address registered in the register of shareholders, such financial and accounting reports, together with reports of the board of directors report and the balance sheet (including each document required to be attached to the balance sheet as provided by laws), the income statement or the statement of revenues and expenditures or the financial summary report. Subject to the laws, administrative regulations, departmental rules, regulatory documents and the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, the Company may do by way of announcement (including publication on the website of the Company and/or on newspapers).

Letter of Opinion on Amendment VII, Section 5 of Appendix 3 to the Listing Rules
Section 48 of Chapter 19A of the HK Listing Rules

Article 200 The financial statements of the Company shall, in addition to being prepared in accordance with accounting standards and regulations of China, be prepared in accordance with either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed. If there is any material discrepancy between the financial statements prepared in accordance with the two accounting standards, such discrepancy shall be stated in the notes to financial statements. In distributing its after-tax profits for relevant accounting year, the lower of the after-tax profits presented in the aforesaid two financial statements shall prevail.

Article 134 of the *Prerequisite Clauses*

Article 201 Any interim results or financial information published or disclosed by the Company shall be prepared in accordance with accounting standards and regulations of China, as well as either international accounting standards, or those of the place outside the PRC where the shares of the Company are listed.

Article 135 of the *Prerequisite Clauses*

Article 202 The Company shall publish the financial reports twice every accounting year, that is, the interim financial report within 60 days after the end of the first six months of an accounting year, and the annual financial report within 120 days after the end of the accounting year.

The regulations of the securities regulatory authority at the place where the shares of the Company are listed shall apply if it is otherwise specified therein.

Article 136 of the *Prerequisite Clauses*

Article 203 The Company shall not establish accounting book other than those required by law. No assets of the Company shall be deposited in any account opened in the name of any individual.

Article 137 of the *Prerequisite Clauses*

Article 204 The capital reserve fund includes the following:

(i) any premium from share issuance at the price higher than the par value of shares;

(ii) any other income designated for the capital reserve fund as required by the competent finance authority under the State Council.

Article 138 of the *Prerequisite Clauses*

Article 205 The reserve funds of the Company shall be used to cover Company's losses, expand its production and operation, or be converted to the Company's increased capital. The reserve funds of the Company shall be used to:

(i) cover losses, and the capital reserve funds shall not be used to cover losses.

(ii) be converted into the increased capital. Where the statutory reserve fund is to be converted into capital by capitalization, the retained reserve fund may not fall below 25% of the registered capital of the Company before such conversion.

(iii) expand production and operation of the Company.

Article 168 of the *Company Law*

Article 206 The board of directors, the board of supervisors and the shareholders' meeting shall fully consider the opinions of independent directors, external supervisors and small and medium shareholders in the process of decision-making and demonstration of the profit distribution policy of the Company.

Article 139 of the *Prerequisite Clauses*, Article 154 of the *Guidelines*

The Company implements a sustainable, stable, scientific, and positive profit distribution policy, pays attention to the reasonable return on investment of shareholders, and maintains the continuity and stability of the profit distribution policy.

(i) The profit distribution policy of the Company:

Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies and No. 3 Regulatory Guidance for Listed Companies – Cash Dividends of Listed Companies issued by CSRC

1. Profit distribution principle: The company implements a positive profit distribution policy, pays attention to the reasonable return on investment of investors, and maintains continuity and stability while taking into account the sustainable development of the Company. The profit distribution shall not exceed the scope of accumulated distributable profits and shall not impair the Company's ability to continue to operate as a going concern;

2. Form of profit distribution: The Company may distribute dividends in the form of cash, stocks or a combination of cash and stocks, and preferentially use cash dividend distribution.

   The Company generally makes profit distribution on an annual basis. If it is allowable under the conditions, the board of directors may propose that the Company make profit distribution for the interim period.

3. Proportion of cash dividends: To the extent that the requirements for funds for the Company's normal production and operation are satisfied, the Company is profitable in the current year and the cumulative undistributed profits are positive, dividends may be distributed in cash. The profits distributed in cash each year shall not be less than 10% of distributable profits realized in the year.

The Company may not pay cash dividends or the proportion of cash dividends may be lower than 10% of the distributable profits realized during the year:

(1) distributable profit per share realized in the current year is less than RMB0.1;

(2) the audited debt asset ratio in the current year (parent company) exceeds 70%;

(3) the Company will have major investment plans or major cash outlays in the next 12 months (except for the raised funds);

A major investment plan or significant cash outlay means that the Company intends to make external investment, acquire assets, or purchase equipment in the next 12 months, of which cumulative expenditure exceeds 30% of the net assets in the latest audited consolidated statement of the Company, in excess of RMB50 million.

4. The profits accumulatively distributed by the Company in cash over the last three years are not less than 30% of the annual average distributable profits realized in the last three years.

5. When the Company is in good operating condition and the board of directors believes that the Company's stock price does not match the size of the Company's share capital, and that the issuance of stock dividends is beneficial to the overall interests of all the Company's shareholders, it can propose a stock dividend distribution plan under the condition that the above cash dividends are satisfied.

(ii) The differentiated cash dividend policy of the Company:

The board of directors of the Company shall take into comprehensive consideration such factors as the characteristics of the industry of the company, development stage, own operating model, profitability, and whether there are major capital expenditure arrangements. The board of directors shall distinguish the following conditions and propose a differentiated cash dividend policy in accordance with the procedures stipulated in the Articles of Association:

1. If the Company is in the mature development stage and there are no major capital expenditure arrangements, when profit distribution is carried out, cash dividends shall be at least 80% in the profit distribution;

2. If the Company is in the mature development stage and there are major capital expenditure arrangements, when profit distribution is carried out, cash dividends shall be at least 40% in the profit distribution;

3. If the Company is in the growth development stage and there are major capital expenditure arrangements, when profit distribution is carried out, cash dividends shall be at least 20% in the profit distribution.

This provision shall apply if the board of directors of the Company considers that the development stage of the Company is not easy to be differentiated but there are major capital expenditure arrangements.

(iii) Procedures for considering the profit distribution:

1. The management and the board of directors of the Company, in combination of the Company's profitability and funding requirements, make reasonable proposals for dividends and plans. The board of directors of the Company must fully discuss with the independent directors and supervisors in the process of demonstration of the profit distribution plan, and fully listen to the views of the small and medium shareholders through various channels, and form the profit distribution plan on the basis of considering the continuous, stable, and scientific return to all shareholders.

   When the board of directors considers the profit distribution plan, it must be approved by a majority of the votes of all directors, and by more than half of the votes of the Company's independent directors who shall express clear independent opinions; when the board of supervisors considers the profit distribution plan, it must be approved by a majority of the votes of all supervisors. The profit distribution plan shall be submitted to the shareholders' meeting

2. If the Company does not make payment of cash dividends under the special circumstances as set out in Paragraph (i)3 of this Article, the board of directors shall make specific explanations on the specific reasons for non-payment of cash dividends, the actual use of the Company's retained earnings, and projected investment income, and after the independent directors express their opinions, submit to the shareholders' meeting for consideration and make disclosure in the media designated by the Company;

3. The board of supervisors shall supervise the implementation of the Company's profit distribution policy and decision-making procedures by the board of directors and management, and issue special explanations on the implementation of relevant policies in the event that there are profits in the year but no

(iv) Change of the profit distribution policy of the Company

In the event of force majeure such as wars or natural disasters, or changes in the external operating environment of the Company which may have material effect on the Company's production and operations, or major changes in the Company's own operating conditions, the Company may adjust the profit distribution policy.

With respect to the Company's adjustment of the profit distribution policy, the board of directors shall make a special discussion, explain the adjustment reason in detail, and form a written argumentation report, which shall be, after consideration by the independent directors, submitted to the shareholders' meeting for approval by special resolution. When considering the changes in the Company's profit distribution policy, the Company shall make online voting available for shareholders.

Article 207 In distributing its after-tax profits, the Company shall allocate ten percent of profits to the statutory reserve fund of the Company. Allocation to the Company's statutory reserve fund may be waived once the cumulative amount of statutory reserve fund is 50% or more of the Company's registered capital.

Article 166 of the *Company Law*

Where the statutory reserve fund of the Company is not sufficient to cover the Company's loss for the previous year, the profits for the current year shall be used to cover such loss before allocation is made to the statutory reserve fund pursuant to the previous paragraph.

After allocation to the statutory reserve fund has been made from the after-tax profits of the Company, allocation may be made to discretionary reserve fund if a resolution is adopted at the shareholders' meeting.

If the shareholders' meeting or the board of directors, in violation of the previous paragraph, distributes profits to shareholders before covering losses of the Company and making allocation to the Company's statutory reserve fund, the profits so distributed must be returned by the shareholders to the Company.

The shares of the Company held by the Company may not be applied to profit distribution.

Article 208 The Company shall appoint one or more receiving agents for the shareholders of the overseas-listed foreign shares. Such receiving agents shall on behalf of such shareholders receive dividends distributed by the Company in respect of the overseas-listed foreign shares and all other amounts payable, hold in custody such amounts on behalf of such shareholders of overseas-listed foreign shares, to be paid to such holders.

Article 140 of the *Prerequisite Clauses*

Letter of Opinion on Amendment VIII, Section 51 of Chapter 19A of the Listing Rules
Section 1(c) of Appendix 13D to the Listing Rules

The receiving agents appointed by the Company shall meet the relevant requirements of the laws of the place or the relevant requirements of the stock exchange at the place where the shares of the Company are listed.

The receiving agents appointed for the shareholders of overseas-listed foreign shares that are listed in Hong Kong Stock Exchange shall each be a company registered as a trust company under the Trustee Ordinance of Hong Kong.

Section 13(1) of Appendix 3 to the HK Listing Rules

The Company shall have the right to terminate the serving of dividend warrant to a shareholder of the overseas-listed foreign shares in the form of mailing, but it may exercise such power only if the dividend warrant hasn't been withdrawn for twice consecutively. If the dividend warrant hasn't been served to the addressee at the first time and is returned, the Company may then exercise such power.

Section 2(2) of Appendix 3 to the HK Listing Rules

With respect to the exercise of power to issue warrants to bearer holders, unless the Company, without reasonable doubt, does believe that the original warrants have been destroyed, no new warrants may be issued in place of the lost warrants.

Section 13(2) of Appendix 3 to the HK Listing Rules

Subject to the applicable laws and regulations, the Company shall have the right to sell the shares of the shareholders of overseas-listed foreign shares that cannot be contacted in such a manner as the board of directors deems appropriate, subject to the following conditions:

Section 3(2) of Appendix 3 to the HK Listing Rules

(i) dividends on the relevant shares have been distributed for at least three times within twelve years and were not claimed during the period; and

Section 47 of Chapter 19A of the HK Listing Rules

(ii) after the expiration of the twelve-year period, the Company has published an announcement in one or more newspapers at the place of listing of the Company, stating its intention to sell the shares, and notifying such intention to the stock exchanges where such shares are listed.

Section 3(1) of Appendix 3 to the HK Listing Rules

Subject to the relevant laws, regulations, rules, regulatory documents and the relevant requirements of the securities regulatory authority at the place where the shares of the Company are listed, the Company may exercise its power to forfeit unclaimed dividends. However, such power may not be exercised until the applicable limitation period expires, and may only be exercised six years or more after the date of announcement of dividends.

Interests may accrue on any shares that have been already paid before the call is made, but the holder of such shares shall have no right to participate in the distribution of the dividends made thereafter with respect to the prepaid shares.

Chapter 17 Internal Audit and Engagement of Accounting Firm

Article 209 The Company shall implement an internal auditing system and appoint full time auditors to carry out internal auditing and supervision of the Company's incomes and expenses and economic activities.

Article 141 of the *Prerequisite Clauses*

Article 210 The Company's internal auditing system and the responsibilities of the auditors shall be carried out after obtaining approval of the board of directors. The audit leader shall be accountable and report to the board of directors.

Article 157 of the *Guidelines*

Article 211 The Company shall engage an independent accounting firm which is in compliance with the regulations of the country and has obtained the "qualification to engage in securities related businesses" to audit the Company's annual financial report and other financial reports.

Article 158 of the *Guidelines*

Article 212 The term of the accounting firm engaged by the Company shall commence from the conclusion of the annual shareholders' meeting and expire at the conclusion of the next annual shareholders' meeting; the accounting firm may be re-engaged upon expiration of the term.

Article 142 of the *Prerequisite Clauses*

Article 213 The accounting firm engaged by the Company shall have the following rights:

Article 143 of the *Prerequisite Clauses*

(i) to inspect the books, records or vouchers of the Company at any time, to require the directors, president or other senior management officers of the Company to provide relevant information and explanations;

(ii) to require the Company to take all reasonable measures to obtain from its subsidiaries such information and explanations as are necessary for the discharge of its duties by the accounting firm;

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

Article 214 If there is a vacancy in the position of accounting firm of the Company, the board of directors may engage an accounting firm to fill such vacancy before the convening of the shareholders' meeting. Any other accounting firm which has been engaged by the Company may continue to act during the period during which a vacancy exists.

Article 144 of the *Prerequisite Clauses*

Article 215 The shareholders' meeting may by ordinary resolution remove any accounting firm before the expiration of its term of office, irrespective of the provisions in the contract between the Company and the accounting firm. However, the accounting firm's right to claim for damages which arise from its removal shall not be affected thereby.

Article 216 The Company warrants that it shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting information, and shall not refuse to provide, hide, or misrepresent any information.

Article 145 of the *Prerequisite Clauses*

Article 217 The remuneration of an accounting firm or the manner in which such firm is to be remunerated shall be determined by the shareholders' meeting. The remuneration of the accounting firm engaged by the board of directors shall be determined by the board of directors.

Article 146 of the *Prerequisite Clauses*

Article 218 The Company's engagement, removal or discontinuance of engagement of an accounting firm shall be resolved by the shareholders' meeting. Such resolution shall be filed with the securities regulatory authority under the State Council.

Article 147 of the *Prerequisite Clauses*

Where a resolution is adopted at the shareholders' meeting to appoint an accounting firm other than an incumbent accounting firm, to fill any vacancy in the office of the accounting firm, or reappoint an accounting firm which is appointed by the board of directors to fill the vacancy or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

Letter of Opinion on Amendment IX, Section 1(e)(i) of Appendix 13D to the Listing Rules

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

The term "leaving" includes being removed, resignation and retirement.

(ii) if the accounting firm which is to leave its post makes representations in writing and requests the Company to give the shareholders notice of such representation, the Company shall (unless the representations have been received too late) take the following measures:

1. In any notice of the resolution given to shareholders, state the fact of the representations having been made by the accounting firm which is to leave its post; and

2. Attach a copy of the representations to the notice and deliver it to all shareholders who are entitled to receive the notice of the shareholders' meeting in the manner stipulated in the Articles of Association.

(iii) If the Company fails to send out the accounting firm's representations in the manner set out in Item (ii) above, the respective accounting firm may require that the representations be read out at the shareholders' meeting and may make further complaint.

(iv) An accounting firm leaving its post shall be entitled to attend the following meetings:

1. the shareholders' meeting at which its term of office would otherwise have expired;

2. the shareholders' meeting at which it is proposed to fill the vacancy caused by its removal; and

3. the shareholders' meeting which is convened as a result of its resignation.

The accounting firm leaving its post shall have the right to receive all notices of, or other information relating to, any such meeting, to speak at any such meeting on any part of the business of the meeting which concerns it as the former accounting firm of the Company.

Article 219 When the Company intends to remove or do not renew the engagement of an accounting firm, it shall notify the said firm thirty days in advance. The accounting firm shall have the right to state its opinions to the shareholders' meeting. Where the accounting firm proposes for resignation, it shall state to the shareholders' meeting whether or not there is anything improper in the Company.

Article 148 of the *Prerequisite Clauses*

The accounting firm may resign by placing its written notice of resignation at the legal address of the Company. The said notice shall come into effect on the day when it is placed at the legal address of the Company or the date indicated therein, whichever is later. Such notice shall include the following representations:

Letter of Opinion on Amendment X, Section 1(e)(ii) of Appendix 13D to the Listing Rules

(i) representation stating that it deems that its resignation does not involve any situation necessary to be explained to the shareholders or creditors of the Company; or

(ii) representation regarding any issues to be explained.

The Company shall, within fourteen days upon receipt of the written notice prescribed in the foregoing paragraph, send copies of such notice to the competent authority. If the said notice contains representations mentioned in Item (ii) of the preceding paragraph, the Company shall keep copies of such representations in the Company for inspection by shareholders. The Company shall also deliver copies thereof to each shareholder who is entitled to receive reports on financial position of the Company at the address registered in the register of shareholders.

Section 1(e)(iii) of Appendix 13D to the HK Listing Rules

If the resignation notice of the accounting firm contains a representation mentioned in Item (ii) of Paragraph 2 of this Article, the accounting firm may request the board of directors to convene an extraordinary shareholders' meeting to hear its explanations on issues relating to its resignation.

Section 1(e)(iv) of Appendix 13D to the HK Listing Rules

Chapter 18 Merger, Division, Capital Increase and Capital Reduction of the Company

Article 220 In the event of the merger or division of the Company, a plan shall be presented by the board of directors of the Company and shall be approved in accordance with the procedures stipulated in the Articles of Association, the Company shall then handle the relevant approval procedures according to the law. A shareholder who objects to the plan of merger or division shall have the right to demand the Company or the shareholders who consent to the plan of merger or division to acquire its shares at a fair price. The contents of the resolution of merger or division of the Company shall constitute special documents which shall be available for inspection by the shareholders.

Article 149 of the *Prerequisite Clauses*

The abovementioned documents shall also be served by mail on each shareholder of overseas-listed foreign shares at the address registered in the register of shareholders.

Article 221 The merger of the Company may take the form of either merger by absorption and merger by consolidation.

Article 150 of the *Prerequisite Clauses*, Article 172, 173 and 174 of the *Company Law*

In the event of merger of the Company, the parties to such merger shall execute a merger agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within ten days of, and make announcement in the Securities Times within thirty (30) days of, the date of the Company's resolution for merger. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

After merger, any creditor's rights and indebtedness of the merged parties shall be assumed by the Company which survives the merger or the newly established company.

Article 222 In the event of division of the Company, its assets shall be divided up accordingly.

Article 151 of the *Prerequisite Clauses*, Article 175 and 176 of the *Company Law*

In the event of division of the Company, the parties to division shall execute a division agreement and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within then days of, and make announcement in the Securities Times within thirty days, of the date of the Company's division resolution.

The debts of the Company prior to the division shall be assumed jointly and severally by the companies arising from the division, save as agreed in the written agreement between the Company and the creditor in respect of discharge of the debts prior to the division.

Article 223 The Company must prepare a balance sheet and an inventory list of its assets when it intends to reduce its registered capital.

Article 152 of the *Prerequisite Clauses*

The Company shall notify its creditors within ten days of, and make announcement in the Securities Times within thirty days, of the date of the Company's resolution for reduction of capital. A creditor may, within thirty days of receipt of the notice from the Company or, in the case of failure to receive such notice, within forty-five days of the date of announcement, require the Company to repay its debts or to provide a corresponding guarantee for such debt.

The Company's registered capital must not, after the reduction in capital, be less than the minimum amount required by law.

Article 224 The Company shall, in accordance with the law, handle the procedures for change registration with the company registration authority where a change in any registration items arises as a result of any merger or division. In the event of dissolution of the Company, the Company shall handle the procedures for registration of cancellation in accordance with the law. In the event of establishment of a new company, the Company shall handle the procedures for registration of establishment in accordance with the law.

Where the Company increases or reduces its registered capital, the Company shall handle the procedures for change registration with the company registration authority in accordance with the law.

Chapter 19 Dissolution and Liquidation of the Company

Article 225 The Company may be dissolved and go into liquidation in accordance with the law in any of the following circumstances:

Article 153 of the *Prerequisite Clauses*, Article 180 and 182 of the *Company Law*, Article 180 of the *Guidelines*

(i) where the operation period provided herein expires or where any cause for dissolution provided herein occurs;

(ii) where the shareholders' meeting has adopted a resolution for dissolution;

(iii) where dissolution is required due to merger or division of the Company;

(iv) where the Company is declared bankrupt in accordance with the law due to its inability to pay the debts that are due;

(v) where the business license of the Company is revoked, or the Company is ordered to close down or cancelled in accordance with the law;

(vi) where the Company runs deep into difficulties in operation and management, its continuous existence may cause material losses to shareholders' interests, and such difficulties cannot be dealt with in other ways, the shareholders holding 10% or more of votes of all shareholders of the Company may file an application to the People's Court to dissolve the Company.

Article 226 In the circumstance as set out in the Item (i) of the preceding article, the Company may continue to exist by amending the Articles of Association. Where the Company is dissolved pursuant to the items (i), (ii) and (vi) of the preceding article, a liquidation team shall be established within 15 days, and members thereof shall be determined by the shareholders' meeting by ordinary resolution.

Article 154 of the *Prerequisite Clauses*, Article 183 of the *Company Law*

Where the Company is dissolved pursuant to the Item (iv) of the preceding article, the People's Court shall, according to provisions of relevant laws, organize the shareholders, the relevant authorities and related professionals to form a liquidation team to carry out liquidation.

Where the Company is dissolved pursuant to the Item (v) of the preceding article, the competent authority shall organize the shareholders, the relevant authorities and related professionals to form a liquidation team to carry out liquidation.

In case no liquidation team is established within the specified period to carry out liquidation, the creditors may file an application to the People's Court to designate relevant persons to form a liquidation team to carry out liquidation. The People's Court shall accept such application, and timely organize the liquidation team to carry out liquidation.

Article 227 Where the board of directors proposes to liquidate the Company (for any reason other than the Company's declaration of its insolvency), the board of directors shall include a statement in its notice convening the shareholders' meeting for such purpose, after making full investigation over the conditions of the Company, in the opinion of the board of directors, the Company will be able to pay its debts in full within 12 months from the commencement of the liquidation.

Article 155 of the *Prerequisite Clauses*

Upon the adoption of the resolution for the liquidation of the Company by the shareholders' meeting, all powers of the board of directors shall cease immediately.

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

Article 228 The liquidation team shall notify the creditors within 10 days of, and make announcements in the Securities Times within 60 days, of the date of its establishment. A creditor shall, within 30 days of receipt of the notice, or in the case of failure to receive the notice, within 45 days of the date of the announcement, claim its rights to the liquidation team.

Article 156 of the *Prerequisite Clauses*, Article 185 of the *Company Law*

In claiming its rights, the creditor shall explain the relevant issues on the creditor's rights, and provide evidential materials in respect thereof. The liquidation team shall register the creditor's rights in accordance with the relevant laws.

In the course of claiming of creditors' rights, the liquidation team shall not make any repayment to creditors.

Article 229 During the liquidation period, the liquidation team shall exercise the following functions and powers;

Article 157 of the *Prerequisite Clauses*, Article 184 of the *Company Law*

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

(ii) to notify or make announcement to the creditors;

(iii) to deal with and liquidate any outstanding businesses of the Company;

(iv) to pay all outstanding taxes and taxes arising from the liquidation;

(v) to settle creditor's rights and debts;

(vi) to deal with the remaining assets after the Company's debts have been paid;

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

Article 230 After it has liquidated the Company's assets and prepared the balance sheet and an inventory of assets, the liquidation team shall formulate a liquidation plan and present it to the shareholders' meeting or to the competent authority for confirmation.

Article 158 of the *Prerequisite Clauses*, Article 186 of the *Company Law*

The assets of the Company shall be applied in the sequence below: payment of liquidation cost, salary of employees, social insurance premiums, statutory compensation, taxes payable, and debts of the Company.

The remaining assets after payment is made pursuant to the foregoing provision shall be distributed to its shareholders according to the category and proportion of the shares held by shareholders.

During the liquidation period, the Company remains in existence; however, it shall not carry out any business activities unrelated to liquidation.

The Company's assets shall not be distributed to its shareholders before payment is made pursuant to the foregoing provision.

Article 231 If, liquidation occurs due to dissolution of the Company, and after liquidation of the Company's assets and preparation of a balance sheet and an inventory of assets, the liquidation team discovers that the Company's assets are insufficient to pay the Company's debts in full, the liquidation team shall immediately file an application to the People's Court for declaration of bankruptcy.

Article 159 of the *Prerequisite Clauses*

After the Company is declared bankrupt pursuant to the adjudication of the People's Court, the liquidation team shall transfer all matters relating to the liquidation to the People's Court.

Article 232 Upon completion of the liquidation, the liquidation team shall prepare a liquidation report, a statement of incomes and expenses for the liquidation period and financial books, which shall, after verified by a certified public accountant of China, be submitted to the shareholders' meeting or competent authority for confirmation.

Article 160 of the *Prerequisite Clauses*

The liquidation team shall, within 30 days after confirmation by the shareholders' meeting or competent authority, submit the foregoing documents to the company registration authority and apply for cancellation of registration of the Company, and make announcement relating to the termination of the Company.

Article 233 Members of the liquidation team shall faithfully perform their duties and perform their liquidation obligations in accordance with the law. Members of the liquidation team may not, by abusing their authorities, accept bribes or receive other illegal income, nor misappropriate the Company's assets. Any member of the liquidation team who causes losses to the Company or its creditors due to his intentional misconduct or gross negligence shall be liable for damages.

Article 234 Where the Company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the laws concerning bankruptcy of enterprises.

Chapter 20 Procedures for Amending the Articles of Association

Article 235 The Company may amend the Articles of Association in accordance with the laws, administrative regulations and the Articles of Association.

Article 161 of the *Prerequisite Clauses*

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

(i) the Articles of Association are contradictory to any provision of the amended version of the Company Law or other relevant laws or administrative regulations;

(ii) there is any change to the condition of the Company, which is inconsistent with any matter recorded in the Articles of Association;

(iii) the shareholders' meeting adopts a resolution for amendment of the Articles of Association.

Article 236 Any amendment of the Articles of Association shall, if involving the contents in the Prerequisite Clauses, become effective after approved by the company approval authority authorized by the State Council and the securities regulatory authority under the State Council; if there is any change relating to the registered particulars of the Company, the procedures for change registration shall be handled in accordance with the law.

Article 162 of the *Prerequisite Clauses*

Article 237 The board of directors shall amend the Articles of Association according to the resolution of the shareholders' meeting for amendments hereof and the approval opinions of competent authority.

Any amendments to the Articles of Association which are required to be disclosed pursuant to laws and regulations shall be made known to the public in accordance with the relevant laws and regulations.

Chapter 21 Notice and Announcement

Article 238 Any and all notices of the Company shall be delivered as follows:

Section 7(1) and 7(3) of Appendix 3 to the HK Listing Rules, Article 163 and 164 of the *Guidelines*

(i) personally;

(ii) by mail;

(iii) by facsimile or email;

(iv) by means published on the website designated by the Company and the Hong Kong Stock Exchange, subject to compliance with the laws, administrative regulations and the listing rules of the stock exchange at the place where the shares of the Company are listed;

(v) by announcement;

(vi) by other means previously agreed by the Company or the receiving party or as recognized by the receiving party after receipt of the notice;

(vii) by other means as recognized by the relevant regulatory authority at the place where the shares of the Company are listed or prescribed by the Articles of Association.

The term "announcement" as mentioned herein, unless otherwise stated in the context, for purposes of the announcement made to the shareholders of domestic-listed domestic shares or which shall be made within PRC in accordance with the relevant regulations and the Articles of Association, means publication of announcement in the newspapers and periodicals of China. The relevant newspapers and periodicals shall be those prescribed by the laws and regulations of China, or designated, agreed or permitted by the securities regulatory authority under the State Council; for purposes of the announcement made to the shareholders of H-shares of the Company or which shall be made in Hong Kong in accordance with the relevant regulations and the Articles of Association, such announcement must be published in the newspapers and periodicals and/or other designated media (including the website of the Hong Kong Stock Exchange and the Company) as required by the HK Listing Rules.

Unless otherwise specified herein, if any notice issued to the shareholders of H-shares of the Company is delivered by announcement, according to the requirements of the HK Listing Rules, one the same day, the electronic version available for publication immediately shall be submitted to the Hong Kong Stock Exchange via the electronic system of the Hong Kong Stock Exchange, for publication on the website of the Hong Kong Stock Exchange, or announcement shall be published in the newspapers (including publication of advertisements in the newspapers). The announcement must also be posted on the Company's website. In addition, unless otherwise provided in the Articles of Association, the notice must be delivered personally or by postage prepaid mail at the address registered in the register of shareholders of each shareholder of overseas-listed foreign shares, so that the shareholder may have sufficient notice and enough time to exercise its rights or act upon the terms notified.

The shareholders of overseas-listed foreign shares of the Company may in writing select to receive, by electronic means or by mailing, any company communications which shall be mailed by the Company to shareholders, and to only receive the Chinese version or the English version, or both; and may also within reasonable time give a prior written notice to the Company to change the method for receiving the above information and the language version according to the appropriate procedures.

If a shareholder or director intends to prove that he has served a notice, document, information or written statement on the Company, he must provide the evidence to prove that the relevant notice, document, information or written statement has been served in the usual manner within the time specified or by postage prepaid mail mailed to the correct address.

Even if the foregoing provision expressly requires the provision and/or distribution of company communications to shareholders in writing, for purposes of the means for provision and/or distribution of company communications to shareholders according to the requirements of the HK Listing Rules, the Company may, with the prior written consent or implicit consent of the shareholders in accordance with the relevant laws and regulations and relevant requirements of the HK Listing Rules amended from time to time, send or provide company communications to shareholders of the Company by electronic means or by posting information on the Company's website. Company communications include, but are not limited to, circulars, annual reports, mid-year reports, notices of the shareholders' meeting, and other company communications listed in the HK Listing Rules.

Article 239 The notice of holding the shareholders' meeting shall be sent by means as set out in Article 239 hereof. Article 165 of the *Guidelines*

Article 240 The notice of holding the meetings of the board of directors shall be sent by means as set out in Article 239 hereof. Article 166 of the *Guidelines*

Article 241 The notice of holding the meetings of the board of supervisors shall be sent by means as set out in Article 239 hereof. Article 167 of the *Guidelines*

Article 242 Notices of the Company shall be deemed to have been served at the time below: if sent by personally, as of the date of signing by the addressee who shall signs (or seals) the delivery receipt; if sent by letter, five working days upon its delivery to the post office; if sent by announcement, as of the date of its first publication. Article 168 of the *Guidelines*

Where the notice is delivered by post, it is only necessary to clearly state the address, prepaid postage, and place the notice in the envelope. The notice shall be deemed to have been given if the envelope containing the notice is placed into the mailbox, and will be deemed to have been received 48 hours after it has been issued.

Article 243 If any notice of meeting fails to be given to any person entitled to receive such notice due to accidental omission or such person does not receive a notice of meeting, the meeting and the resolution adopted thereat shall not become invalid thereby.

Article 169 of the *Guidelines*

Article 244 The Company designates the Securities Times and http://www.cninfo.com.cn as the media for publication of the announcement for the Company's A-shares and other information to be disclosed.

Article 170 of the *Guidelines*

Chapter 22 Settlement of Disputes

Article 245 The Company shall abide by the following principles for settlement of disputes:

Letter of Opinion on Amendment XI, Article 163 of the Prerequisite Clauses

(i) Any disputes or claims in connection with the affairs of the Company arising between the Company and its directors, supervisors or senior management officers, between the shareholders of the overseas-listed foreign shares and the Company, between the shareholders of the overseas-listed foreign shares and the Company's directors, supervisors or senior management officers members, between the shareholders of the overseas-listed foreign shares and shareholders of domestic shares, in respect of any rights or obligations under the contracts concluded in accordance with the Articles of Association, and pursuant to Article 194 and 195 hereof and as prescribed by the Company Law and any other relevant laws and administrative regulations shall be referred by the parties concerned to the arbitration body for arbitration.

Section 54(3) of Chapter 19A of the HK Listing Rules

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

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

(ii) A claimant may elect for arbitration to be carried out at China International Economic and Trade Arbitration Commission in accordance with the arbitration rules thereof or Hong Kong International Arbitration Center in accordance with the Securities Arbitration Rules thereof. Once a claimant submits a dispute or claim to arbitration, the other party must submit to the arbitral body elected by the claimant.

If a claimant elects for arbitration to be carried out at Hong Kong International Arbitration Center, any party to the dispute or claim may apply for arbitration to take place in Shenzhen in accordance with the Securities Arbitration Rules of Hong Kong International Arbitration Center.

(iii) If any disputes or claims are settled by way of arbitration in accordance with Item (i), the laws of the PRC shall govern, save as otherwise provided in the laws and administrative regulations.

(iv) The award rendered by an arbitral body shall be final and binding on all parties.

(v) The arbitration agreement is entered into by and between the directors or senior management officers and the Company. The Company represents both itself and each shareholder.

(vi) Any submitted arbitration shall be deemed to authorize the arbitral tribunal to conduct a public hearing and announce its award.

Chapter 23 Supplementary Provisions

Article 246 The phrases "more than", "within" and "less than" herein for the numbers shall include the numbers indicated themselves, while the phrases "exceed", "beyond" and "over" shall exclude the numbers indicated themselves.

Article 165 of the *Prerequisite Clauses*

The meaning of the accounting firm as used herein shall be the same as the "auditor".

The term "related party relationship" means the relationship between the Company and the related party as defined in the listing rules of the place where the shares of the Company are listed.

Article 247 Any and all notices or other documents to be submitted by the Company to the Hong Kong Stock Exchange shall be written in English or attached with the English translation that is signed and verified.

Section 56 of Chapter 19A of the HK Listing Rules

The Articles of Association are written in Chinese. In case of any discrepancy between the version in other languages and the Chinese version, the Chinese version shall prevail.

If there is any discrepancy between the provisions concerning such matter of the Articles of Association and relevant laws and regulations, rules, regulatory documents and the listing rules of the stock exchange at the place where the shares of the Company are listed, the latter shall prevail.

The matters not covered herein shall be governed by the relevant laws and regulations, rules, regulatory documents and the listing rules of the stock exchange at the place where the shares of the Company are listed.

Article 248 The board of directors of the Company shall be responsible for interpretation of the Articles of Association, and become effective after being adopted at the shareholders' meeting and after the shares of the Company are listed and traded on the Hong Kong Stock Exchange.